UNIVERSITY OF LOUISIANA AT LAFAYETTE FOUNDATION, INC.

FINANCIAL REPORT

JUNE 30, 2015

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying statements of financial position of the University of Louisiana at Lafayette Foundation, Inc. (the "Foundation") as of June 30, 2015 and 2014 and the related statements of activities and cash flows for the years then ended, and the related notes to financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2015 and 2014 and the respective 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.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits and other payments to agency head on page 29 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated September 8, 2015 on our consideration of the Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the Foundation's internal control over financial reporting and compliance.

Broussard Poche LLP

Lafayette, Louisiana
September 8, 2015

UNIVERSITY OF LOUISIANA AT LAFAYETTE FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION
As of June 30, 2015 and 2014

ASSETS	2015	2014
Cash and cash equivalents	$ 9,162,956	$ 10,689,947
Cash – designated for investment	-	5,900,000
Contributions receivable, net	8,124,878	3,442,062
Accounts receivable	104,088	18,192
Investments, at market value	156,079,258	149,148,711
Property and equipment, net	8,677,597	8,281,731
Artworks	2,943,071	2,898,271
Accrued interest receivable	135,979	90,587
Other assets	592,237	538,257
Total assets	$185,820,064	$181,007,758
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	$ 1,502,236	$ 1,417,933
Grants payable to University	8,050	1,000
Funds held in custody	35,241,653	35,283,671
Bonds payable	800,000	1,500,000
Note payable	432,888	450,568
Other liabilities	135,941	136,214
Total liabilities	$ 38,120,768	$ 38,789,386
Net assets:		
Unrestricted	$ 4,573,286	$ 3,300,654
Temporarily restricted	60,071,970	56,817,772
Permanently restricted	83,054,040	82,099,946
Total net assets	$147,699,296	$142,218,372
Total liabilities and net assets	$185,820,064	$181,007,758

See Notes to Financial Statements.

UNIVERSITY OF LOUISIANA AT LAFAYETTE FOUNDATION, INC.

STATEMENT OF ACTIVITIES
Year Ended June 30, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, GAINS, LOSSES AND OTHER SUPPORT:				
Contributions	$ 115,124	$ 18,833,286	$ 1,241,693	$ 20,190,103
Contributions – artwork	-	34,800	-	34,800
Interest and dividends	2,977	2,607,002	-	2,609,979
Net gains and (losses) on investments –				
Realized	-	972,383	-	972,383
Unrealized	-	(1,779,205)	-	(1,779,205)
Other income	516,738	359,632	632	877,002
Grant revenue	9,195	-	-	9,195
Net assets released from restrictions –				
Satisfaction of purpose restrictions	17,360,727	(17,360,727)	-	-
Transfers between net asset classifications	701,204	(412,973)	(288,231)	-
Total revenues, gains, losses and other support	$ 18,705,965	$ 3,254,198	$ 954,094	$ 22,914,257
EXPENSES:				
Grants paid to benefit University of Louisiana at Lafayette for –				
Projects specified by donors	$ 14,707,426	$ -	$ -	$ 14,707,426
Fundraising –				
Salaries and benefits	348,268	-	-	348,268
Other	390,636	-	-	390,636
Supporting services –				
Salaries and benefits	317,942	-	-	317,942
Insurance	84,993	-	-	84,993
Office operations	125,566	-	-	125,566
Travel	9,301	-	-	9,301
Professional services	262,415	-	-	262,415
Dues and subscriptions	4,834	-	-	4,834
Meetings and development	3,958	-	-	3,958
Investment management fee	226,397	-	-	226,397
Interest	92,078	-	-	92,078
Depreciation and amortization	327,651	-	-	327,651
Bad debt expense	531,868	-	-	531,868
Total expenses	$ 17,433,333	$ -	$ -	$ 17,433,333

(continued)

UNIVERSITY OF LOUISIANA AT LAFAYETTE FOUNDATION, INC.

STATEMENT OF ACTIVITIES (CONTINUED)
Year Ended June 30, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Change in net assets	$ 1,272,632	$ 3,254,198	$ 954,094	$ 5,480,924
Net assets at beginning of year	3,300,654	56,817,772	82,099,946	142,218,372
Net assets at end of year	$ 4,573,286	$ 60,071,970	$83,054,040	$147,699,296

See Notes to Financial Statements.

UNIVERSITY OF LOUISIANA AT LAFAYETTE FOUNDATION, INC.

STATEMENT OF ACTIVITIES
Year Ended June 30, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, GAINS, LOSSES AND OTHER SUPPORT:				
Contributions	$ 89,112	$ 9,000,261	$ 999,813	$ 10,089,186
Contributions – artwork	16,100	-	-	16,100
Interest and dividends	1,155	2,379,071	-	2,380,226
Net gains and (losses) on investments –				
Realized	-	2,601,396	-	2,601,396
Unrealized	-	10,506,876	-	10,506,876
Other income	292,841	126,426	964	420,231
Net assets released from restrictions –				
Satisfaction of purpose restrictions	10,597,855	(10,597,855)	-	-
Transfers between net asset classifications	(129,009)	(559,469)	688,478	-
Total revenues, gains, losses and other support	$ 10,868,054	$13,456,706	$ 1,689,255	$ 26,014,015
EXPENSES:				
Grants paid to benefit University of Louisiana at Lafayette for –				
Projects specified by donors	$ 8,916,140	$ -	$ -	$ 8,916,140
Fundraising –				
Salaries and benefits	319,858	-	-	319,858
Other	277,659	-	-	277,659
Supporting services –				
Salaries and benefits	250,363	-	-	250,363
Insurance	64,717	-	-	64,717
Office operations	141,236	-	-	141,236
Travel	9,465	-	-	9,465
Professional services	204,824	-	-	204,824
Dues and subscriptions	3,240	-	-	3,240
Meetings and development	4,094	-	-	4,094
Investment management fee	207,635	-	-	207,635
Interest	87,802	-	-	87,802
Depreciation and amortization	271,653	-	-	271,653
Bad debt expense	13,893	-	-	13,893
Total expenses	$ 10,772,579	$ -	$ -	$ 10,772,579

(continued)

UNIVERSITY OF LOUISIANA AT LAFAYETTE FOUNDATION, INC.

STATEMENT OF ACTIVITIES (CONTINUED)
Year Ended June 30, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Change in net assets	$ 95,475	$13,456,706	$ 1,689,255	$ 15,241,436
Net assets at beginning of year	3,205,179	43,361,066	80,410,691	126,976,936
Net assets at end of year	$ 3,300,654	$56,817,772	$82,099,946	$142,218,372

See Notes to Financial Statements.

UNIVERSITY OF LOUISIANA AT LAFAYETTE FOUNDATION, INC.

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2015 and 2014

	2015	2014
OPERATING ACTIVITIES		
Change in net assets	$ 5,480,924	$ 15,241,436
Adjustments to reconcile change in net assets to operating activities:		
Depreciation	327,651	271,653
Net realized and unrealized (gains) losses on investments	806,822	(13,108,273)
Bad debt expense	576,721	20,093
Non cash donations	(34,800)	(16,100)
Changes in assets and liabilities –		
Decrease (increase) in assets:		
Contributions receivables	(5,259,537)	12,656
Accounts receivable	(85,896)	1,122,706
Other assets	(99,372)	14,355
Increase (decrease) in liabilities:		
Accounts payable	84,303	986,294
Grants payable to University	7,050	1,000
Funds held in custody	(42,018)	635,260
Other liabilities	(273)	24,529
Net cash provided by operating activities	$ 1,761,575	$ 5,205,609
INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	$ 14,614,197	$ 47,223,562
Purchases of investments	(22,351,566)	(46,560,005)
Purchase of artworks	(10,000)	-
Purchases of fixed assets	(723,517)	(76,112)
Net cash provided by (used in) investing activities	$ (8,470,886)	$ 587,445
FINANCING ACTIVITIES		
Principal payments on note payable	$ (17,680)	$ (16,853)
Principal payments on bonds payable	(700,000)	-
Net cash used in financing activities	$ (717,680)	$ (16,853)
Net increase (decrease) in cash and cash equivalents	$ (7,426,991)	$ 5,776,201
Cash and cash equivalents at beginning of year	16,589,947	10,813,746
Cash equivalents at end of year	$ 9,162,956	$ 16,589,947

(continued)

UNIVERSITY OF LOUISIANA AT LAFAYETTE FOUNDATION, INC.

STATEMENTS OF CASH FLOWS (CONTINUED)
Years Ended June 30, 2015 and 2014

	2015	2014
RECONCILIATION OF CASH		
Cash and cash equivalents	$ 9,162,956	$ 10,689,947
Cash – designated for investment	-	5,900,000
	$ 9,162,956	$ 16,589,947

See Notes to Financial Statements.

Note 1. Nature of Organization and Significant Accounting Policies

Nature of organization:

The University of Louisiana at Lafayette Foundation, Inc. (the "Foundation") is a nonprofit corporation organized to promote the educational, social, moral and material welfare of the University of Louisiana at Lafayette (the "University") and to receive scholarships, gifts, donations, devices and bequests of money and real and personal properties to become a part thereof, and to invest, care for, manage and control all monies and properties so received, and to disburse the same, and the income there from, as the donors may direct, or if case specific directions are not given, then to such uses as the Board of Trustees of the Foundation may determine, in aid of any of the activities, institutions, interests, purposes and objects of the University.

Significant accounting policies:

Basis of accounting -

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

Contributions and recognition of donor restricted contributions -

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are for future periods or restricted by the donor for specified purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Contributions of noncash assets including artworks are recognized at their estimated fair market values at the date of the donation within the statements of activities and capitalized within the statements of financial position. These contributions are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. Substantially, all artworks are considered unrestricted by the Foundation. When a donor restriction expires, that is, when some stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Use of estimates -

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

Cash and cash equivalents -

Cash and cash equivalents represent demand deposits and certificates of deposit with original maturities of three months or less. Fair value approximates carrying amounts. Certain cash and cash equivalents are restricted as to use based on donor stipulations. Cash invested in donor endowments amounted to $3,213,686 and $4,307,960 as of June 30, 2015 and 2014, respectively.

Cash designated for investment on the balance sheet at December 31, 2014 represents funds in transit for the purchase of investments in certain limited partnerships.

Contributions receivable –

Contributions to be received in one year or less are reported at net realizable value. Contributions to be received after one year, net of an allowance for uncollectible amounts, are initially reported at fair value, estimated by discounting them to their present value. Thereafter, amortization of discounts is recorded as additional contribution revenue. An allowance for uncollectible contributions receivable is provided based upon management's judgment, considering such factors as prior collection history, type of contribution, relationship with donor, and other relevant factors.

Investments -

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

Concentrations of credit risk -

Financial instruments which subject the Foundation to concentrations of credit risk consist primarily of investments in long-term corporate and governmental fixed income instruments; equity holdings of domestic and international corporations; mutual funds which invest in various marketable securities and various hedge funds. The hedge funds hold various investments which include but are not limited to corporate and government fixed income securities, corporate equities (both long and short positions), mutual funds, futures contracts, forward contracts, option contracts, physical commodities, distressed securities, real estate, swaps and other derivative products and other capital market instruments. In addition, the Foundation typically maintains cash and cash equivalents and temporary investments in local banks which may, at times, exceed the Federal Deposit Insurance Corporation (FDIC) limits.

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

Tax status -

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

The Foundation has evaluated its tax positions for all open tax years. Currently, the tax years open and subject to examination by the Internal Revenue Service are the 2012, 2013 and 2014 tax years. However, the Foundation is not currently under audit nor has the Foundation been contacted by any jurisdiction. Based on the evaluation of the Foundation's tax positions, management believes all tax positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions have been recorded for the fiscal year ended June 30, 2015.

Property and equipment -

Purchased property and equipment are stated at cost. Depreciation is computed on the straight-line method over the estimated useful lives of the assets.

Donations of property and equipment are recorded as support at their estimated fair market value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted support. The Foundation reports expirations of donor restrictions when the donated assets are placed in service as instructed by the donor. The Foundation reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Real estate -

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

Charitable giving through life insurance -

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

Funds held in custody -

The Foundation considers all state matching funds and the proportionate share of income generated and expenses paid from the entire endowment as funds held in custody.

Employee benefit plans -

Effective January 1, 1991, the Foundation established a 403(b) plan to provide retirement benefits for employees. Any employee over the age of 21 who has completed one year of service (1,000 hours) is eligible to participate. Participants may contribute to the plan by deferring a portion of their gross salary, within certain IRS imposed limitations for maximum contributions in a given year. The Foundation will match up to 100% of the participant's first 4% of contributions. The amount included in expense for the years ended June 30, 2015 and 2014 was $32,244 and $22,056, respectively.

Functional allocation of expenses -

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

Note 2. Contributions Receivable

Unconditional promises to give are included in the financial statements as contributions receivable and revenue of the appropriate net asset category. Contributions receivable recognized at June 30, 2015 and 2014 were as follows:

	2015	2014
Contributions receivable	$ 9,418,988	$ 4,236,692
Unamortized discount	(353,390)	(385,778)
	$ 9,065,598	$ 3,850,914
Allowance for doubtful accounts	(940,720)	(408,852)
	$ 8,124,878	$ 3,442,062

Contributions receivable, net of present value discount of $353,390 at June 30, 2015 (based on one to ten year treasury note rates ranging from .28% to 2.35% as of June 30, 2015), are expected to be realized in the following periods:

Amounts due in:	
In one year or less	$ 3,132,761
Between one year and five years	5,698,516
More than five years	234,321
	$ 9,065,598

Contributions receivable (net of present value discount) at June 30, 2015 and 2014 had the following restrictions:

	2015	2014
Temporarily restricted by donor imposed stipulations for University programs and activities	$ 8,704,068	$ 3,658,022
Endowment for University programs and activities and property acquisitions	361,530	192,892
	$ 9,065,598	$ 3,850,914

The Foundation's management performs an annual in depth analysis of pledged contributions and determines that certain contributions receivable are no longer collectible. Contributions totaling $44,853 and $6,200 were written off during the years ending June 30, 2015 and 2014, respectively.

Additionally, management reserved $940,720 and $408,852 of allowance for possible uncollectible pledges as of June 30, 2015 and 2014, respectively. The allowance is based on management's estimate of future losses; actual losses may vary from the current estimate. The estimate is reviewed periodically, taking into consideration the risk characteristics of pledged contributions, past loss experience, general economic conditions and other factors that warrant current recognition. As adjustments to the estimate of future losses become necessary, they are reflected as a provision for bad debts in current-period earnings. Actual pledge losses are deducted from, and subsequent recoveries are added to, the allowance.

Note 3. Investments

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

Investments are composed of the following at June 30, 2015 and 2014:

	Fair Market Value	
	2015	2014
Certificates of deposit	$ 1,943,213	$ 2,665,302
U.S. Treasury and agency bonds	202,435	202,145
Municipal and other government agency bonds	283,029	291,311
Commercial bonds	655,696	617,979
Equities	8,136,546	7,079,376
Unit investment funds	307,130	302,312
Mutual and exchange traded funds	95,702,250	100,720,393
Hedge funds and alternative investments	48,848,959	37,269,893
	$156,079,258	$149,148,711

Note 4. Property and Equipment

A summary of property and equipment at June 30, 2015 and 2014 follows:

	2015	2014
Buildings	$ 10,335,485	$ 9,919,076
Real estate	1,110,010	985,373
Vehicles	162,007	18,800
Furniture and equipment	636,570	617,863
Construction in progress	91,209	32,404
	$ 12,335,281	$ 11,573,516
Less: accumulated depreciation	(3,657,684)	(3,291,785)
	$ 8,677,597	$ 8,281,731

The assets shown are owned by the Foundation, but the majority of these assets are used by the University in support of its educational activities.

Note 5. Funds Held in Custody

One of the Foundation's primary objectives is to raise funds to provide endowed professorships and chairs to the University. The Louisiana Endowment Trust Fund for Eminent Scholars was created by the Louisiana Legislature in 1983 to provide State funds as a challenge grant to eligible public and private institutions which would be responsible for providing matching funds obtained from gifts. Endowed professorships are established at $100,000, endowed chairs at $1,000,000 and endowed superchairs at $2,000,000, with the State providing 40% of the funding once the Foundation has acquired 60% of the principal through private gifts. The University is allowed to apply for the 40% match while maintaining the 60% private gift in the Foundation. Funds are pooled for investment purposes in the Foundation, but the State's 40% match, net of the proportionate share of income and expenses of the endowments, are recognized as a liability to the University under the caption "Funds Held in Custody." The State matching funds managed for the University at June 30, 2015 and 2014 were $35,241,653 and $35,283,671, respectively.

Total payments to the University from these endowments for chairs and professorships amounted to $1,146,644 and $1,327,112 for the years ending June 30, 2015 and 2014, respectively.

The following is a recap of these endowments (both the Foundation and State portions) as of June 30, 2015 and 2014:

	June 30, 2015		
	Temporarily Restricted	Permanently Restricted	Total
State portion:			
Funds held in custody	$ 9,908,066	$25,333,587	$35,241,653
Foundation portion	18,354,530	39,421,401	57,775,931
Total Endowed Professorships and Chairs	$28,262,596	$64,754,988	$93,017,584

	June 30, 2014		
	Temporarily Restricted	Permanently Restricted	Total
State portion:			
Funds held in custody	$10,059,032	$25,224,639	$35,283,671
Foundation portion	18,564,557	39,283,209	57,847,766
Total Endowed Professorships and Chairs	$28,623,589	$64,507,848	$93,131,437

Note 6. Long-Term Debt

Bonds and note payable related to 710 E. St Mary (Art Museum) and 717 E. St Mary (vacant lot) outstanding are as follows:

	2015	2014
Tax exempt revenue bonds, 4.50%, maturing on March 1, 2017, face $8,500,000, collateralized by land and a building with a carrying value of $6,213,788 and $6,428,007 as of June 30, 2015 and 2014, respectively.	$ 800,000	$ 1,500,000
Note payable, with a 4.75% interest rate, 59 monthly principal and interest payments of $3,251 with one irregular payment of $419,213, maturing on May 9, 2016, secured by deposit account.	432,888	450,568
	$ 1,232,888	$ 1,950,568

Aggregate maturities required on long-term debt are as follows at June 30, 2015:

Year Ending June 30	
2016	$ 432,888
2017	800,000
	$ 1,232,888

Cash paid for interest during the fiscal years ended June 30, 2015 and 2014 were $92,078 and $87,989, respectively.

The $8,500,000 bond issue with an original issue date of February 1, 2002 was issued through the Lafayette Economic Development Authority (LEDA). The proceeds from this bond issue were used to construct an art museum. Collateral on these bonds are the land and building constructed with the bond proceeds, the existing art museum and land located at the corner of Girard Park Drive and St. Mary Boulevard, together with a collateral pledge of all earnings derived from donations to the Foundation specifically for this project.

Additionally, the mortgage note securing the bond issue is a non-recourse note in which the mortgage holder, in the event of default, agrees to look solely to the real estate mortgaged and the revenues pledged for payment of the amount due. The Foundation shall not be held liable by reason of any default in the payment of the bonds or the performance of any other obligations under the mortgage agreement.

Note 7. Endowments and Net Asset Classifications

The Foundation's endowments consist of approximately 1,700 individual funds established for a variety of purposes. Its endowments include donor-restricted endowment funds whereby the stipulations of the gift may require the preservation of the original donation with only the income derived used for a specific purpose as well as term endowments where all funds are available for specific purposes. As required by GAAP, net assets associated with endowment funds to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions or intent.

Interpretation of Relevant Law

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

The following is the endowment net asset composition by type of fund as of June 30, 2015 and 2014:

	June 30, 2015		
	Temporarily Restricted	Permanently Restricted	Total
Donor – restricted endowment funds	$41,717,440	$43,632,639	$ 85,350,079
Chair and Professorship endowment funds	18,354,530	39,421,401	57,775,931
Net asset classifications	$60,071,970	$83,054,040	$143,126,010

	June 30, 2014		
	Temporarily Restricted	Permanently Restricted	Total
Donor – restricted endowment funds	$38,253,215	$42,816,737	$ 81,069,952
Chair and Professorship endowment funds	18,564,557	39,283,209	57,847,766
Net asset classifications	$56,817,772	$82,099,946	$138,917,718

The following is a recap of changes in endowment balances as of June 30, 2015 and 2014:

	June 30, 2015		
	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 56,817,772	$82,099,946	$138,917,718
Investment return:			
Interest and dividends	2,607,002	-	2,607,002
Net appreciation (realized and unrealized)	(806,822)	-	(806,822)
Contributions and transfers	18,814,745	954,094	19,768,839
Appropriation for expenditure	(17,360,727)	-	(17,360,727)
Endowment net assets, end of year	$ 60,071,970	$83,054,040	$143,126,010

	June 30, 2014		
	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 43,361,066	$80,410,691	$123,771,757
Investment return:			
Interest and dividends	2,379,071	-	2,379,071
Net appreciation (realized and unrealized)	13,108,272	-	13,108,272
Contributions and transfers	8,567,218	1,689,255	10,256,473
Appropriation for expenditure	(10,597,855)	-	(10,597,855)
Endowment net assets, end of year	$ 56,817,772	$82,099,946	$138,917,718

Funds With Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Foundation to retain as a fund of perpetual duration. These deficiencies usually result from unfavorable market fluctuations that occur over the life of the endowment.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 5% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

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

Spending Policy and How the Investment Objectives Relate to Spending Policy

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

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

Note 8. Net Assets Released From Restrictions

Net assets were released from donor restrictions by incurring the following expenses which satisfy the restricted purposes or by occurrence of other events specified by the donors for the years ended June 30, 2015 and 2014:

	2015	2014
Payments to benefit University of Louisiana at Lafayette	$ 14,680,833	$ 8,896,140
Interest expense	67,500	67,313
Depreciation expense	214,219	220,655
Bad debt expense	531,868	13,893
Investment management fees	1,631,772	1,276,490
Fundraising expenses	186,304	99,364
Professional services	48,231	24,000
	$ 17,360,727	$ 10,597,855

Note 9. Specified Projects – Program Expenses

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

	2015	2014
Alumni Affairs	$ 29,693	$ 76,243
Arts and Humanities	179,848	215,647
Athletics	9,935,660	5,333,445
Business Administration	314,968	252,007
CIM Center	-	23,113
Education	55,482	69,624
Engineering	770,434	559,133
Housing	-	4,000
Liberal Arts	208,957	219,274
Nursing	91,615	116,633
Research Center	808,910	8,153
Scholarships	1,432,447	1,189,404
Sciences	267,322	230,245
University Art Museum	42,652	63,356
University Services	472,847	406,374
All others	96,591	149,489
	$ 14,707,426	$ 8,916,140

The Foundation invests and manages donations and endowed funds for the University. These endowed and non-endowed funds are accounted for as either permanently or temporarily restricted based upon donor restrictions. Each year income from endowed funds is allocated and paid to the University for the specific purpose of the endowment. Non-endowed funds (donations) are allocated to the University based upon donor restrictions. All funds allocated to the University are reflected as program service within the statements of activities.

Note 10. Lease Agreement

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

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

Note 11. Disclosure about Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and cash equivalents -

The carrying amount approximates fair value because of the short maturity of those instruments.

Contributions receivable -

Contributions receivable are valued by discounting the expected future cash flows based on one to ten year Treasury note rates as of June 30 of each year. Pledges are assigned a discount rate based on expected payout. The carrying amount reflected in the financial statements represents the estimated fair market value at the end of the year (Level 3).

Investments -

Investments are carried at estimated fair market value within the financial statements.

Bonds payable -

Bonds are valued based on the estimated cash outflows expected discounted using market yields on tax exempt bonds with similar maturities (Level 3).

The following presents the carrying value and estimated fair values of each class of financial instruments as of June 30, 2015 and 2014.

	2015 In Thousands		2014 In Thousands	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
ASSETS				
Cash and cash equivalents	$ 9,163	$ 9,163	$ 16,590	$ 16,590
Contributions receivable	$ 8,125	$ 8,125	$ 3,442	$ 3,442
Investments	$ 156,079	$156,079	$ 149,149	$149,149
LIABILITIES				
Notes payable	$ 433	$ 449	$ 451	$ 476
Bonds payable	$ 800	$ 843	$ 1,500	$ 1,606

In accordance with FASB ASC 820-10-50-1, the Foundation groups assets and financial liabilities measured at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes securities that are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. For example, municipal securities valuations are based on markets that are currently offering similar financial products. Valuations are obtained from third party pricing services for identical or comparable assets or liabilities.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

Below is a table that presents information about certain assets measured at fair value on a recurring basis:

		Fair Value Measurements at Reporting Date Using:		
	Fair Value	Quoted Prices In Active Markets for Identical Assets/ Liabilities Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
As of June 30, 2015				
Investments:				
Certificates of deposit	$ 1,943,213	$ -	$ -	$ 1,943,213
U.S. Government Agency	202,435	202,435	-	-
Municipal and other government agency bonds	283,029	-	283,029	-
Commercial bonds	655,696	655,696	-	-
Equities	8,136,546	8,136,546	-	-
Unit investment trusts	307,130	307,130	-	-
Exchange traded funds	19,616,166	19,616,166	-	-
Mutual funds –				
International equities	7,800,892	7,800,892	-	-
Domestic equity	261,507	261,507		
Mid-cap growth	11,822,005	11,822,005	-	-
Equity index – international	16,026,787	16,026,787	-	-
Emerging markets – value	11,365,301	11,365,301	-	-
Fixed income	24,484,708	24,484,708	-	-
Real estate	1,819,067	-	-	1,819,067
Infrastructure equity	2,505,817	2,505,817	-	-
Hedge funds and alternatives –				
Distressed opportunities	1,909,607	-	-	1,909,607
Commodity index	1,535,544	1,535,544	-	-
Equity – long/short	11,143,236	-	-	11,143,236
Energy related	3,354,391	-	-	3,354,391
Private equities	2,609,446	-	-	2,609,446
Real estate	7,376,191	-	-	7,376,191
Multi-strategy	20,920,544	-	-	20,920,544
Total investments	$156,079,258	$ 104,720,534	$ 283,029	$ 51,075,695

	Fair Value	Fair Value Measurements at Reporting Date Using: Quoted Prices In Active Markets for Identical Assets/ Liabilities Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
As of June 30, 2014				
Investments:				
Certificates of deposit	$ 2,665,302	$ -	$ -	$ 2,665,302
U.S. Government Agency	202,145	202,145	-	-
Municipal and other government agency bonds	291,311	-	291,311	-
Asset backed securities	-	-	-	-
Commercial bonds	617,979	617,979	-	-
Equities	7,079,376	7,079,376	-	-
Unit investment trusts	302,312	302,312	-	-
Exchange traded funds	21,593,483	21,593,483	-	-
Mutual funds –				
International equities	7,802,771	7,802,771	-	-
Domestic equity	1,119,122	1,119,122	-	-
Mid-cap growth	11,193,159	11,193,159	-	-
Equity index – international	16,685,780	16,685,780	-	-
Emerging markets – value	13,674,351	13,674,351	-	-
Fixed income	26,921,392	26,921,392	-	-
Real estate	1,730,336	-	-	1,730,336
Hedge funds and alternatives –				
Distressed opportunities	1,684,225	-	-	1,684,225
Commodity index	2,267,487	2,267,487	-	-
Equity – long/short	6,152,951	-	-	6,152,951
Energy related	3,298,019	-	-	3,298,019
Private equities	1,838,240	-	-	1,838,240
Real estate	6,971,562	-	-	6,971,562
Multi-strategy	15,057,408	-	-	15,057,408
Total investments	$149,148,711	$ 109,459,357	$ 291,311	$ 39,398,043

NOTES TO FINANCIAL STATEMENTS

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

	Certificates of Deposit	Real Estate
Ending balance – June 30, 2013	$ 3,683,097	$ 7,488,247
New pledges	-	-
Payments	-	-
Writeoffs	-	-
Discount amortization	-	-
Purchases	-	79,484
Sales, paydowns and redemptions	(1,094,200)	-
Investment income, gains and losses (realized and unrealized)	76,405	1,134,167
Ending balance – June 30, 2014	$ 2,665,302	$ 8,701,898
New pledges	-	-
Payments	-	-
Writeoffs	-	-
Discount amortization	-	-
Purchases	-	247,216
Sales, paydowns and redemptions	(745,268)	(106,837)
Investment income, gains and losses (realized and unrealized)	23,179	352,981
Ending balance – June 30, 2015	$ 1,943,213	$ 9,195,258

	Distressed Opportunities	Equities Long/Short	Energy Related
Ending balance – June 30, 2013	$ 1,196,572	$ 5,195,588	$2,751,871
Purchases	220,000	-	-
Investment income, gains and losses (realized and unrealized)	267,653	957,363	546,148
Ending balance – June 30, 2014	$ 1,684,225	$ 6,152,951	$3,298,019
Purchases	219,939	10,450,000	527,063
Sales, paydowns and redemptions	-	(6,259,439)	-
Investment income, gains and losses (realized and unrealized)	5,443	799,724	(470,691)
Ending balance – June 30, 2015	$ 1,909,607	$11,143,236	$3,354,391

	Private Equity	Multi Strategy
Ending balance – June 30, 2013	$ 1,175,433	$13,573,508
Purchases	560,941	5,571,584
Sales, paydowns and redemptions	-	(6,650,000)
Investment income, gains and losses (realized and unrealized)	101,866	2,562,316
Ending balance – June 30, 2014	$ 1,838,240	$15,057,408
Purchases	796,686	4,932,500
Investment income, gains and losses (realized and unrealized)	(25,480)	930,636
Ending balance – June 30, 2015	$ 2,609,446	$20,920,544

The table below summarizes the fair value and unfunded commitments regarding hedge funds and alternative investments as of June 30, 2015.

	Fair Value	Unfunded Commitments
Distressed opportunities	$ 1,909,607	$ 589,926
Commodity index	1,535,544	-
Equity – long/short	11,143,236	-
Energy related	3,354,391	-
Private equities	2,609,446	3,459,221
Real estate	7,376,191	381,440
Multi-strategy	20,920,544	1,621,292
	$ 48,848,959	$ 6,051,879

The table below summarizes the terms of the hedge fund investments with respect to lockup periods, redemption frequencies and notice periods as of June 30 2015.

	Lockup Period	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Distressed opportunities	10+ years	Manager discretion	N/A
Commodity index	N/A	N/A	N/A
Equity – long/short	1 – 3 years	Quarterly/Annual	45 – 90 days
Energy related	10+ years	Manager discretion	N/A
Private equities	10+ years	Manager discretion	N/A
Real estate	10+ years	Manager discretion	N/A
Multi-strategy	1 year, Indefinite	Monthly, Annual, Manager discretion	30 – 90 days

Distressed opportunities – This category includes an investment in a hedge fund that may have direct investments as well as investments in other funds. Both the direct investments and underlying funds' investments include securities in companies undergoing financial distress, operating difficulties or restructuring. The goal of the hedge fund is to invest in a diversified pool of underlying funds to provide the best return. No more than 25% of capital of the hedge fund can be committed to any single fund and no more than 30% can be invested in direct investments with no single direct investment exceeding 5% of capital. The investor in this hedge fund cannot demand a return of all or any part of their capital investment in this fund. Net asset values are determined by utilizing market quotes on those investments for which they are available and investments in other funds are valued based on the capital accounts in the fund. For those securities where no quotes or capital balances are available they are valued by the general partner based on available information at the date of determination. Net asset values are computed quarterly.

Commodity index – This category includes an investment in an exchange traded fund. The fund invest in exchange traded futures on certain commodities including sweet crude oil, heating oil, natural gas, Brent crude, gasoline, gold, silver, aluminum, zinc, copper, wheat, soybeans and sugar. Net asset value is determined by the last exchange price on June 30. Net asset values are computed daily.

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

Energy related – This category includes an investment in a fund that seeks to produce attractive absolute returns over the long-term with an emphasis on preservation of capital. The fund attempts to achieve this by investing principally in the marketable securities of issuers of energy-related master limited partnerships, their affiliates, and other midstream or infrastructure energy companies, particularly those participating in the business of operating oil and gas pipelines, terminals and storage facilities. Net asset values of the fund are determined by utilizing the latest unaudited or audited financial statements and performance reports of various investments in which it invests. Any listed investments are valued at the last sales price on the date of determination. Any investments which are not listed are valued at the mean between the last closing and asked prices as reported in the over the counter market if available. For those investments where there is no quotation the investment is valued at the estimated fair value as determined by the board of directors and investment manager of the fund. Net asset values are computed monthly.

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

Real estate – This category includes an investment in two funds. The funds primarily invest in real estate assets and related businesses including, but not limited to the acquisition of direct interest in real property, formation of joint ventures and other co-investment arrangements for the acquisition of real estate, securities of entities that own or invest in real estate, and sponsorship or investment in real estate investment trusts. The net asset values of these funds are determined based on portfolio valuations utilizing different valuation techniques depending upon the investment involved. Valuation of real estate equity and debt investments are determined by using the method most appropriate which may include (i) capitalization rates applied to stabilized net income (ii) forecast of cash flows based on General Partner analyses of revenues and expenses (iii) independent appraisals (iv) recent sales of comparable assets (v) estimates of replacement costs; and (vi) bona fide offers received from independent third parties. Net asset values are computed quarterly for one fund and monthly for the other.

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

During 2015 and 2014, the Foundation also recognized donated property and artworks of $34,800 and $16,100, respectively, at estimated fair value upon date of donation. All of these fair value estimates are considered to be Level 3 valuations under FASB ASC 820-10-50-1.

Note 12. Related Party Transactions

The Foundation had accounts payable at June 30, 2015 and 2014 in the amount of $1,225,124 and $1,344,435, respectively, due to related parties (the University).

In addition, during 2015 and 2014, the Foundation made payments to benefit the University in the amounts of $14,707,426 and $8,916,140, respectively.

Note 13. Commitments and Pledges

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

Note 14. Subsequent Events

The Foundation evaluated the need for disclosures and/or adjustments resulting from subsequent events through September 8, 2015, the date the financial statements were available to be issued. This evaluation did not result in any subsequent events that necessitated disclosures and/or adjustments under general accounting standards.

UNIVERSITY OF LOUISIANA AT LAFAYETTE FOUNDATION, INC.

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO AGENCY HEAD
Year Ended June 30, 2015

Agency Head: Julie Bolton Falgout, President/Chief Executive Officer

Purpose	Amount
Salary	$117,383
Benefits – health insurance	6,543
Benefits – retirement	11,275
Benefits – executive life insurance	841
Car allowance	6,000
Cell phone	2,896
Travel	4,615
Registration fees	1,870
Athletic events	595
Dues	876
Special meals	107
Total	$153,001

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the University of Louisiana at Lafayette Foundation, Inc. (a non-profit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated September 8, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) 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 the Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Broussard Poche LLP

Lafayette, Louisiana
September 8, 2015

UNIVERSITY OF LOUISIANA AT LAFAYETTE FOUNDATION, INC.

SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2015

We have audited the financial statements of University of Louisiana at Lafayette Foundation, Inc. as of and for the year ended June 30, 2015, and have issued our report thereon dated September 8, 2015. 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, 2015 resulted in an unmodified opinion.

Section I - Summary of Auditors' Reports

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

Internal Control

Material weaknesses __ Yes _X_ None Reported

Control deficiencies identified that are not considered to be material weaknesses __ Yes _X_ None Reported

Compliance

Compliance Material to Financial Statements _ Yes X No

Section II - Financial Statement Findings

None reported.

UNIVERSITY OF LOUISIANA AT LAFAYETTE FOUNDATION, INC.

SCHEDULE OF PRIOR FINDINGS
For the Year Ended June 30, 2015

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

None noted.

Section II. Internal Control and Compliance Material to Federal Awards

Not applicable.

Section III. Management Letter

The prior year's report did not include a management letter.