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RAGIN' CAJUN FACILITIES, INC.

FINANCIAL REPORT

JUNE 30, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10/19/05

C O N T E N T S

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statements of financial position of Ragin' Cajun Facilities, Inc. (a nonprofit organization) as of June 30, 2005 and 2004 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ragin' Cajun Facilities, Inc. as of June 30, 2005 and 2004, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated August 25, 2005, on our consideration of Ragin' Cajun Facilities, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Broussard, Poché, Lewis & Breaux, LLP

Lafayette, Louisiana
August 25, 2005

RAGIN' CAJUN FACILITIES, INC.

STATEMENTS OF FINANCIAL POSITION
June 30, 2005 and 2004

ASSETS	2005	2004
CURRENT ASSETS		
Rent receivable	$ 487,623	$ -0-
RESTRICTED ASSETS		
Cash	$ 1,306,733	$ 1,685,758
PROPERTY AND EQUIPMENT		
Buildings	$ 13,385,745	$ -
Furniture and equipment	1,899,602	-
Construction in progress	-	15,284,700
Capitalized interest costs	1,461,965	1,461,965
Accumulated depreciation and amortization	(684,884)	-
Total property and equipment	$ 16,062,428	$ 16,746,665
OTHER ASSETS		
Bond issuance costs, net of accumulated amortization, $63,653 and $35,472, respectively	$ 524,360	$ 547,241
Total assets	$ 18,381,144	$ 18,979,664

LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS		
Current maturities of bonds payable	$ 350,000	$ -
Retainage payable	-	10,000
Accrued interest payable	225,123	225,123
Total current liabilities	$ 575,123	$ 235,123
LONG-TERM LIABILITIES		
Bonds payable less current maturities, net Of original issue discount, $299,317 and $312,378, respectively	18,415,683	18,752,622
Total liabilities	$ 18,990,806	$ 18,987,745
NET ASSETS		
Unrestricted - deficit	(609,662)	(8,081)
Total liabilities and net assets	$ 18,381,144	$ 18,979,664

See Notes to Financial Statements.

RAGIN' CAJUN FACILITIES, INC.

STATEMENTS OF ACTIVITES
Years Ended June 30, 2005 and 2004

	2005	2004
REVENUES:		
Rental income	$ 1,002,237	$ -
Interest income	17,770	-
	$ 1,020,007	$ -0-
EXPENSES:		
Management and general	$ 270	$ 8,081
Depreciation and amortization	684,884	-
Interest expense	936,434	-
	$ 1,621,588	$ 8,081
Change in net assets - unrestricted (deficit)	$ (601,581)	$ (8,081)
Net assets at beginning of year	(8,081)	-
Net assets at end of year - unrestricted (deficit)	$ (609,662)	$ (8,081)

See Notes to Financial Statements.

RAGIN' CAJUN FACILITIES, INC.

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2005 and 2004

	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (601,581)	$ (8,081)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	684,884	-
Amortization of deferred bond cost and bond discount included in interest expense	35,942	-
Increase in rents receivable	(487,623)	-
Net cash used in operating activities	$ (368,378)	$ (8,081)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	$ (10,647)	$(11,027,267)
Bond issue costs capitalized	-	-
Investment income received	-	23,350
Capitalized interest paid	-	(900,493)
Net cash used in investing activities	$ (10,647)	$(11,904,410)
Net decrease in cash	$ (379,025)	$(11,912,491)
Cash, beginning of year	1,685,758	13,598,249
Cash, end of year	$ 1,306,733	$ 1,685,758

See Notes to Financial Statements.

RAGIN' CAJUN FACILITIES, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Significant Accounting Policies

Nature of organization:

Ragin' Cajun Facilities, Inc. (the "Corporation") is a Louisiana nonprofit corporation chartered in January 2001. Its purpose is to promote, assist and benefit the educational, scientific, research and public service mission of University of Louisiana at Lafayette (the "University"). The objectives of the Corporation are to acquire, construct, develop, manage, lease as lessor or lessee, mortgage and/or convey student housing and other facilities on the campus of the University.

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

Significant accounting policies:

Allowance for doubtful accounts -

The Corporation considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

Restricted cash -

The Corporation maintains money market balances required for financing the costs of the development, design, construction and equipping of new student housing and child care facilities (collectively, the "Facilities") for students, faculty and staff of the University, funding a debt service reserve fund, paying capitalized interest on the bonds, and paying costs of issuance of the bonds, including the premium for the Bond Insurance Policy. These reserved amounts are reflected as restricted cash on the statement of financial position. The funds are held in trust and can only be disbursed in accordance with the trust agreement by the trustee.

These money market funds are not bank deposits or obligations, are not guaranteed by the Bank in trust and are not insured by the FDIC, the Federal Reserve Board, or any other government agency. The funds are in the name of the Bank in trust and not held in the name of the Corporation. Such short-term investments are categorized as Category 3, uninsured and unregistered for which the securities are held by the broker or dealer, or by its trust department or agent but not in the entity's name. These funds are reflected as restricted cash on the statement of financial position.

Property and equipment -

Purchased property and equipment is recorded at cost at the date of acquisition. Depreciation is computed basis over the estimated useful life of the related assets at rates based on the following estimated useful lives:

	Years
Buildings and improvements	30
Appliances, furniture and equipment	10

Interest on debt issued to finance the construction of the Facilities has been capitalized as a part of the project. Investment earnings on temporary investments earned during the construction phase are netted against capitalized interest. All construction costs as of June 30, 2004 are included in construction in progress. Thereafter, the building was placed in service. The Corporation has capitalized interest totaling $1,899,602. Amortization on capitalized interest is consistent with the depreciation method used for buildings and improvements.

Federal income taxes -

The Corporation qualifies for an exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements.

Cash and cash equivalents -

For the purposes of the statement of cash flows, the Corporation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Use of estimates -

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

Note 2. Long-Term Debt

Revenue bonds with an aggregate principal amount of $19,065,000 were issued by the Lafayette Public Trust Financing Authority and the proceeds were loaned to the Corporation pursuant to a loan agreement dated October 1, 2002. The purchase price of the bonds was $18,299,854 which represents the original principal amount, less an underwriter's discount of $152,520, less net original issue discount of $332,626, and less the bond insurance premium of $280,000.

Aggregate maturities required on long-term debt, including interest of $16,098,136 are as follows at June 30:

	Principal	Interest	Total
2006	$ 350,000	$ 895,899	$ 1,245,899
2007	360,000	886,130	1,246,130
2008	370,000	875,128	1,245,128
2009	380,000	862,745	1,242,745
2010	395,000	848,882	1,243,882
2011-2015	2,235,000	3,998,477	6,233,477
2016-2020	2,915,000	3,393,125	6,308,125
2021-2025	3,740,000	2,567,250	6,307,250
2026-2030	4,815,000	1,501,875	6,316,875
2031-2033	3,505,000	268,625	3,773,625
	$19,065,000	$16,098,136	$35,163,136

Cash paid for interest during the years ended June 30, 2005 and 2004 was $900,493 and $900,493, respectively.

Note 3. Facilities Lease Agreement

The Corporation entered into an agreement to lease the Facilities to the Board of Supervisors of the Louisiana System (the "Board"). The rental payments under this lease are to be paid semiannually (March 15 and September 15) and include a base rental equal to the sum of the principal of, premium, if any, and interest due and payable on the bonds on the following April 1 or October 1. The future minimum rental payments to be received as base rental payments are the amounts as reflected in Note 2 above. In addition to the base rental, the Board will pay additional rental of any and all expenses, of every nature, character, and kind whatsoever, incurred by the Corporation, on behalf of the Board, and/or by the Board or Ragin' Cajun Facilities in the management, operation, ownership, and/or maintenance of the Facilities. Rentals payments will begin to accrue after the next interest payment on October 1, 2004.

Note 4. Ground Lease Agreement

The Corporation entered into an agreement effective October 29, 2002 to lease the land on which the Facilities will be constructed from the Board. The lease term expires on October 1, 2028. The rent shall be due and paid annually in advance in the sum of $1 per year.

Note 5. Non-Cash Transactions

The original issue discount of $332,626 and bond issuance costs of $432,520 were deducted directly from the bond proceeds and are amortized over the term of the bonds using the interest method. As a result, the amortization of the original issue discount and the bond issuance costs for the fiscal year ended June 30, 2005 was $13,061 and $22,881, respectively, and $12,415 and $21,748, respectively, for the June 30, 2004 fiscal year.

Additionally, accrued interest payable was recorded in the amounts of $225,123 at June 30, 2005 and 2004 for the portion of the scheduled October 1 interest payment relating to the respective fiscal year. The interest accrual, in addition to amortization of bond issuance costs, is included in capitalized interest costs at June 30, 2004. Interest capitalization ceased when the building was placed in service at the beginning of the fiscal year.

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statements of Ragin' Cajun Facilities, Inc. (a nonprofit organization) as of and for the years ended June 30, 2005 and 2004, and have issued our report thereon dated August 25, 2005. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Ragin' Cajun Facilities, Inc.'s financial statements are free of material misstatement, we performed test of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Ragin' Cajun Facilities, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information of management, others within the organization, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Broussard, Poche', Lewis & Breaux, LLP

Lafayette, Louisiana
August 25, 2005

RAGIN' CAJUN FACILITIES, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2005

We have audited the financial statements of Ragin' Cajun Facilities, Inc. as of and for the year ended June 30, 2005, and have issued our report thereon dated August 25, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2005 resulted in an unqualified opinion.

Section I - Summary of Auditors' Reports

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

Internal Control
Material Weaknesses ___ Yes _X_ No
Reportable Conditions ___ Yes _X_ None reported

Compliance
Compliance Material to Financial Statements ___ Yes _X_ No

Section II - Financial Statement Findings

There were no current year findings reported.

RAGIN' CAJUN FACILITIES, INC.

SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended June 30, 2005

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

Not applicable.

Section II. Internal Control and Compliance Material to Federal Awards

Not applicable.

Section III. Management Letter

Not applicable.