

**L.S.U. AT EUNICE FOUNDATION, INC.**

Eunice, Louisiana

FINANCIAL REPORT

Years Ended June 30, 2022 and 2021

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
L.S.U. at Eunice Foundation, Inc.  
Eunice, Louisiana

### *Opinion*

We have audited the accompanying financial statements of L.S.U. at Eunice Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of L.S.U. at Eunice Foundation, 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 audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of L.S.U. at Eunice Foundation, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about L.S.U. at Eunice Foundation, 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 and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of L.S.U. at Eunice Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as 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 L.S.U. at Eunice Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2022 on our consideration of L.S.U. at Eunice Foundation, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 L.S.U. at Eunice Foundation, Inc.'s internal control over financial reporting and compliance.

***Darnall, Sikes, & Frederick***

A Corporation of Certified Public Accountants

Eunice, Louisiana  
December 15, 2022

L.S.U. AT EUNICE FOUNDATION, INC.

Statements of Financial Position  
June 30, 2022 and 2021

ASSETS

	<u>2022</u>	<u>2021</u>
ASSETS		
Pledges receivable, net	\$ 517,712	\$ 111,915
Investments in L.S.U. Foundation managed assets, at market	3,296,759	3,418,469
Long-term pledges receivable, net	<u>584,015</u>	<u>493,584</u>
Total assets	<u>\$ 4,398,486</u>	<u>\$ 4,023,968</u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Current Portion of Long-Term Debt	\$ 18,407	\$ 17,636
Long-Term Debt, net of current portion	<u>430,591</u>	<u>449,335</u>
Total liabilities	<u>448,998</u>	<u>466,971</u>
NET ASSETS		
Without Donor Restrictions	\$ 1,857,950	\$ 1,199,688
With Donor Restrictions	<u>2,091,538</u>	<u>2,357,309</u>
Total net assets	<u>3,949,488</u>	<u>3,556,997</u>
Total liabilities and net assets	<u>\$ 4,398,486</u>	<u>\$ 4,023,968</u>

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

L.S.U. AT EUNICE FOUNDATION, INC.

Statements of Activities  
Years Ended June 30, 2022 and 2021

	Year Ended June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
<u>Changes in Net Assets:</u>			
Revenues, gains and reclassifications -			
Contributions	\$ 1,375,717	\$ 424,137	\$ 1,799,854
Fundraising	112,475	-	112,475
Investment earnings	49,310	55,461	104,771
Net realized and unrealized gains (losses) on investments	(330,006)	(372,134)	(702,140)
Net assets released from restrictions	373,235	(373,235)	-
Total revenues, gains, and reclassifications	<u>1,580,731</u>	<u>(265,771)</u>	<u>1,314,960</u>
Expenses:			
<u>Program Services</u>			
Scholarships	178,370	-	178,370
Support to LSUE	<u>662,181</u>	<u>-</u>	<u>662,181</u>
Total program services	<u>840,551</u>	<u>-</u>	<u>840,551</u>
<u>Supporting Services</u>			
Management and General	50,016	-	50,016
Fundraising	<u>31,902</u>	<u>-</u>	<u>31,902</u>
Total supporting services	<u>81,918</u>	<u>-</u>	<u>81,918</u>
Total expenses	<u>922,469</u>	<u>-</u>	<u>922,469</u>
Change in net assets	658,262	(265,771)	392,491
Net assets, beginning of year	<u>1,199,688</u>	<u>2,357,309</u>	<u>3,556,997</u>
Net assets, end of year	<u>\$ 1,857,950</u>	<u>\$ 2,091,538</u>	<u>\$ 3,949,488</u>

Year Ended June 30, 2021

Without Donor Restrictions	With Donor Restrictions	Total
\$ 341,750	\$ 271,889	\$ 613,639
49,420	-	49,420
35,579	69,065	104,644
189,939	368,704	558,643
<u>106,583</u>	<u>(106,583)</u>	<u>-</u>
<u>723,271</u>	<u>603,075</u>	<u>1,326,346</u>
272,461	-	272,461
<u>216,902</u>	<u>-</u>	<u>216,902</u>
<u>489,363</u>	<u>-</u>	<u>489,363</u>
28,925	-	28,925
<u>17,890</u>	<u>-</u>	<u>17,890</u>
<u>46,815</u>	<u>-</u>	<u>46,815</u>
<u>536,178</u>	<u>-</u>	<u>536,178</u>
187,093	603,075	790,168
<u>1,012,595</u>	<u>1,754,234</u>	<u>2,766,829</u>
<u>\$ 1,199,688</u>	<u>\$ 2,357,309</u>	<u>\$ 3,556,997</u>

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

L.S.U. AT EUNICE FOUNDATION, INC.

Statement of Functional Expenses  
Year Ended June 30, 2022

	Program Services			Supporting Services			Total
	Scholarships	Direct Support to LSUE	Total Program Services	Management and General	Fundraising	Total Supporting Services	
EXPENSES:							
Fellowships	\$ -	\$ 336,516	\$ 336,516	\$ -	\$ -	\$ -	\$ 336,516
Terminal pay	-	40,247	40,247	-	-	-	40,247
Travel	-	15,004	15,004	4,533	-	4,533	19,537
Operating services	-	59,546	59,546	13,230	26,887	40,117	99,663
Principal	-	17,636	17,636	-	-	-	17,636
Interest	-	19,684	19,684	-	-	-	19,684
Operating supplies	-	65,919	65,919	1,266	5,015	6,281	72,200
Professional services	-	53,979	53,979	27,437	-	27,437	81,416
Other charges	-	19,054	19,054	3,550	-	3,550	22,604
Student scholarships	178,370	-	178,370	-	-	-	178,370
Equipment/acquisitions	-	34,596	34,596	-	-	-	34,596
Total expenses	<u>\$ 178,370</u>	<u>\$ 662,181</u>	<u>\$ 840,551</u>	<u>\$ 50,016</u>	<u>\$ 31,902</u>	<u>\$ 81,918</u>	<u>\$ 922,469</u>

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

L.S.U. AT EUNICE FOUNDATION, INC.

Statement of Functional Expenses  
Year Ended June 30, 2021

	Program Services			Supporting Services			Total
	Scholarships	Direct Support to LSUE	Total Program Services	Management and General	Fundraising	Total Supporting Services	
EXPENSES:							
Fellowships	\$ -	\$ 83,374	\$ 83,374	\$ -	\$ -	\$ -	\$ 83,374
Terminal pay	-	12,049	12,049	-	-	-	12,049
Travel	-	2,243	2,243	-	-	-	2,243
Operating services	-	35,359	35,359	23,775	15,440	39,215	74,574
Principal	-	16,616	16,616	-	-	-	16,616
Interest	-	20,424	20,424	-	-	-	20,424
Operating supplies	-	26,366	26,366	-	2,450	2,450	28,816
Professional services	-	-	-	5,150	-	5,150	5,150
Other charges	-	1,731	1,731	-	-	-	1,731
Student scholarships	272,461	-	272,461	-	-	-	272,461
Athletic facilities	-	12,170	12,170	-	-	-	12,170
Equipment/acquisitions	-	6,570	6,570	-	-	-	6,570
Total expenses	<u>\$ 272,461</u>	<u>\$ 216,902</u>	<u>\$ 489,363</u>	<u>\$ 28,925</u>	<u>\$ 17,890</u>	<u>\$ 46,815</u>	<u>\$ 536,178</u>

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

L.S.U. AT EUNICE FOUNDATION, INC.

Statements of Cash Flows  
Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 392,491	\$ 790,168
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Net Realized and unrealized (gain) loss on investments	<u>702,140</u>	<u>(558,643)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>1,094,631</u>	<u>231,525</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(1,912,329)	(663,059)
Reinvestment of investment earnings	(104,771)	(104,644)
Withdrawal of investments	<u>922,469</u>	<u>536,178</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(1,094,631)</u>	<u>(231,525)</u>
NET INCREASE IN CASH	-	-
CASH AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>
CASH AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>

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

L.S.U. AT EUNICE FOUNDATION, INC.

Notes to Financial Statements

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The L.S.U. at Eunice Foundation, Inc. is a non-profit corporation formed to promote the educational cultural welfare of Louisiana State University at Eunice by accepting gifts for the purpose of providing scholarships, aiding research or such other designated projects for the benefit of the University.

Basis of Accounting

The Foundation uses the accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized when they are incurred.

Basis of Presentation

The Foundation has adopted FASB Financial Accounting Standards Update 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities*. Under FASB ASU 2016-14, the Foundation is required to report information regarding its financial position and activities according to the following net asset classifications:

*Net Assets without Donor Restrictions* – Net assets without donor restrictions are resources available to support operations and not subject to donor or grantor restrictions.

*Net Assets with Donor Restrictions* – Net assets with donor restrictions are resources that are subject to donor-imposed or grantor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statements of Activities and Changes in Net Assets.

Uses of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

L.S.U. AT EUNICE FOUNDATION, INC.

Notes to Financial Statements

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)

Income Taxes

The Foundation is exempt from federal income tax under Section 501(a) of the Internal Revenue Code (IRC) as an organization described in IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made.

However, should the Foundation engage in activities unrelated to its exempt purpose, taxable income could result. The Foundation had no material unrelated business income for the fiscal years audited.

The Foundation elected the provisions of FASB ASC 740-10. It has not adopted any uncertain tax positions with respect to those amounts reported in its fiscal years ended June 30, 2022 and 2021 financial statements.

The Organization's income tax filings are subject to audit by various taxing authorities.

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 among the programs and supporting services benefited.

Contributions

Contributions received are recorded as support with or without donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is met), net assets with donor restrictions are reclassified to net assets without donor restrictions, as appropriate, and reported in the statements of activities and changes in net assets as net assets released from restrictions.

Pledges Receivable

Pledges receivable are unconditional promises to give and are recognized as revenue in the period received. Promises to give are recorded at their realizable value if they are expected to be collected in one year and at fair value if they are expected to be collected in more than one year. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. In the opinion of management, all unconditional promises to give were considered to be collectible and an allowance for uncollectible promises to give was not considered necessary.

Subsequent Events

Management has evaluated subsequent events through December 15, 2022, the date the financial statements were available to be issued. There were no events that required disclosure

L.S.U. AT EUNICE FOUNDATION, INC.

Notes to Financial Statements

NOTE 2 AVAILABILITY AND LIQUIDITY

The Foundation regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while investing available funds in accordance with the Foundation's investment policy. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its regular, recurring, and ongoing program service activities as well as the conduct of services undertaken to support those activities to be general expenditures. The Foundation anticipates revenues to be sufficient to meet its general expenditure needs.

The Foundation does not consider assets including principal of investments to be available for general expenditure. Principal balances on investments are restricted by donor intent.

As of June 30, 2022, the following schedule identifies financial assets that could be made readily available within one year of the statement of financial position date to meet general expenditures:

<u>Financial assets at year end:</u>	
Investment securities, at market	\$ 3,296,760
Total financial assets	<u>3,296,760</u>
Less: those unavailable for general expenditures: within one year, due to:	
Principal of Investments	\$ 2,091,538
Restricted for debt repayment	<u>37,320</u>
	<u>\$ 2,128,858</u>
Total financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,167,902</u>

NOTE 3 INVESTMENTS IN L.S.U. FOUNDATION MANAGED ASSETS

The Foundation entered into a management agreement with the L.S.U. Foundation whereby the L.S.U. Foundation shall hold funds on behalf of the Foundation solely for the purpose of investing the funds. The L.S.U. Foundation may assess its standard service fees annually to cover its administrative costs. The agreement shall remain in effect until 180-day written notice is given by either party to the other party.

Investments held by the L.S.U. Foundation on behalf of the Foundation are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the statement of activities.

L.S.U. AT EUNICE FOUNDATION, INC.

Notes to Financial Statements

NOTE 3 INVESTMENTS IN L.S.U. FOUNDATION MANAGED ASSETS (Continued)

Investment in L.S.U. Foundation managed assets consisted of the following as of June 30:

	2022		2021	
	Cost	Market Value	Cost	Market Value
Unrestricted	\$ 1,206,375	\$ 1,205,221	\$ 1,019,832	\$ 1,061,160
Permanently Restricted	<u>1,699,137</u>	<u>2,091,538</u>	<u>1,608,294</u>	<u>2,357,309</u>
	<u>\$ 2,905,512</u>	<u>\$ 3,296,759</u>	<u>\$ 2,628,126</u>	<u>\$ 3,418,469</u>

Fair Values of Financial Instruments

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

These levels are:

- Level 1 -inputs are based upon adjusted quoted prices for identical instruments traded in active markets.
- Level 2 -inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of assets or liabilities.
- Level 3 -inputs are generally unobservable and typically reflect management’s estimate of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

Fair Value of Assets Measured on a Recurring Basis

The Foundation’s investments in securities with readily determinable fair values are recorded at fair value based on quoted market prices. For those investments, where quoted prices are unavailable, management estimates fair value based on quoted prices for similar instruments with consideration of actively quoted interest rates, credit ratings and spreads, prepayment models, and collateral data. The Foundation utilizes several externally managed funds of funds for private equity, venture capital, and hedge funds, and with these types of investments, quoted prices are often unavailable, and pricing inputs are generally unobservable. The Foundation relies on the valuation procedures and methodologies of the external managers hired specifically to invest in such securities or in strategies which employ such securities. The application of those valuation procedures and methodologies are borne out in each manager’s FASB ASC 820 compliant annual audited financial statements and were monitored through the L.S.U. Foundation’s reporting periods ended June 30, 2022 and 2021.

L.S.U. AT EUNICE FOUNDATION, INC.

Notes to Financial Statements

NOTE 3 INVESTMENTS IN L.S.U. FOUNDATION MANAGED ASSETS (Continued)

The following tables present the fair value at June 30, 2022 and 2021, for each of the fair-value hierarchy levels, the Foundation's portion of the pooled financial assets and liabilities that are measured at fair value on a recurring basis as managed by the L.S.U. Foundation.

	2022			Totals
	Level 1	Level 2	Level 3	
Government/Agency Obligations	\$ -	\$ 50,485	\$ -	\$ 50,485
U.S. Treasury Securities	305,286			305,286
Corporate Obligations	-	85,111	-	85,111
Common stock	25,198	-	-	25,198
Municipal Bonds	-	18,437	-	18,437
Mutual Funds	910,872	-	-	910,872
Trust Funds Held by Agent	12,339	-	-	12,339
Royalty interests	-	-	766	766
Beneficial Interest in Split Interest Agreements	-	-	13,209	13,209
Total	<u>\$ 1,253,695</u>	<u>\$ 154,033</u>	<u>\$ 13,975</u>	
Commingled funds (including hedge funds measured at net asset value (a))				1,205,602
Private market investments measured at net asset value (a)				505,219
Other investments measured at net asset value (a)				164,236
				<u>\$ 3,296,760</u>

	2021			Totals
	Level 1	Level 2	Level 3	
Government/Agency Obligations	\$ -	\$ 6,862	\$ -	\$ 6,862
Corporate Obligations	-	119,821	-	119,821
Common stock	30,984	-	-	30,984
Municipal Bonds	-	23,471	-	23,471
Mutual Funds	1,106,964	-	-	1,106,964
Trust Funds Held by Agent	17,211	-	-	17,211
Royalty interests	-	-	808	808
Beneficial Interest in Split Interest Agreements	-	-	17,997	17,997
Total	<u>\$ 1,155,159</u>	<u>\$ 150,154</u>	<u>\$ 18,805</u>	
Commingled funds (including hedge funds measured at net asset value (a))				1,246,923
Private market investments measured at net asset value (a)				493,519
Other investments measured at net asset value (a)				353,909
				<u>\$ 3,418,469</u>

(a) - In accordance with Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts present in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

L.S.U. AT EUNICE FOUNDATION, INC.

Notes to Financial Statements

NOTE 3 INVESTMENTS IN L.S.U. FOUNDATION MANAGED ASSETS (Continued)

The following tables present the nature, characteristics and risks, at June 30, 2022 and 2021, of investments measured at net asset value and whether the investments, if sold, are probable of being sold at amounts different from net asset value per share or its equivalent:

	2022			
	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Commingled Funds	\$ 687,065	\$ -	quarterly or less	< 90 days
Hedge Funds:				
Long/short equity	394	-	longer than quarterly	< 90 days
Long/short equity	14,234	-	quarterly or less	< 90 days
Relative Value	-	-	longer than quarterly	< 90 days
Event driven	81,213	-	longer than quarterly	< 90 days
Credit	-	-	longer than quarterly	> 90 days
Credit	-	-	quarterly or less	< 90 days
Multi-strategy	67,620	-	longer than quarterly	< 90 days
Multi-strategy	<u>355,075</u>	-	quarterly or less	< 90 days
Total commingled and hedge funds	1,205,602			
Private markets	505,219	192,855		
Other	<u>164,236</u>	<u>-</u>	quarterly or less	< 90 days
Total	<u>\$ 1,875,057</u>	<u>\$ 192,855</u>		

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L.S.U. AT EUNICE FOUNDATION, INC.

Notes to Financial Statements

NOTE 3 INVESTMENTS IN L.S.U. FOUNDATION MANAGED ASSETS (Continued)

	2021		Redemption Frequency (If Currently Eligible)	Redemption Notice Period
	Fair Value	Unfunded Commitments		
Commingled Funds	\$ 854,037	\$ -	quarterly or less	< 90 days
Hedge Funds:				
Long/short equity	445	-	longer than quarterly	< 90 days
Long/short equity	20,627	-	quarterly or less	< 90 days
Relative Value	-	-	longer than quarterly	< 90 days
Event driven	102,269	-	longer than quarterly	< 90 days
Credit	48,216	-	longer than quarterly	> 90 days
Credit	-	-	quarterly or less	< 90 days
Multi-strategy	69,912	-	longer than quarterly	< 90 days
Multi-strategy	<u>151,416</u>	<u>-</u>	quarterly or less	< 90 days
Total commingled and hedge funds	1,246,923			
Private markets	493,519	148,032		
Other	<u>353,909</u>	<u>-</u>	quarterly or less	< 90 days
Total	<u>\$ 2,094,351</u>	<u>\$ 148,032</u>		

The following table presents the changes in fair value in Level 3 instruments that are measured at fair value on a recurring basis for the years ended June 30, 2022 and 2021.

Balance - June 30, 2020	\$ 10,426
Purchases/capital calls/receipts	8,572
Sales	(1,437)
Unrealized gains (losses)	1,244
Realized gains (losses)	-
Balance - June 30, 2021	<u>18,805</u>
Purchases/capital calls/receipts	-
Sales	-
Unrealized gains (losses)	(4,830)
Realized gains (losses)	-
Balance - June 30, 2022	<u>\$ 13,975</u>

Fair Value of Assets Measured on a Nonrecurring Basis

The Foundation had no material assets or liabilities measured at fair value on a nonrecurring basis as of June 30, 2022.

L.S.U. AT EUNICE FOUNDATION, INC.

Notes to Financial Statements

NOTE 4 UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at June 30, 2022 and 2021, were as follows:

	<u>2022</u>	<u>2021</u>
Promises to give expected to be collected in:		
Less than one year	\$ 363,307	\$ 62,175
One to five years	772,026	248,700
More that five years	<u>-</u>	<u>300,000</u>
	1,135,333	610,875
Less discount on promises to give	(33,606)	(5,376)
Less allowance for uncollectible accounts	<u>-</u>	<u>-</u>
Net unconditional promises to give	<u>\$ 1,101,727</u>	<u>\$ 605,499</u>

The discount rates used in discounting unconditional promises to give that were made in fiscal years 2022 and 2021 were 2.96% and 0.22% respectively.

NOTE 5 LONG-TERM DEBT

LSUE Foundation entered into a multiple advance loan agreement for the purpose of financing the construction of a soccer facility on behalf of Louisiana State University at Eunice. The note is dated June 15, 2018 original principal amount of \$500,000, bearing a variable interest rate, currently at 4.23%, per annum. The note requires 12 interest only payments beginning July 15, 2018 followed by 108 principal and interest payments of \$3,110, beginning July 15, 2019, and 131 principal and interest payments of \$3,104, beginning July 28, 2028.

The following is a summary of debt transactions for the year ended June 30, 2022:

Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Amount Due in One Year
<u>\$ 466,971</u>	<u>\$ -</u>	<u>\$ 17,973</u>	<u>\$ 448,998</u>	<u>\$ 18,407</u>

The annual requirements to amortize all debt transactions for the year ended June 30, 2022, including interest expense are as follows:

Year Ending June 30	Principal	Interest	Total
2023	\$ 18,407	\$ 18,913	\$ 37,320
2024	19,162	18,158	37,320
2025	20,050	17,270	37,320
2026	20,927	16,393	37,320
2027	22,758	14,562	37,320
Thereafter	347,694	83,496	431,190
Total	<u>\$ 448,998</u>	<u>\$ 168,792</u>	<u>\$ 617,790</u>

Total interest expense totaled \$19,684 for the year ended June 30, 2022.

L.S.U. AT EUNICE FOUNDATION, INC.

Notes to Financial Statements

NOTE 6 RESTRICTIONS ON NET ASSETS

Permanently restricted net assets consist of the following at June 30:

	<u>2022</u>	<u>2021</u>
Endowment funds	<u>\$ 2,091,538</u>	<u>\$ 2,357,309</u>

NOTE 7 COMMITMENTS AND CONTINGENCIES

Grants, bequests, and endowments require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions, or in the case of endowments, failure to continue to fulfill them, could result in the return of the funds to grantors. Although that is a possibility, the Board deems the contingency remote, since by accepting the grants and their terms, it has accommodated the objectives of the organization to the provisions of the grant.

NOTE 8 NET ASSETS RELEASED FROM RESTRICTIONS

Net assets, derived from reserved earnings of endowment funds, were released from restrictions, in the amount of \$373,235 and \$106,583, for the years ended June 30, 2022 and 2021, respectively, in order to meet spending requirements.

NOTE 9 COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD

LSUE Foundation, Inc. provides no compensation or other payments to employees derived from public sources of funding.

**ADDITIONAL INFORMATION**



Independent Auditor's Report on Internal Control Over Financial Reporting  
And on Compliance and Other Matters Based on an  
Audit of Financial Statements Performed in  
Accordance with *Governmental Auditing Standards*

To the Board of Directors  
L.S.U. at Eunice Foundation, Inc.  
Eunice, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of L.S.U. at Eunice Foundation, Inc. (a nonprofit organization), as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise L.S.U. at Eunice Foundation, Inc.'s basic financial statements, and have issued our report thereon dated December 15, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered L.S.U. at Eunice Foundation, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of considered L.S.U. at Eunice Foundation, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness L.S.U. at Eunice Foundation, Inc.'s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether L.S.U. at Eunice Foundation, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Board of Directors, management, and others within the organization and is not intended to be and should not be used by anyone other than those specific parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document, therefore its distribution is not limited.

***Darnall, Sikes & Frederick***

A Corporation of Certified Public Accountants

Eunice, Louisiana

December 15, 2022

L.S.U. AT EUNICE FOUNDATION, INC.

Schedule of Findings and Responses  
Year Ended June 30, 2022

Part I Summary of auditor's Results

FINANCIAL STATEMENTS

Auditor's Report

An unmodified opinion has been issued on L.S.U. at Eunice Foundation, Inc.'s financial statements as of and for the year ended June 30, 2022.

Deficiencies and Material Weaknesses in Internal Control– Financial Reporting

There were no deficiencies or material weaknesses in internal control noted during the audit of the financial statements.

Material Noncompliance or Other Matters – Financial Reporting

There were no instances of noncompliance material to the financial statements disclosed during the audit of the financial statements.

FEDERAL AWARDS

This section is not applicable for the fiscal year ended June 30, 2022.

Part II Findings relating to an Audit in Accordance with *Government Auditing Standards*

There were no reportable conditions or instances of material noncompliance noted during the audit.

Part III Findings and Questioned Costs Relating to Federal Programs

At June 30, 2022, L.S.U. at Eunice Foundation, Inc. did not meet the requirements to have a single audit in accordance with OMB Uniform Guidance; therefore, this section is not applicable.

Part IV Management Letter

The auditor did not issue a management letter this year.

L.S.U. AT EUNICE FOUNDATION, INC.

Summary Schedule of Prior Year Findings  
Year Ended June 30, 2022

There were no prior year findings.

L.S.U. AT EUNICE FOUNDATION, INC.

Management's Corrective Action Plan  
Year Ended June 30, 2022

No current year findings were noted, therefore, no response is deemed necessary.