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Eugene H. Darnall, CPA, Deceased 2009  
Barbara Ann Watts, CPA/CFE, Deceased 2013



# Darnall, Sikes, Gardes & Frederick.

(A Corporation of Certified Public Accountants)

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March 30, 2015

## Eunice Student Housing Foundation, Inc. Financial Report Restatement

The Statements of Revenues, Expenses and Changes in Net Position, on page 4, has been corrected for a formula error affecting the presentation only. Although the Total Net Position balance was properly reported, the components of Net Position did not sum to the total. The August 31, 2014 Unrestricted Net Position was previously reported as zero, however the correct amount for Unrestricted Net Position should have been shown as \$(179,101). With the properly reflected amount in the revised report, the sum of the components of Net Position agrees to the Total Net Positions presented.

There were no other changes to the report.

## *Darnall, Sikes, Gardes & Frederick*

A Corporation of Certified Public Accountants

Eunice, Louisiana

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 APR 22 2015

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**REISSUE**

**EUNICE STUDENT HOUSING  
FOUNDATION, INC.**

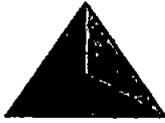
Eunice, Louisiana

Financial Report

Years Ended August 31, 2014 and 2013

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# Darnall, Sikes, Gardes & Frederick

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## INDEPENDENT AUDITOR'S REPORT

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Adam J Curry CPA  
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W Kyle George CPA MBA  
Mary Catherine Hollner CPA

The Board of Directors  
Eunice Student Housing Foundation, Inc  
Eunice, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements and the related notes of the Eunice Student Housing Foundation, Inc (a nonprofit organization), as of and for the years ended August 31, 2014 and 2013, as listed in the table of contents

### 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 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 audits to obtain reasonable assurance about whether the financial statements are free from 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 the entity's internal

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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.

#### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Eunice Student Housing Foundation, Inc., as of August 31, 2014 and 2013, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Other Matters**

Management has omitted a management's discussion and analysis that accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated February 23, 2015 on our consideration of the Foundation's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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. The 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.

*Dannall, Sikes, Gaudin & Frederick*

A Corporation of Certified Public Accountants

Eunice, Louisiana  
February 23, 2015

**EUNICE STUDENT HOUSING FOUNDATION, INC**

**Statements of Net Position  
August 31, 2014 and 2013**

<b>ASSETS</b>		<u>2014</u>	<u>2013</u>
<b>CURRENT ASSETS</b>			
Cash		\$ 69,971	\$ 74,670
Rents and fees receivable, net of allowance for doubtful accounts		223,992	191,227
Cash - restricted		454,282	115,720
Investments - restricted for debt service, at fair market value		-	535,626
Prepaid expenses		<u>3,450</u>	<u>3,450</u>
		<u>751,695</u>	<u>920,693</u>
<b>PROPERTY AND EQUIPMENT, at cost</b>			
Less accumulated depreciation		5,294,666	5,294,666
		<u>(1,973,201)</u>	<u>(1,848,075)</u>
		<u>3,321,465</u>	<u>3,446,591</u>
<b>OTHER ASSETS</b>			
Loan costs, net of amortization		<u>-</u>	<u>166,923</u>
<b>TOTAL ASSETS</b>		<u>4,073,160</u>	<u>4,534,207</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Cash overdraft		-	38,665
Accounts payable		158,163	192,661
Accrued interest payable		-	235,631
Management fees payable		179,781	269,429
Unearned rent revenue		104,761	112,267
Current maturities of long-term debt		143,497	135,000
Security deposits		<u>33,809</u>	<u>35,621</u>
		<u>620,011</u>	<u>1,019,274</u>
<b>LONG-TERM DEBT</b>			
Note payable		6,595,373	-
Revenue bonds payable		-	6,255,000
Unamortized discount		<u>-</u>	<u>(271,295)</u>
		<u>6,595,373</u>	<u>5,983,705</u>
<b>TOTAL LIABILITIES</b>		<u>7,215,384</u>	<u>7,002,979</u>
<b>NET POSITION</b>			
Net Invested in capital assets		(3,417,405)	(2,672,114)
Restricted for Debt Service		454,282	651,346
Unrestricted		<u>(179,101)</u>	<u>(448,004)</u>
<b>TOTAL NET POSITION</b>		<u>\$(3,142,224)</u>	<u>\$(2,468,772)</u>

The accompanying notes are an integral part of these financial statements

**EUNICE STUDENT HOUSING FOUNDATION, INC**

**Statements of Revenues, Expenses and Changes in Net Position  
Years Ended August 31, 2014 and 2013**

	2014	2013
<b>OPERATING REVENUES</b>		
Rental income	\$ 1,153,090	\$ 1,123,999
Fee income	295	905
Other	1,394	577
Total operating revenues	1,154,779	1,125,481
<b>OPERATING EXPENSES</b>		
Advertising	7,230	5,686
Amortization expense	438,218	8,785
Bad debt expense	90,766	109,047
Contract services	37,494	42,494
Depreciation expense	125,126	125,126
Employee benefit	1,815	1,383
Insurance	25,140	29,782
Management fee	54,185	53,683
Meals and entertainment	1,387	1,806
Miscellaneous	8,169	9,989
Office expense	5,092	3,759
Payroll taxes	11,102	9,033
Postage	1,665	2,475
Professional fees	229,744	9,000
Rent	2,439	2,551
Repair and maintenance	49,880	50,005
Salaries	145,633	106,966
Supplies	5,010	7,878
Telephone	5,841	5,695
Travel	1,550	996
Trustee fee	-	3,600
Uniforms	871	165
Utilities	114,959	106,966
Total operating expenses	1,363,316	696,870
Operating income (loss)	(208,537)	428,611
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest income	245	84
Interest expense	(465,160)	(476,111)
Total non-operating revenues (expenses)	(464,915)	(476,027)
<b>DECREASE IN NET POSITON</b>	(673,452)	(47,416)
<b>NET POSITION (DEFICIT), beginning</b>	(2,468,772)	(2,421,356)
<b>NET POSITION (DEFICIT), ending</b>	\$ (3,142,224)	\$ (2,468,772)

The accompanying notes are an integral part of these financial statements

**EUNICE STUDENT HOUSING FOUNDATION, INC**  
**Statements of Cash Flows**  
**Years Ended August 31, 2014 and 2013**

	<b>2014</b>	<b>2013</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Charges for rent and users	\$ 1,023,743	\$ 1,028,220
Payments to suppliers for goods and services	(689,532)	(330,958)
Payments to employees	(145,633)	(106,966)
Net cash provided by operating activities	188,578	590,296
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Change in cash overdraft	(38,665)	(38,489)
Interest payments	(700,791)	(480,721)
Proceeds from long term debt	6,750,000	-
Repayment on long term debt	(6,401,130)	(125,000)
Net cash used by financing activities	(390,586)	(644,210)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	245	84
Change in interest bearing deposits	535,626	48,463
Net cash provided (used) by investing activities	535,871	48,547
Net increase (decrease) in cash and cash equivalents	333,863	(5,367)
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	190,390	195,757
<b>CASH AND CASH EQUIVALENTS, end of year</b>	\$ 524,253	\$ 190,390
<b>Reconciliation of cash and cash equivalents per statements of cash flows to the balance sheets</b>		
Cash and cash equivalents, end of year		
Cash - unrestricted	\$ 69,971	\$ 74,670
Cash - restricted	454,282	115,720
Total cash and cash equivalents	\$ 524,253	\$ 190,390
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ (208,537)	\$ 428,611
<b>Adjustments to reconcile operating income to net cash provided by operating activities</b>		
Depreciation and amortization	563,344	138,762
Bad debts	90,766	109,047
(Increase) decrease in		
Rent and fees receivable	(123,531)	(88,775)
Prepaid expenses	-	354
Increase (decrease) in		
Accounts payable	(34,498)	(11,872)
Management fees payable	(89,648)	26,832
Unearned rent revenue	(7,506)	(8,488)
Security deposits payable	(1,812)	(4,175)
Net cash provided (used) by operating activities	\$ 188,578	\$ 590,296

The accompanying notes are an integral part of these financial statements

## EUNICE STUDENT HOUSING FOUNDATION, INC

### Notes to Financial Statements

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Organization and Nature of Operations

The Eunice Student Housing Foundation, Inc (The Foundation) is a not-for-profit organization as outlined in the Internal Revenue Code Section 501(c)(3) The Foundation provides student housing on the campus of Louisiana State University at Eunice, Louisiana, known as Bengal Village The Bengal Village apartment complex consists of 58 units and is managed by Campus Living Villages (Campus) The management agreement commenced August 1, 2002 for a term of 15 years through July 31, 2017 Thereafter, the agreement shall be automatically renewed annually unless terminated All personnel employed in the leasing, management, maintenance and operation of Bengal Village are employees of Campus

##### Reporting Entity

GASB Statement No 14, The Reporting Entity, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity Under provisions of this statement, the Foundation is considered a component unit of the Louisiana State University System As a component unit, the audited financial statements of the Eunice Student Housing Foundation will be included in the basic financial statements of the Louisiana State University System, a component unit of the State of Louisiana, and in the basic financial statements of the Louisiana State University at Eunice for the year ended June 30, 2014 The accompanying financial statements present information only on the funds maintained by the Eunice Student Housing Foundation

##### Basis of Accounting

The financial statements of Eunice Student Housing Foundation, Inc have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables and payables

##### Fund Accounting

The accounts of the Foundation are organized and operated on a fund basis whereby a separate self-balancing set of accounts that comprise its assets, liabilities, net assets, revenues and expenses is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or regulations The Foundation is presented in the accompanying financial statements as follows

##### PROPRIETARY FUND –

The focus of Enterprise fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows The generally accepted accounting principles applicable are those similar to businesses in the private sector The Enterprise fund is accounted for using the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred Operating revenues and expenses generally result

## EUNICE STUDENT HOUSING FOUNDATION, INC

### Notes to Financial Statements

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations

The principal operating revenues of the Foundation are leases and rents. The operating cost of the enterprise fund is all costs associated with the operation of the Foundation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### Equity Classifications

Equity is classified as net position and displayed in three components:

- a Net Invested in capital assets – Consists of capital assets including restricted capital assets net of accumulated depreciation and reduced by the outstanding balance of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- c Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net invested in capital assets.”

The Foundation used unrestricted assets only when restricted assets are fully depleted.

#### Revenue Recognition

The Foundation recognizes operating revenues at the time services are rendered. Rent received in advance is deferred until earned. Fee income includes revenue recognized for items such as application fees, late charge fees, cancellation fees and tenant insufficient funds fees. Other operating income includes revenue recognized for items such as vending revenues and other miscellaneous tenant revenue. Non-operating revenue includes interest income.

#### Cash and Cash Equivalents

The Foundation's liquid debt instruments with a maturity of three months or less at the date of purchase are deemed cash equivalents. Restricted cash consists of various reserve accounts as required for certain uses by the project mortgage note agreement, as discussed in Note 3. Changes in restricted cash have been reported as increases or decreases in operating and financing activities based on the nature of the underlying cash flows.

EUNICE STUDENT HOUSING FOUNDATION, INC

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Restricted Cash

Restricted cash balances comprise funds held in separate bank accounts for deposits made as security deposits and rent receipts

Depreciation

Depreciation is calculated over the estimated useful lives of the respective assets using the straight-line method

Maintenance, Capitalization, and Disposal Policies

Repairs and maintenance are expensed as incurred Expenditures incurred in the construction or that increase the value or productive capacity of assets are capitalized When property and equipment are retired, sold, or otherwise disposed of, the asset's carrying amount and related accumulated depreciation are removed from the accounts and any gain or loss is included in operations

Statement of Cash Flows

For the purpose of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid interest-bearing deposits with a maturity of three months or less when purchased

Use of Estimates

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

Rent Receivables, Net

The allowance for doubtful accounts is the Foundation's best estimate for losses resulting from the inability of its customers to pay amounts owed The Foundation determines the allowance based on historical write-off experience The allowance balance at August 31, 2014 and 2013 and is \$611,691 and \$520,926, respectively

Subsequent Events

The Foundation has evaluated subsequent events through February 23, 2015, the date the financial statements were available to be issued

**EUNICE STUDENT HOUSING FOUNDATION, INC**

**Notes to Financial Statements**

**NOTE 2 TAX STATUS**

The Foundation is accorded tax-exempt status under the Internal Revenue Code Section 501(c)(3). It is also exempt from Louisiana income tax. The audited financial statements of the Foundation will be included in the Louisiana State University system's financial statements and the State of Louisiana Comprehensive Annual Financial Report. Accordingly, no provision is required for income taxes.

The Foundation is not a private foundation as determined under Section 509(a) of the Internal Revenue Code.

**NOTE 3 CASH AND CASH EQUIVALENTS**

	2014	2013
<b>Unrestricted</b>		
Petty cash	\$ 300	\$ 300
St Landry Bank - rental deposits	10,310	12,125
Bank of New York Trust Co of Florida.		
Operating expense	59,361	3
Security deposits	-	62,242
<b>Total unrestricted cash</b>	<b>69,971</b>	<b>74,670</b>
<b>Restricted</b>		
St Landry Bank - security deposits	13,470	36,970
Campus Federal Credit Union	440,812	
Bank of New York Trust Co of Florida		
Principal Account	-	78,750
<b>Total restricted cash</b>	<b>454,282</b>	<b>115,720</b>
<b>Total cash and cash equivalents</b>	<b>\$ 524,253</b>	<b>\$ 190,390</b>
<b>Cash overdraft.</b>		
J P Morgan Chase - operating	\$ -	\$ 38,665

[1] Cash accounts held by the bond trustee

EUNICE STUDENT HOUSING FOUNDATION, INC

Notes to Financial Statements

NOTE 3 CASH AND CASH EQUIVALENTS

	Bank Balance 2014	Bank Balance 2013
<b>Unrestricted</b>		
J P Morgan Chase - operating	\$ 77,476	\$ 47,982
St Landry Bank - rental deposits	5,676	8,855
Bank of New York Trust Co of Florida		
Operating expense	-	3
Security deposits	-	62,242
<b>Total unrestricted cash</b>	<b>83,152</b>	<b>119,082</b>
<b>Restricted</b>		
St Landry Bank - security deposits	13,470	36,970
Campus Federal Credit Union		
Operational Reserve	400,212	-
Security Deposit Trust	40,600	-
Bank of New York Trust Co of Florida		
Principal Account	-	78,750
<b>Total restricted cash</b>	<b>454,282</b>	<b>115,720</b>
<b>Total cash and cash equivalents</b>	<b>\$ 537,434</b>	<b>\$ 234,802</b>

NOTE 4 RESTRICTED INVESTMENTS

	2014	2013
<b>Investments</b>		
Bank of New York Trust Co of Florida		
Debt Service Trust Fund-US Treasury Notes	\$ - [1]	\$ 455,599
Debt Service Trust Fund-Fidelity US Treasury	- [1]	80,027
	<b>\$ -</b>	<b>\$ 535,626</b>
	<b>Bank Balance 2014</b>	<b>Bank Balance 2013</b>
<b>Investments</b>		
Bank of New York Trust Co of Florida		
Debt Service Trust Fund-US Treasury Notes	\$ - [1]	\$ 455,599
Debt Service Trust Fund-Fidelity US Treasury	- [1]	80,027
	<b>\$ -</b>	<b>\$ 535,626</b>

[1] Cash accounts held by the bond trustee

**EUNICE STUDENT HOUSING FOUNDATION, INC**

Notes to Financial Statements

**NOTE 5 PROPERTY AND EQUIPMENT**

<u>Category</u>	<u>Cost</u>	<u>Estimated Useful Lives</u>
Building	\$ 4,361,642	40 years
Streets, sidewalks and pool	352,064	40 years
Fences, gates & signs	109,255	15 years
Interior fixtures	47,931	5 years
Furniture & lighting	321,890	10 years
Office equipment	24,178	5 years
Equipment	<u>77,706</u>	10 years
Total depreciable assets	5,294,666	
Less accumulated depreciation	<u>(1,973,201)</u>	
Net depreciable assets	<u>\$ 3,321,465</u>	

**NOTE 6 LONG TERM DEBT**

	<u>2014</u>	<u>2013</u>
<b>Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds Services 2002, issued January 1, 2002, at a coupon rate of 7.375%, principal payments beginning September, 2005 with final payment due September, 2033, collateralized by the actual physical facilities and a pledge of all project revenues. These bonds were refinanced with Campus Federal Credit Union</b>	\$ -	\$6,390,000
<b>Note payable to Campus Federal Credit Union, issued July 1, 2014 with a principal amount of \$6,750,000, with 59 equal monthly installments of \$38,739.49 of principal and interest at a fixed rate of 4.75% with one final balloon payment of the entire remaining principal July 1, 2019</b>	6,738,870	-
<b>Less current maturities</b>	<u>143,497</u>	<u>135,000</u>
	<u>\$6,595,373</u>	<u>\$6,255,000</u>

The annual requirements to amortize debt outstanding at August 31, 2014, are as follows

<u>Fiscal Year Ending August 31,</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 143,497	\$ 321,377
2016	150,562	314,312
2017	157,985	306,847
2018	165,745	249,880
2019	173,915	290,898
Thereafter	<u>5,947,166</u>	<u>3,388,534</u>
<b>Totals</b>	<u>\$6,738,870</u>	<u>\$4,871,848</u>

**EUNICE STUDENT HOUSING FOUNDATION, INC**

**Notes to Financial Statements**

**NOTE 7 NET DEFICIT**

Management is addressing the deficit and has increased rental rates for the fiscal year ending August 31, 2015 by 3% for 2 bedroom and 2% for 4 bedroom apartments

**NOTE 8 FAIR VALUE OF FINANCIAL INSTRUMENTS**

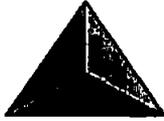
The following methods and assumptions were used by the Foundation in estimating fair value disclosures for financial instruments

Cash and cash equivalents – The carrying amount of cash and short-term instruments approximate fair value

Investments - Short-term debt obligations of the US Treasury and certificates of deposit which are stated at approximate fair market value

Accounts payable and accrued expenses – The carrying amounts of accounts payable and accrued expenses approximate fair value

**INTERNAL CONTROL AND COMPLIANCE**



# Darnall, Sikes, Gardes & Frederick.

(A Corporation of Certified Public Accountants)

Eugene H Darnall CPA Deceased 2009

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E Larry Sikes CPA/PFS CVA CFP  
 Danny P Frederick CPA  
 Clayton E Darnall CPA CVA  
 Eugene H Darnall III CPA  
 Stephanie M Higginbotham CPA  
 John P Armato CPA/PFS  
 J Stephen Gardes CPA CVA  
 Jennifer S Ziegler CPA/PFS CFP  
 Chris A Miller CPA CVA  
 Stephen G Moosa CPA  
 M Rebecca Gardes CPA  
 Joan B Moody CPA  
 Lauren V Hebert CPA/PFS  
 Barbara Ann Watts CPA/CFE  
 Stephen R Dischler MBA CPA  
 Pamela Mayeu Bon n CPA CVA  
 Erich G Loewer III CPA M S Tax  
 Craig C Babineaux CPA/PFS CFP  
 Jeremy C Meaux CPA  
 Chad M Bailey CPA

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

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Kathleen T Darnall CPA  
 Dustin B Brudin CPA MBA  
 Kevin S Young CPA  
 Adam J Curry CPA  
 Christy S Dew CPA MPA  
 Blaine M Crochet M S CPA  
 Rachel W Ashford CPA  
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 Christine A Guidry CPA MBA  
 Brandon L Porter CPA  
 Tanya S Nowlin Ph D CPA  
 Elise B Faucheaux CPA  
 Nicole B Bruchez CPA MBA  
 Brandon R Dunphy CPA  
 Seth C Norris CPA  
 W Kyle George CPA MBA  
 Mary Catherine Hollier CPA

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To the Board of Directors of  
 Eunice Student Housing Foundation, Inc  
 Eunice, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Eunice Student Housing Foundation, Inc (a nonprofit organization), as of and for the year ended August 31, 2014, and have issued our report thereon dated February 23, 2015

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Eunice Student Housing 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Eunice Student Housing Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Eunice Student Housing Foundation, Inc.'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 matter that are required to be reported under *Government Auditing Standards*.

#### **Purpose of this Report**

This report is intended solely for the information and use of the Board of Directors, management, others within the organization, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than those specific parties. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

*Dannall, Sikes, Gardes & Frederick*

A Corporation of Certified Public Accountants

Eunice, Louisiana  
February 23, 2015

**EUNICE STUDENT HOUSING FOUNDATION, INC**

**Summary of Prior Year Findings  
Year Ended August 31, 2014**

**13-1 Violation of Bond Covenant**

**The bond has been refinanced and this finding has been resolved**

**EUNICE STUDENT HOUSING FOUNDATION, INC**

**Schedule of Findings and Questioned Costs  
Year Ended August 31, 2014**

**Part I Summary of Auditor's Results**

**FINANCIAL STATEMENTS**

**Auditor's Report – Financial Statements**

**An unqualified opinion has been issued on Eunice Student Housing Foundation, Inc 's financial statements as of and for the fiscal year ended August 31, 2014**

**Reportable Conditions - Financial Reporting**

**There were no reportable conditions in internal control over financial reporting disclosed during the audit of the financial statements**

**Material Noncompliance or Other Matters-Financial Reporting**

**There was no instances of noncompliance or other matters material to the financial statements disclosed during the audit of the financial statements**

**FEDERAL AWARDS**

**This section is not applicable for the fiscal year ended August 31, 2014**

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

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

**Part III Findings and Questioned Costs Relating to Federal Programs**

**This section is not applicable for the fiscal year ended August 31, 2014**