

**LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL
FACILITIES AND COMMUNITY DEVELOPMENT
AUTHORITY REVENUE BONDS (LOUISIANA TECH
UNIVERSITY STUDENT HOUSING/INNOVATIVE STUDENT
FACILITIES, INC. PROJECT) SERIES 2020**

LA LOCAL GOVT ENVRNMN

CUSIP: 54628CMC3 FIGI: BBG00V1JXK43

BOND ANALYSIS

LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY REVENUE BONDS (LOUISIANA TECH UNIVERSITY STUDENT HOUSING/INNOVATIVE STUDENT FACILITIES, INC. PROJECT) SERIES 2020 LA LOCAL GOVT ENVRNMN

Report Created On: 11/13/2025



NEUTRAL
AI-CREDIT
SENTIMENT

Executive Summary

The \$49,145,000 Series 2020 Revenue Bonds are issued by the Louisiana Local Government Environmental Facilities and Community Development Authority to finance the Louisiana Tech University Student Housing Project. The proceeds are loaned to Innovative Student Facilities, Inc. (Corporation), a blended component unit of the University, which has a successful history of developing high-quality student housing.

Project and Purpose: The Series 2020 Facilities project involved the acquisition, development, construction, and equipping of 11 new buildings, adding 622 modern, high-quality beds (suite and apartment style) to replace aging housing stock at Louisiana Tech University. The construction phase was substantially completed in FY 2023.

Security and Repayment Structure: The Bonds are special, limited obligations of the Issuer. The Corporation repays the loan solely from Rentals received from the Board under the Facilities Lease. The Board's Rental payment obligation is **absolute and unconditional** and is classified as a current expense of the Board, payable solely from Auxiliary Revenues. Auxiliary Revenues include gross fees levied on all students and income received from Auxiliary Facilities (dormitories, food services, etc.), net of Current Expenses.

Financial Ratios

- Net Debt Service Coverage (Senior/Subordinate Lien Bonds, FY 2024): 1.59
- Current Ratio (Louisiana Tech University, June 30, 2024): 0.87:1
- Unrestricted Net Position (Louisiana Tech University, FY 2024): (\$203,097,919)

Financial Performance and Covenants: The Net Debt Service Coverage Ratio for the Senior Lien Auxiliary Bonds was **1.59x** in FY 2024, above the minimum covenant of 1.10:1.00, although coverage has shown volatility. The University, while reporting a substantial operating deficit (\$74.03 million in FY 2024), has historically seen total revenues exceed expenses since 2017 due to significant non-operating revenues like state and federal aid (e.g., CARES Act funding in FY 2020/2021).

Credit Status and Economic Outlook: The Bonds benefit from insurance provided by BAM. However, the underlying credit rating for the Series 2020 Bonds was downgraded by Moody's to **Baa3** on October 27, 2025, reflecting underlying institutional weakness. This weakness is partially countered by strong operational metrics (enrollment rebound to 12,039 in Fall 2024) and a significant long-term economic catalyst: the planned \$370 million Radiance Technologies microchip facility starting construction in 2026, which is expected to drive regional growth and future student demand.

Briefing Document

Bond Info

CUSIP: 54628CMC3
State: Louisiana
Sector: Housing
Maturity: 10/01/2035

Coupon: 5.000%
Last Trade Date: 10/28/2025
Last Trade Price: \$106.72
Last Trade YTW: 4.685%

For Sale (30 days): no
Funds Holding: no

Issue Details

- **Issuer:**
- **Borrower/Beneficiary:**

The borrower is Innovative Student Facilities, Inc. (the "Corporation"), a Louisiana non-profit corporation and a blended component unit of Louisiana Tech University (the "University"). The Corporation leases the facilities back to the Board of Supervisors for the University of Louisiana System (the "Board"), which is obligated to make Rental payments. The Corporation has a proven history of successfully executing modern student housing projects for LaTech, including the "Park Place" and "University Park" complexes, which were opened on time and on budget.

- **Issue Name:** LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY REVENUE BONDS (LOUISIANA TECH UNIVERSITY STUDENT HOUSING/INNOVATIVE STUDENT FACILITIES, INC. PROJECT) SERIES 2020

- **Principal Amount:** \$0

- **Maturity:**

The Series 2020 Bonds have a total original principal amount of **\$49,145,000**. The final maturity date is **June 30, 2051** (or October 1, 2050, as per some sources). Principal payments are due annually, on or before September 15, commencing September 15, 2020, equal to the principal due on the next succeeding October 1.

- **Interest Payments:** Interest payments are due semiannually, on or before March 15 and September 15 in each year, commencing September 15, 2020, to the Series 2020 Debt Service Fund. The interest rates range from ****3.625% to 5.000%****.

- **Underwriter:**

The Participating Underwriters are Raymond James & Associates, Inc. and Stifel, Nicolaus & Company, Incorporated.

- **Insurance:**

The Series 2020 Bonds are insured by Build America Mutual Assurance Company (BAM), referred to as the "Series 2020 Bond Insurer." BAM provides a Municipal Bond Insurance Policy (Policy F-1) and a Municipal Bond Debt Service Reserve Insurance Policy (Policy F-4).

Municipal Bond Insurance Policy (BAM): BAM unconditionally and irrevocably agrees to pay the trustee or paying agent, for the benefit of the Owners, the portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer. Upon disbursement, BAM becomes the owner of such Bond and is fully subrogated to the rights of the Owner.

- **Enhancements:**

The issue benefits from credit enhancement provided by Build America Mutual Assurance Company (BAM), which acts as the Series 2020 Bond Insurer. This includes a Municipal Bond Insurance Policy and a Municipal Bond Debt Service Reserve Insurance Policy.

Furthermore, a surety bond guarantees the debt service reserve requirement for the Series 2020 Bonds in the amount of **\$2,862,513**. The Corporation's obligation to repay the loan is absolute and unconditional, providing strong security for the debt. The security pledge includes the assignment of the Corporation's interest in the Facilities Lease and all proceeds of insurance received or receivable by the Corporation as a result of damage to or destruction of the Series 2020 Facilities.

Tax Status

Interest on the Series 2020 Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The Bonds, together with the interest, income, and gain upon sale,

are exempt from all State taxes and local taxes.

Redemption

The Series 2020 Bonds are subject to redemption as set forth in the Indenture. The Corporation is obligated to prepay the Payments, in whole or in part, on any date on which the Series 2020 Bonds are subject to redemption pursuant to the Indenture. If the Board exercises its Option to Purchase the Corporation's interest in the Series 2020 Facilities, the Purchase Price is used to redeem the Outstanding Bonds.

Purpose of Issuance

The proceeds of the Series 2020 Bonds are used to fund a loan to the Corporation for the following purposes:

1. Acquisition, development, design, construction, renovation, demolition, and equipping of certain student housing, parking, and ancillary facilities (the "Series 2020 Facilities"), including all furnishings, fixtures, and equipment, on the main campus of Louisiana Tech University. This project involved the construction of 11 new buildings, adding 622 modern beds (residential suite and apartment-style) to replace approximately 600–700 beds of aging student housing.
2. Funding capitalized interest for the Series 2020 Bonds.
3. Paying costs of issuance, including premiums for a bond insurance policy and a debt service reserve fund surety policy.

Bond Security & Payment Source

- **Security Pledge:**The Series 2020 Bonds are secured by the Trust Estate and other amounts pledged and assigned under the Indenture. Repayment is sourced solely from Rentals paid by the Board/University under the Third Supplemental Facilities Lease.
- **Source of Payment (Rental):**The Board's obligation to pay Rental (Base Rental, Extraordinary Rental, and Additional Rental) is an ****absolute and unconditional current expense****, payable solely from Auxiliary Revenues. Auxiliary Revenues include gross fees levied on all students and other income received from Auxiliary Facilities (dormitories, food services, etc.), net of Current Expenses.
- **Triple Net Lease Structure:**The Facilities Lease is a triple net lease, ensuring the Rental is an absolute net return to the Corporation, free of operating expenses, which are borne by the Board. This insulates the Corporation from operational risks.
- **Debt Service Coverage Covenant (Senior Bonds):**The Board covenants to maintain a Debt Service Coverage Ratio (DSCR) for Senior Bonds of at least 1.10:1.00 for each Fiscal Year.
- **Parity Debt Restrictions:**Incurring additional Senior Auxiliary Obligations requires meeting a historical DSCR of 1.25:1.00 over the last two completed Fiscal Years and a projected DSCR of 1.00:1.00.
- **Credit Enhancement:**The Bonds are insured by Build America Mutual Assurance Company (BAM) and benefit from a surety bond guaranteeing the debt service reserve requirement (\$2,862,513).
- **Reserved Cash Requirement:**Amounts received from the Board for the operation and maintenance of the Facilities are required to be kept in a separate bank account as reserved cash. Reserved cash totaled \$5,630,803 as of June 30, 2024.

Sentiment Reasoning

The overall sentiment for the Series 2020 Bonds remains **Neutral**, reflecting a balance between strong structural protections and significant underlying institutional and regional risks.

Strengths: The bonds benefit from the **absolute and unconditional** Rental payment obligation from the Board, which is treated as a current expense, and the external credit enhancement provided by **BAM** insurance. Operationally, the new housing stock is modern and high-quality, contributing to strong housing utilization (90-97%). Crucially, the planned **\$370 million Radiance Technologies microchip facility** provides a significant, tangible long-term economic catalyst that is expected to bolster future enrollment and regional stability, offsetting historical enrollment decline trends.

Weaknesses: The underlying credit profile is weak, evidenced by the Moody's downgrade to **Baa3** (lowest investment grade). This is driven by Louisiana Tech University's structural operating deficit (over \$74 million in FY 2024) and heavy reliance on state appropriations. Furthermore, the region faces risks from recurring severe weather and a weak local economy outside the university. While the DSCR is currently adequate (1.59x), the margin is thin relative to historical highs. The Neutral rating acknowledges the strong structural safeguards and future economic prospects, but mandates caution due to the elevated institutional credit risk.

Key Financials

Net Debt Service Coverage (Senior/Subordinate Lien Bonds)	Fiscal Year Ending 2024	1.59
Current Ratio (Louisiana Tech University)	June 30, 2024	0.87:1
Unrestricted Net Position (Louisiana Tech University)	Fiscal Year Ended June 30, 2024	(\$203,097,919)
Minimum Debt Service Coverage Ratio (Senior Bonds Covenant)	Fiscal Year (Ongoing Covenant)	1.10:1.00
Historical Debt Service Coverage Ratio required for new Senior Auxiliary Obligations	Last two completed Fiscal Years	1.25:1.00
Net Auxiliary Revenues	Fiscal Year Ending 2024	\$43,444,273
Auxiliary Bonds Total Debt Service (Senior Lien & Subordinate)	Fiscal Year Ending 2024	\$9,351,459
Operating Income (Loss) (Louisiana Tech University)	Fiscal Year Ended June 30, 2024	(\$74,025,439)
Total Bonds Payable, net (Innovative Student Facilities, Inc.)	June 30, 2024	\$141,229,439
Total Assets (Innovative Student Facilities, Inc.)	June 30, 2024	\$158,180,916
Net Debt Service Coverage (Senior/Subordinate Lien Bonds)	Fiscal Year Ending 2023	1.35
Net Auxiliary Revenues	Fiscal Year Ending 2023	\$39,057,039
Auxiliary Bonds Total Debt Service (Senior Lien & Subordinate)	Fiscal Year Ending 2023	\$9,140,943
Net Debt Service Coverage (Senior/Subordinate Lien Bonds)	Fiscal Year Ending 2022	1.69x
Net Auxiliary Revenues	Fiscal Year Ending 2022	\$38,376,849
Auxiliary Bonds Total Debt Service (Senior Lien & Subordinate)	Fiscal Year Ending 2022	\$7,521,161
Net Debt Service Coverage (Senior/Subordinate Lien Bonds)	Fiscal Year Ending 2021	2.06
Net Auxiliary Revenues	Fiscal Year Ending 2021	\$34,730,061
Auxiliary Bonds Total Debt Service (Senior Lien & Subordinate)	Fiscal Year Ending 2021	\$6,500,157

Investment Data

Debt Service Coverage Ratio Trend (Senior Lien Auxiliary Bonds)

The Net Debt Service Coverage Ratio (DSCR) for the Senior Lien Auxiliary Bonds (including Series 2020) demonstrates the financial margin provided by Net Auxiliary Revenues over debt service requirements. The trend shows recent volatility and a decline from earlier highs:

Fiscal Year Ending Net Debt Service Coverage

2024	1.59
2023	1.35
2022	1.69
2021	2.06
2020	1.73

Impact: The decline to 1.35x in FY 2023, while still above the 1.10x covenant, indicates increasing pressure from rising debt service obligations (\$9.35 million in FY 2024) relative to Net Auxiliary Revenues. The recovery to 1.59x in FY 2024 is positive, but the narrowing margin requires close monitoring, especially given the Baa3 rating.

University Enrollment and Housing Utilization

The stability of Auxiliary Revenues is directly tied to student demand. Enrollment, after declining to a low of 11,038 in Fall 2022, has shown a strong recovery, reaching **12,039 in Fall 2024**, the highest level since 2018.

Furthermore, utilization of the facilities financed by the bonds remains high:

Housing Type % Utilization (Fall 2024)

Residence Halls	90%
Apartments	96%
Suites	97%

Impact: The recovery in enrollment and consistently high housing utilization rates are crucial strengths, ensuring a stable revenue base for the pledged Auxiliary Revenues. This operational success directly supports the ability of the Board to meet its unconditional Rental obligations.

University Financial Structure and Operating Deficit

Louisiana Tech University operates with a significant structural deficit in its core operations. For FY 2024, the University reported an operating loss of **\$74.03 million**, offset by **\$39.71 million** in State appropriations and other nonoperating revenues. The Unrestricted Net Position deficit remains substantial at **(\$203.09 million)** as of June 30, 2024. The current ratio is tight at **0.87:1**.

Historically, the university has shown overall financial strength, with total revenues exceeding expenses in every fiscal year since 2017, aided by substantial federal funding (e.g., CARES Act) and state funding received in FY 2020 and FY 2021, which provided a financial cushion.

Impact: The heavy reliance on nonoperating revenues, particularly State appropriations, exposes the University to political and budgetary risks. While the bonds are secured by dedicated Auxiliary Revenues, the overall financial health of the University, which is the ultimate obligor, is a fundamental credit concern, reflected in the recent underlying rating downgrades.

Bond Structure and Security

The Series 2020 Bonds are part of a Senior Lien on Auxiliary Revenues. The Board's obligation to pay the necessary Rental is **absolute and unconditional** and treated as a current expense. This structural feature is paramount to the bond's security, as it legally mandates payment regardless of facility performance or other disputes. Additionally, the bonds benefit from bond insurance provided by BAM, guaranteeing timely payment of principal and interest. The obligor's partner, Innovative Student Facilities, Inc., demonstrated resilience, reporting no material impact to its operations from the COVID-19 pandemic as of a 2022 audit.

Impact: The absolute and unconditional nature of the payment obligation, combined with the external guarantee from BAM, provides a robust layer of security that significantly offsets the risks associated with the University's underlying institutional financial weakness and the recent credit downgrades.

Economic Development and Local Demographics

Ruston is classified as a "micropolitan to watch" due to its focus on STEM innovation. The most significant development is the announced **\$370 million secure microchip facility by Radiance Technologies**, with construction slated for 2026, expected to create 150 high-paying jobs. This provides a strong long-term economic tailwind.

However, the local economy outside the university is weak, characterized by a median household income of \$32,765 and a high poverty rate of 36.3%. The city also has a high crime rate (46 per 1,000 residents).

Impact: The Radiance Technologies project offers a substantial positive future outlook for enrollment and local economic diversification, mitigating the risks posed by the current weak local economy and high reliance on the university.

Risk Assessment Summary

The security of the Series 2020 Bonds rests heavily on the stability of Louisiana Tech University's Auxiliary Revenues and the structural protections embedded in the financing agreements. The most significant structural strength is the **absolute and unconditional** obligation of the Board of Supervisors to make Rental payments from Auxiliary Revenues, treating them as a current expense. This feature, combined with the bond insurance provided by BAM, significantly mitigates default risk for bondholders.

However, the underlying credit quality has deteriorated significantly, evidenced by two recent downgrades by Moody's, resulting in a **Baa3** rating (the lowest investment grade). This reflects the University's underlying financial weakness, characterized by substantial annual operating losses (over \$74 million in FY 2024) and a large Unrestricted Net Position deficit (over \$200 million), making the institution heavily reliant on potentially volatile State appropriations. Furthermore, the University faces a risk from long-term enrollment decline (944 decrease over the last decade) and exposure to recurring severe weather events, such as the EF3 tornado in 2019.

These risks are partially offset by strong operational factors, including the successful completion of the modern housing project by a proven partner, strong student demand for the new facilities, and a significant long-term economic catalyst: the planned **\$370 million Radiance Technologies microchip facility** starting construction in 2026, which is expected to boost the local economy and future enrollment prospects.

Risk Assessment

Factor	Strength/ Weakness	Impact on Credit Profile
Underlying Credit Downgrade to Baa3	weakness	Moody's downgraded the underlying rating on the Series 2020 Bonds from Baa1 to Baa3 on October 27, 2025. This signifies an increased risk profile and reduced credit quality, placing the bonds at the lowest investment-grade level.
Reliance on Nonoperating Revenues	weakness	The University incurred a substantial operating loss of \$74.03 million in FY 2024, demonstrating heavy reliance on nonoperating revenues, primarily State appropriations, to maintain solvency and support the debt obligations of its blended component unit (ISF). A reduction in State funding poses a severe risk.
Absolute and Unconditional Obligation of Board	strength	The Board's obligation to pay Rental is absolute and unconditional, meaning it is not subject to abatement, setoff, or counterclaim. This structural feature significantly strengthens the security of the debt.
Bond Insurance Coverage	strength	The Bonds are insured by Build America Mutual Assurance Company (BAM), which provides an external guarantee of timely principal and interest payments, mitigating the risk of default for bondholders.
Declining and Volatile Debt Service Coverage	weakness	The Net Debt Service Coverage for Senior Lien Bonds dropped from 2.06x in FY 2021 to 1.35x in FY 2023, recovering slightly to 1.59x in FY 2024. This volatility and the proximity to the 1.10:1.00 minimum covenant indicate vulnerability to revenue shocks.
Restrictions on Additional Debt	strength	The issuance of additional Senior Auxiliary Obligations is restricted by a strong historical DSCR test of 1.25:1.00, limiting the University's ability to increase leverage that ranks equally with the Series 2020 Bonds.
Unrestricted Net Position Deficit	weakness	The University maintains a significant deficit in Unrestricted Net Position (over \$200 million), indicating a lack of flexible, discretionary resources to meet unexpected obligations or operational needs.
Strong Enrollment Recovery and High Housing Utilization	strength	Total enrollment rebounded to 12,039 in Fall 2024, and housing utilization remains high (90-97%). This strong operational performance supports the stability of the Auxiliary Revenues pledged to the bonds.
Major Economic Development Catalyst (Radiance Technologies)	strength	The planned \$370 million secure microchip facility by Radiance Technologies, starting construction in 2026, is expected to create 150 high-paying jobs in Ruston. This development provides a strong long-term positive outlook for the university's enrollment and local economic demand.
Long-Term Enrollment Decline Trend	weakness	Louisiana Tech University experienced a decline of 944 students over the decade leading up to the 2023-2024 academic year. While enrollment rebounded in Fall 2024, this long-term trend represents a direct risk to the Auxiliary Revenues that secure the bonds if not permanently reversed.
Recurring Severe Weather Risk	weakness	The Ruston area is prone to severe weather, including tornadoes (such as the EF3 in April 2019). This environmental risk necessitates high-quality construction and adequate insurance coverage to protect the facilities and the revenue stream.
Weak Local Economy and High Poverty/Crime Rate	weakness	Ruston has a low median household income (\$32,765) and a high poverty rate (36.3%), nearly double the state average. Additionally, the city has a high crime rate (46 per 1,000 residents). This weak local economic environment increases the reliance on the university's stability.
High Quality, Modern Housing Stock	strength	The project replaced aging housing with 622 new, modern residential suite and apartment-style beds, which aligns with contemporary student expectations and increases the competitive advantage of the University's housing offerings.

People of Interest

Ty E. Carlos

Executive Director

**Raymond James &
Associates, Inc.**

Underwriter

**Stifel, Nicolaus &
Company, Incorporated**

Underwriter

Argent Trust Company

Trustee

500 E. Reynolds,
Ruston, Louisiana
71270, Attention:
Corporate Trust
Department

**Build America Mutual
Assurance Company**

Series 2020 Bond
Insurer
200 Liberty Street, 27th
Floor, New York, New
York 10281, Attention:
Surveillance

**Robert E. Shadoin,
L.L.C.**

Counsel to the
Corporation
829 E. Georgia Avenue,
Suite 3, P.O. Box 782,
Ruston, Louisiana
71273-0782

**Heard, McElroy &
Vestal, LLC**

Independent Auditor
Period: FY 2021 - FY
2024
318-429-1525 PHONE

**Board of Supervisors
for the University of
Louisiana System**

Obligated
Person/Issuer
Representative

Timeline of Events

Natural Disaster	2019-04-01	EF3 tornado struck the campus and town, causing damage to dormitories and athletic facilities, necessitating state capital appropriation.
Formation	2003-07-01	Innovative Student Facilities, Inc. (the Corporation) was formed.
Financing Agreement	2020-05-01	The Board of Directors approved the issuance of the \$49,145,000 aggregate principal amount of the Series 2020 Revenue Bonds.
Dated Date/Issuance Date	2020-05-28	Dated date of the Series 2020 Bonds and the Bond Counsel Opinion.
First Interest/Principal Payment Deposit Due	2020-09-15	First semiannual interest payment deposit and first annual principal payment deposit due to the Series 2020 Debt Service Fund.
First Interest Payment Date	2020-10-01	First interest payment date on the Series 2020 Bonds.
Underlying Rating Downgrade	2024-06-11	Moody's downgraded the underlying rating on the Series 2020 Bonds (and others) from A3 to Baa1.
Enrollment Data Point	Fall 2024	Total enrollment rebounded to 12,039, the highest level since 2018.
Underlying Rating Downgrade	2025-10-27	Moody's downgraded the underlying rating on the Series 2020 Bonds (and others) from Baa1 to Baa3.
Economic Development Milestone	2026-01-01	Construction slated to begin for the \$370 million secure microchip facility by Radiance Technologies in Ruston.
Final Maturity	2051-06-30	Final maturity date for the Student Housing Project Series 2020 Bonds.

FAQ

1. What is the nature of the Board's payment obligation for the Series 2020 Facilities?

The Board's obligation to pay Rental (Base Rental, Extraordinary Rental, and Additional Rental) under the Third Supplemental Facilities Lease is **absolute and unconditional**, and constitutes a **current expense** of the Board, payable solely from Auxiliary Revenues. This structure prevents the obligation from being construed as debt subject to constitutional or statutory limitations on indebtedness.

2. What are the minimum debt service coverage requirements for the Senior Bonds?

The Board covenants to maintain a Debt Service Coverage Ratio (DSCR) for the Senior Bonds (which include the Series 2020 Bonds) of at least **1.10:1.00** for each Fiscal Year. This ratio is calculated using Net Auxiliary Revenues divided by maximum annual debt service on all Senior Auxiliary Obligations.

3. What restrictions exist on the University incurring additional parity debt?

The University/Board is restricted from issuing additional Senior Auxiliary Obligations unless the historical DSCR over the last two completed Fiscal Years was at least **1.25:1.00**, and the projected DSCR (taking into account the new debt) is at least **1.00:1.00**. This is a strong safeguard against future dilution of coverage.

4. What is the status of the construction project financed by the Series 2020 Bonds?

The Phase 2020 Construction project, which included 11 new buildings providing 622 modern beds (apartment and suite style) and renovation of existing halls (Dudley Hall, Aswell Hall, and Adams Hall), was completed. Construction in progress for the Series 2020 project was reduced to **\$0** as of June 30, 2024, indicating substantial completion.

5. How has the underlying credit rating for the Series 2020 Bonds changed recently?

The underlying rating for the Series 2020 Bonds has been downgraded twice by Moody's. It was lowered from A3 to Baa1 on June 11, 2024, and subsequently downgraded again from Baa1 to **Baa3** on October 27, 2025. Baa3 is the lowest investment-grade rating.

6. What major economic development is expected to impact the Ruston area and Louisiana Tech University?

Ruston is slated to begin construction on a **\$370 million secure microchip facility** by Radiance Technologies in 2026. This project is expected to create 150 high-paying jobs (\$85,000 average salary) and is a significant long-term positive for the university's enrollment and local economic demand.

Munibonds.ai, LLC – DISCLAIMER & DISCLOSURES

The analyses, data, insights, tools, and other information (collectively, "Content") provided by Munibonds.ai, LLC ("Munibonds.ai") are subject to certain limitations, disclaimers, and terms of use. Please read these carefully. By accessing or using any Content provided by Munibonds.ai, you acknowledge and agree to these terms.

1. Nature of Content & Not Investment Advice: The Content provided by Munibonds.ai, including but not limited to analytics, assessments, scores, forecasts, or outputs generated by our artificial intelligence (AI) models, represents Munibonds.ai's current opinions and informational tools as of the date expressed. They are not statements of current or historical fact. Munibonds.ai's Content is not intended to be, and does not constitute, investment, financial, legal, tax, or any other form of advice.

Our Content is not a recommendation to purchase, sell, or hold any particular municipal bond or any other security, nor does it comment on the suitability of any investment for any particular investor, the market price or value of any security, or the tax-exempt nature or taxability of payments in respect to any security. Each investor must, with due care, make their own study and evaluation of each security that is under consideration for purchase, holding, or sale. You should consult with your own financial, legal, and tax advisors before making any investment decisions.

2. Limitations of AI & Data: Munibonds.ai utilizes a variety of data sources, including publicly available information and third-party data, which it believes to be reliable. However, Munibonds.ai does not perform an audit and undertakes no duty of due diligence or independent verification of all information it receives, processes, or on which its AI models are trained. The AI models and algorithms used by Munibonds.ai are based on historical data, statistical analysis, and specific methodologies. Outputs are inherently probabilistic and subject to the limitations of the data, models, and assumptions used. Past performance or model back-testing is not indicative of future results. No AI model, algorithm, or data analysis can guarantee perfect accuracy, completeness, timeliness, or predict future events or market performance with certainty. The nature of municipal bond markets and influencing factors can be complex and subject to rapid change. No AI model, algorithm, or data analysis can guarantee perfect accuracy, completeness, timeliness, or predict future events or market performance with certainty. The nature of municipal bond markets and influencing factors can be complex and subject to rapid change.

2A. AI Usage and Transparency: Portions of the Content provided by Munibonds.ai are generated or assisted by artificial intelligence (AI) models trained on financial, regulatory, and third-party datasets. These models are statistical in nature, may evolve over time, and do not replicate human judgment. Users are advised to interpret such outputs as informational and probabilistic, not as definitive or authoritative conclusions.

3. "As Is" Basis & No Warranties: All Content is provided on an "AS IS" and "AS AVAILABLE" basis. Munibonds.ai and its third-party providers disclaim any and all express or implied warranties, including, but not limited to, any warranties of accuracy, completeness, timeliness, merchantability, or fitness for a particular purpose or use, freedom from bugs, software errors or defects, or that the Content's functioning will be uninterrupted. Munibonds.ai does not represent or warrant that the Content will meet any of the requirements of a recipient.

4. Limitation of Liability: The Content may include forward-looking statements, projections, or forecasts that are based on Munibonds.ai's current expectations and assumptions. Such statements are inherently subject to risks, uncertainties, and changes in circumstances, and actual results may differ materially from those expressed or implied. Where forward-looking statements are generated through or supported by AI tools, they may be influenced by training biases, outdated data, or limited contextual awareness. Munibonds.ai undertakes no obligation to update or revise any forward-looking statements.

5. Intellectual Property & Use Restrictions: All Content is the proprietary intellectual property of Munibonds.ai or its licensors and is protected by copyright and other intellectual property laws. No Content may be modified, reverse-engineered, reproduced, copied, repackaged, further transmitted, transferred, disseminated, redistributed, resold, or stored for subsequent use for any such purpose, in whole or in part, in any form or manner or by any means whatsoever, by any person without Munibonds.ai's prior written consent. Specifically, no Content provided by Munibonds.ai may be used to develop, improve, train, or retrain any artificial intelligence, machine learning, or natural language processing software, algorithm, methodology, or model without the express prior written consent of Munibonds.ai.

6. Forward-Looking Statements: The Content may include forward-looking statements, projections, or forecasts that are based on Munibonds.ai's current expectations and assumptions. Such statements are inherently subject to risks, uncertainties, and changes in circumstances, and actual results may differ materially from those expressed or implied. Munibonds.ai undertakes no obligation to update or revise any forward-looking statements.

7. Reliance on Information & User Responsibility: Munibonds.ai relies on information provided by issuers, underwriters, and other sources it believes to be credible. The scope of factual investigation and third-party verification will vary. Ultimately, issuers and their advisors are responsible for the accuracy of the information they provide to the market. Users of Munibonds.ai's Content should understand that neither enhanced factual investigation nor any third-party verification can ensure that all information relied upon will be accurate and complete.

8. Changes to Content and Methodologies: Munibonds.ai's opinions, analyses, models, and methodologies are subject to change or withdrawal at any time in Munibonds.ai's sole discretion without prior notice.

9. No Endorsement or Fiduciary Role: Munibonds.ai does not act as a fiduciary or an investment advisor, except where registered as such and explicitly agreed to in a separate written agreement. The provision of Content does not create a fiduciary relationship.

10. Jurisdictional Issues: This Content is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation.

11. Contact & Copyright: Copyright © [2025] Munibonds.ai, LLC. All rights reserved. Munibonds.ai, LLC. Contact support@munibonds.ai, Further information on our methodologies, definitions, and the general limitations of our Content may be available on our website: www.munibonds.ai

This disclaimer is for informational purposes only and does not constitute legal advice. Munibonds.ai, LLC strongly recommends that you consult with your own legal counsel to ensure compliance with all applicable laws and regulations and to tailor any disclaimers to your specific business operations and risks.