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RAGIN' CAJUN FACILITIES, INC.

FINANCIAL REPORT

JUNE 30, 2006

C O N T E N T S

BROUSSARD, POCHÉ, LEWIS & BREAUX, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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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, 2006 and 2005 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, 2006 and 2005, 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 22, 2006, 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 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 the internal control over financial reporting or on compliance. 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, Poche', Lewis & Breaux, LLP

Lafayette, Louisiana
August 22, 2006

RAGIN' CAJUN FACILITIES, INC.

STATEMENTS OF FINANCIAL POSITION
June 30, 2006 and 2005

ASSETS	2006	2005
CURRENT ASSETS		
Rent receivable	$ 482,420	$ 487,623
RESTRICTED ASSETS		
Cash	$ 1,349,608	$ 1,306,733
PROPERTY AND EQUIPMENT		
Buildings	$ 14,847,710	$ 14,847,710
Furniture and equipment	1,899,602	1,899,602
	$ 16,747,312	$ 16,747,312
Accumulated depreciation and amortization	(1,369,768)	(684,884)
Total property and equipment	$ 15,377,544	$ 16,062,428
OTHER ASSETS		
Bond issuance costs, net of accumulated amortization, $86,868 and $63,653, respectively	$ 501,145	$ 524,360
Total assets	$ 17,710,717	$ 18,381,144

LIABILITIES AND NET ASSETS	2006	2005
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS		
Current maturities of bonds payable	$ 360,000	$ 350,000
Accrued interest payable	222,826	225,123
Total current liabilities	$ 582,826	$ 575,123
LONG-TERM LIABILITIES		
Bonds payable less current maturities, net of original issue discount, $286,065 and $299,317, respectively	18,068,935	18,415,683
Total liabilities	$ 18,651,761	$ 18,990,806
NET ASSETS		
Unrestricted - deficit	(941,044)	(609,662)
Total liabilities and net assets	$ 17,710,717	$ 18,381,144

See Notes to Financial Statements.

RAGIN' CAJUN FACILITIES, INC.

STATEMENTS OF ACTIVITES
Years Ended June 30, 2006 and 2005

	2006	2005
REVENUES:		
Rental income	$ 1,240,696	$ 1,002,237
Interest income	42,876	17,770
	$ 1,283,572	$ 1,020,007
EXPENSES:		
Management and general	$ -	$ 270
Depreciation and amortization	684,884	684,884
Interest expense	930,070	936,434
	$ 1,614,954	$ 1,621,588
Change in net assets - unrestricted (deficit)	$ (331,382)	$ (601,581)
Net assets at beginning of year	(609,662)	(8,081)
Net assets at end of year - unrestricted (deficit)	$ (941,044)	$ (609,662)

See Notes to Financial Statements.

RAGIN' CAJUN FACILITIES, INC.

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2006 and 2005

	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (331,382)	$ (601,581)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	684,884	684,884
Amortization of deferred bond cost and bond discount included in interest expense	36,467	35,942
Decrease (increase) in rents receivable	5,203	(487,623)
Decrease in accrued interest payable	(2,297)	-
Net cash provided by (used in) operating activities	$ 392,875	$ (368,378)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	$ -0-	$ (10,647)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Principal payments on bonds payable	$ (350,000)	$ -0-
Net decrease in cash	$ 42,875	$ (379,025)
Cash, beginning of year	1,306,733	1,685,758
Cash, end of year	$ 1,349,608	$ 1,306,733

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 and are collateralized by securities held by the pledging financial institutions trust department, but not in the Corporation's name. These funds are reflected as restricted cash on the statement of financial position.

Cash and cash equivalents -

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

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 $1,461,965. 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.

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 $15,202,239 are as follows at June 30:

	Principal	Interest	Total
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	848,883	1,243,883
2011	410,000	833,990	1,243,990
2012-2016	2,355,000	3,899,988	6,254,988
2017-2021	3,060,000	3,243,750	6,303,750
2022-2026	3,935,000	2,375,375	6,310,375
2027-2031	5,055,000	1,255,125	6,310,125
2032-2033	2,395,000	121,125	2,516,125
	$18,715,000	$15,202,239	$33,917,239

Cash paid for interest during the years ended June 30, 2006 and 2005 was $895,899 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

Amortization of the original issue discount and the bond issuance costs for the fiscal year ended June 30, 2006 was $13,252 and $23,215, respectively, and $13,061 and $22,881, respectively, for the June 30, 2005 fiscal year. Amortization of the bond cost and discount are included in interest expense.

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

To the Board of 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, 2006 and 2005, and have issued our report thereon dated August 22, 2006. 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.

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.

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 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.

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 22, 2006

RAGIN' CAJUN FACILITIES, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2006

We have audited the financial statements of Ragin' Cajun Facilities, Inc. as of and for the year ended June 30, 2006, and have issued our report thereon dated August 22, 2006. 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, 2006 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, 2006

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.