COMMUNITY FOUNDATION OF ACADIANA,
RELATED ENTITY AND SUPPORTING ORGANIZATIONS

FINANCIAL REPORT

DECEMBER 31, 2022

CONTENTS

BROUSSARD
POCHÉ, LLP
CERTIFIED PUBLIC ACCOUNTANTS

101 Independence Boulevard | Lafayette, LA 70506
(O) 337.988.4930 | (F) 337.984.2393
www.BroussardPoche.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Community Foundation of Acadiana
Lafayette, Louisiana

Opinion

We have audited the accompanying consolidated financial statements of Community Foundation of Acadiana, Related Entity and Supporting Organizations (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects the financial position of the Community Foundation of Acadiana, Related Entity and Supporting Organizations as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Foundation of Acadiana, Related Entity and Supporting Organizations and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Foundation of Acadiana, Related Entity and Supporting Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exits. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Community Foundation of Acadiana, Related Entity and Supporting Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Foundation of Acadiana, Related Entity and Supporting Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits and other payments to agency head on page 28 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 consolidated financial statements or to the consolidated 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 our report dated June 27, 2023 on our consideration of Community Foundation of Acadiana's internal control over financial reporting and on 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 Community Foundation of Acadiana, Related Entity and Supporting Organization's internal control over financial reporting and compliance.

Broussard Poche', LLP

Lafayette, Louisiana
June 27, 2023

FINANCIAL STATEMENTS

COMMUNITY FOUNDATION OF ACADIANA,
RELATED ENTITY AND SUPPORTING ORGANIZATIONS

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of December 31, 2022 and 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 1,770,443	$ 613,881
Investments:		
Money market accounts and interest bearing accounts	12,505,803	32,384,543
Other investments	156,071,080	151,257,578
Contribution receivable, net, current portion	-	30,382
Accrued interest receivable	24,778	40,359
Convertible notes receivable, current portion	25,000	50,000
Prepaid expenses	24,839	36,974
Total current assets	$ 170,421,943	$ 184,413,717
FIXED ASSETS		
Property and equipment	$ 31,597,483	$ 31,122,934
Accumulated depreciation	(9,570,321)	(8,844,925)
Fixed assets, net	$ 22,027,162	$ 22,278,009
OTHER ASSETS		
Notes receivable	$ 431,827	$ 431,827
Other receivables	-	130,000
Convertible notes receivable	25,000	-
Security deposits	500	500
Total other assets	$ 457,327	$ 562,327
Total assets	$ 192,906,432	$ 207,254,053

See Notes to Consolidated Financial Statements.

LIABILITIES AND NET ASSETS	2022	2021
CURRENT LIABILITIES		
Accounts payable	$ 3,239	$ 24,102
Current portion of long-term debt	156,762	149,783
Current portion of bonds payable	69,500	65,000
Accrued liabilities	13,426	10,538
Funds held in custody	15,401,189	16,224,076
Total current liabilities	$ 15,644,116	$ 16,473,499
LONG-TERM LIABILITIES		
Long-term debt, less current portion	$ 1,946,486	$ 2,102,955
Bonds payable, less current portion	-	68,500
Total long-term liabilities	$ 1,946,486	$ 2,171,455
Total liabilities	$ 17,590,602	$ 18,644,954
NET ASSETS		
Without donor restrictions	$ 143,505,554	$ 154,281,772
With donor restrictions	31,810,276	34,327,327
Total net assets	$ 175,315,830	$ 188,609,099
Total liabilities and net assets	$ 192,906,432	$ 207,254,053

COMMUNITY FOUNDATION OF ACADIANA,
RELATED ENTITY AND SUPPORTING ORGANIZATIONS

CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, LOSSES AND OTHER SUPPORT			
Contributions	$ 23,054,245	$ 2,949,392	$ 26,003,637
In-kind contributions	333,372	-	333,372
Interest and dividends	1,975,566	447,205	2,422,771
Net gains (losses) on investments			
Realized	3,218,290	761,369	3,979,659
Unrealized	(23,839,925)	(4,524,320)	(28,364,245)
Rent income	380,132	-	380,132
Fundraising income	629,117	-	629,117
Administrative fee	73,708	-	73,708
Other income	5,132	79	5,211
Net assets released from restrictions	2,150,776	(2,150,776)	-
Total revenues, gains, losses and other support	$ 7,980,413	$ (2,517,051)	$ 5,463,362
EXPENSES AND LOSSES			
Grants distributed	$ 14,702,270	$ -	$ 14,702,270
Program expenses	1,764,862	-	1,764,862
Supporting services:			
General and administrative	1,605,764	-	1,605,764
Fundraising	683,735	-	683,735
Total expenses	$ 18,756,631	$ -	$ 18,756,631
Changes in net assets	$ (10,776,218)	$ (2,517,051)	$ (13,293,269)
Net assets at beginning of year	154,281,772	34,327,327	188,609,099
Net assets at end of year	$143,505,554	$ 31,810,276	$175,315,830

See Notes to Consolidated Financial Statements.

COMMUNITY FOUNDATION OF ACADIANA,
RELATED ENTITY AND SUPPORTING ORGANIZATIONS

CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, LOSSES AND OTHER SUPPORT			
Contributions	$ 22,642,347	$ 3,266,737	$ 25,909,084
In-kind contribution	236,298	-	236,298
Interest and dividends	1,517,113	310,384	1,827,497
Net gains (losses) on investments			
Realized	4,063,806	1,169,276	5,233,082
Unrealized	11,258,491	1,068,794	12,327,285
Rent income	370,450	-	370,450
Fundraising income	25,161	-	25,161
Administrative fee	65,902	-	65,902
Other income	9,803	-	9,803
Net assets released from restrictions	1,636,308	(1,636,308)	-
Total revenues, gains, losses and other support	$ 41,825,679	$ 4,178,883	$ 46,004,562
EXPENSES AND LOSSES			
Grants distributed	$ 14,866,580	$ -	$ 14,866,580
Program expenses	2,112,481	-	2,112,481
Supporting services:			
General and administrative	1,270,623	-	1,270,623
Fundraising	17,888	-	17,888
Total expenses	$ 18,267,572	$ -	$ 18,267,572
Changes in net assets	$ 23,558,107	$ 4,178,883	$ 27,736,990
Net assets at beginning of year	130,723,665	30,148,444	160,872,109
Net assets at end of year	$154,281,772	$ 34,327,327	$188,609,099

See Notes to Consolidated Financial Statements.

COMMUNITY FOUNDATION OF ACADIANA,
RELATED ENTITY AND SUPPORTING ORGANIZATIONS

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2022

	Program Expenses	Supporting Services: General and Administrative	Supporting Services: Fundraising Expenses	Total
Salaries	$ 87,890	$ 811,242	$ -	$ 899,132
Payroll taxes and benefits	2,637	100,672	-	103,309
Professional services	171,202	228,858	64,506	464,566
Event expense	478,494	35,430	37,424	551,348
Travel and meetings	31,458	15,562	-	47,020
Office expense	235	58,406	65	58,706
Supplies	161,871	174	19,334	181,379
Repairs and maintenance	-	21,383	-	21,383
Insurance	3,940	31,896	3,580	39,416
Printing and publications	2,657	25,171	15,687	43,515
Trust and bank fees	11,463	5,937	-	17,400
Computer and internet	1,344	109,381	51,244	161,969
Bad debt expense	500	-	-	500
Conferences and staff training	-	14,462	-	14,462
Rental expense	-	18,949	-	18,949
Sponsorships	-	44,500	-	44,500
Other	31,813	35,926	491,895	559,634
Interest	101,777	-	-	101,777
Depreciation	677,581	47,815	-	725,396
	$ 1,764,862	$ 1,605,764	$ 683,735	$ 4,054,361

See Notes to Consolidated Financial Statements.

COMMUNITY FOUNDATION OF ACADIANA,
RELATED ENTITY AND SUPPORTING ORGANIZATIONS

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2021

	Program Expenses	Supporting Services: General and Administrative	Supporting Services: Fundraising Expenses	Total
Salaries	$ 56,794	$ 672,501	$ -	$ 729,295
Payroll taxes and benefits	1,706	91,163	-	92,869
Professional services	420,472	153,258	-	573,730
Event expense	319,083	13,941	6,240	339,264
Travel and meetings	46,620	22,789	600	70,009
Office expense	5,907	44,283	-	50,190
Supplies	434,397	68	8,012	442,477
Repairs and maintenance	-	19,805	-	19,805
Insurance	3,565	28,910	650	33,125
Printing and publications	13,178	22,461	1,561	37,200
Trust and bank fees	17,299	2,554	-	19,853
Computer and internet	1,503	109,399	-	110,902
Conferences and staff training	-	515	-	515
Rental expense	-	15,991	-	15,991
Sponsorships	-	20,000	-	20,000
Other	36,773	5,452	825	43,050
Interest	107,649	-	-	107,649
Depreciation	647,535	47,533	-	695,068
	$ 2,112,481	$ 1,270,623	$ 17,888	$ 3,400,992

See Notes to Consolidated Financial Statements.

COMMUNITY FOUNDATION OF ACADIANA,
RELATED ENTITY AND SUPPORTING ORGANIZATIONS

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2022 and 2021

	2022	2021
OPERATING ACTIVITIES		
Change in net assets	$ (13,293,269)	$ 27,736,990
Adjustments to reconcile change in net assets to operating activities:		
Depreciation and amortization	726,396	696,068
Net realized and unrealized (gains) losses on investments	24,384,586	(17,560,367)
Provision for bad debt	500	-
Decrease (increase) in assets:		
Contribution receivables	29,882	160,284
Other receivables	145,581	22,725
Cash surrender value of life insurance policy	-	529,521
Prepaid expenses	12,135	(11,682)
Write down of construction in process – technology expense	129,470	-
Increase (decrease) in liabilities:		
Accounts payable	(20,863)	(44,654)
Accrued liabilities	2,888	65
Funds held in custody	1,511,464	1,143,744
Net cash provided by operating activities	$ 13,628,770	$ 12,672,694
INVESTING ACTIVITIES		
Purchase of investments	$ (72,213,560)	$ (42,007,072)
Proceeds from sales of investments	40,681,121	39,769,357
Purchase of fixed assets	(604,019)	(111,024)
Net cash used in investing activities	$ (32,136,458)	$ (2,348,739)
FINANCING ACTIVITIES		
Payments on long-term debt	$ (149,490)	$ (143,115)
Payments on bonds	(65,000)	(65,000)
Net cash provided by financing activities	$ (214,490)	$ (208,115)
Net increase (decrease) in cash	$ (18,722,178)	$ 10,115,840
Cash at beginning of year:		
Cash and cash equivalents	$ 613,881	$ 493,560
Money market and interest-bearing deposits	32,384,543	22,389,024
	$ 32,998,424	$ 22,882,584
Cash at end of the year:		
Cash and cash equivalents	$ 1,770,443	$ 613,881
Money market and interest-bearing deposits	12,505,803	32,384,543
	$ 14,276,246	$ 32,998,424
SUPPLEMENTAL DISCLOSURES:		
Cash payments of interest	$ 101,777	$ 108,627

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

COMMUNITY FOUNDATION OF ACADIANA,
RELATED ENTITY AND SUPPORTING ORGANIZATIONS

Note 1. Nature of Organization and Significant Accounting Policies

Nature of organization:

Community Foundation of Acadiana (the "Foundation") is a Louisiana nonprofit corporation chartered on November 16, 2000. Its primary purpose is to serve as a community foundation which shall receive and administer component funds (donor advised funds and others) for charitable, educational or scientific purposes. Louisiana Real Estate Foundation and William C. Schumacher Family Foundation (Supporting Organizations) operate as supporting organizations for the benefit of Community Foundation of Acadiana. As a result, these entities are financially interrelated and consolidation is required under accounting principles generally accepted in the United States.

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

Significant accounting policies:

Basis of consolidation -

The consolidated financial statements include the accounts of the Foundation, related entity (Louisiana Parks Foundation), and supporting organizations (Louisiana Real Estate Foundation and William Schumacher Family Foundation). The Louisiana Real Estate Foundation includes its wholly owned entities: CFA Office, L.L.C., CFA-REH, L.L.C. and Ascension Episcopal School Campus, L.L.C. The William Schumacher Family Foundation includes its wholly owned entities: Link & Learn, LLC and Love Our Schools, LLC. Love our Schools, LLC was dissolved in 2021. All material inter-company items and transactions have been eliminated. The consolidated entities is referred to as the Organization.

Contributions and recognition of donor restricted contributions -

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. The Foundation also classifies component funds with "variance power" clauses in the fund agreements as unrestricted net assets, which is a predominant trend used by most community foundations.

Amounts received that are restricted by the donor for specified purposes are reported as contributions with donor restrictions that increases that net asset class. When donor restrictions expire, when a time restriction ends and/or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

The net assets with donor restricted funds includes the cost of contributed land and the net book value of contributed fixed assets of the Foundation, CFA-REH, L.L.C. and Ascension Episcopal School Campus, L.L.C., and certain other component funds that have time restrictions. As these assets are depreciated, the amount of depreciation in a given period is considered to be released from that restriction.

Other revenues -

Revenues without donor restrictions are obtained from rent income, fundraising income, and administrative fees. These revenues are recorded when the service is provided or an event is held. Rent income is recorded when earned.

Membership fees, partnerships and sponsorships, which are nonrefundable, are comprised of both an exchange and non-exchange elements. The exchange portion is based on the value of benefits received by the member/partner/sponsor. The Foundation records a deferred revenue for the exchange portion until the benefit is received, at which time revenue would be recognized. The non-exchange portion is the difference between the total received and the exchange portion and is recognized as revenue when received and classified as a contribution on the consolidated statement of activities. As of December 31, 2022 and 2021, there is no deferred revenue recorded. All money collected from members, partners and sponsors totaled $247,840 and $217,490 for the year ended December 31, 2022 and 2021, respectively. All money collected from members, partners and sponsors was considered a non-exchange transaction and was recognized in contribution revenue for the year ended December 31, 2022 and 2021.

Use of estimates -

The preparation of consolidated 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 at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents -

For the purposes of the consolidated statements of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Money market funds used for investment purposes are included in cash and cash equivalents on the consolidated statements of cash flows.

Investments -

Investments, which consist of debt and equity securities, mutual funds, certificates of deposits and private equity investments are presented in the consolidated financial statements at fair value. Private equity investments without readily determinable fair values are stated at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. Investment securities are exposed to various risks including, but not limited to, interest rate and market and credit risks. Due to the level of risks associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term.

Some investments related to donor advised funds are maintained outside of the pooled investment accounts where assets are held in the name of the Organization. Investment earnings for these funds are maintained in individual investment accounts that are not comingled with other investment assets. Investment earnings for these accounts are based on the actual investment performance of the related assets.

Note receivable -

Note receivable is stated at unpaid principal balances less the allowance for doubtful accounts. The Foundation considered the note receivable to be fully collectible as of December 31, 2022 and 2021, and accordingly, no allowance has been recorded.

Contributions receivable -

Contributions to be received in one year or less are reported at net realizable value. Contributions to be received after one year are initially reported at fair value, estimated by discounting them to their present value. Thereafter, the amortization of discounts is recorded as additional contribution revenue. The Foundation considers all contributions and pledge receivable to be fully collectible. Accordingly, no allowance for doubtful accounts is reported. If amounts become uncollectible, they will be charged to the change in net assets when that determination is made.

Property and equipment -

Purchased property and equipment are recorded at cost at the date of acquisition. Contributed property and equipment is recorded at fair value at the date of donation. Donations of property and equipment that are not restricted as to their use by the donor are recorded as increases in net assets without donor restrictions. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as increases in net assets with donor restrictions. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions each year for the amount of depreciation expense relating to the restricted donated property and equipment.

In the absence of donor stipulations regarding how long the contributed assets must be used, the Organization has adopted a policy of implying a time restriction on contributions of such assets that expires over the assets' useful lives. As a result, all contributions of property and equipment are recorded as restricted support. As donated assets are depreciated, the restriction for that portion of the net asset expires.

Depreciation is computed by the straight-line method at rates based on the following useful lives:

	Years
Buildings and building improvements	5 – 40
Land improvements	5 – 30
Furniture and equipment	2 – 7

Tax status -

The Foundation, Related Entity and Supporting Organizations are Louisiana nonprofit corporations established and 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 consolidated financial statements.

The Forms 990, *Return of Organization Exempt from Income Tax*, is no longer subject to examination by tax authorities for years prior to 2019.

Concentrations of credit risk -

Financial instruments which subject the Organization to concentrations of credit risk consist primarily of investments in debt and equity securities, mutual funds, private equity investments and contributions receivable. The Organization typically maintains cash and cash equivalents and temporary investments in local banks which may, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) limits.

The Organization relies heavily on general public donations to support its operations. The majority of donations are derived from local donors in Southern Louisiana.

Funds held in Custody -

The Organization considered all funds in which a not-for-profit specifies itself as the beneficiary of that fund to be considered a liability on the consolidated statement of financial position.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of functional expenses.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Liquidity

Assets are presented in the accompanying statement of financial position according to their nearness of conversion to cash and liabilities according the nearness of their maturity and resulting use of cash.

Adopted accounting pronouncements -

In February 2016, the FASB issued ASU 2016-02, *Leases* ("ASU 2016-02"), which sets out the principles for the recognition, measurement, presentation and disclosure of the leases for both parties to a contract (i.e. lessees and lessors). The new standard establishes a right-of-use ("ROU) model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classifications affecting the pattern of expense recognition on the income statement. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. ASU 2016-02 is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees and operating leases existing at, or enter into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Organization adopted ASU 2016-02 the modified retrospective approach, which eliminates the requirement to restate the prior-period financial statements. Under this transition provision, the Organization has applied ASU 2016-02 to reporting periods beginning on January 1. 2022, while prior periods continue to be reported and disclose in accordance with the Organization's historical accounting treatment under ASU 2016-02, *Leases*. The adoption of this new standard did not have any material changes in their financial statements.

In 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which addresses the presentation and disclosure requirements for not-for-profit entities for contributed nonfinancial assets. The new standard is effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. The Organization adopted this new standard on January 1, 2022. The adoption of this new standard expanded the required disclosures.

Upcoming accounting pronouncements -

In 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASU 2016-13), which requires an allowance for credit losses to reflect management's current estimate of credit losses that are expected to occur over the remaining life of a financial asset. ASU 2016-13 is effective for fiscal years beginning after December 15, 2022, including interim periods within those financial years. The Organization is evaluating the impact that ASU 2016-13 will have on their financial statements and related disclosures.

Note 2. Note Receivable

Ascension Episcopal School Campus, L.L.C.

In connection with the renewal of certain indebtedness with First Horizon Bank (formerly IberiaBank), Ascension Episcopal School Campus, L.L.C. redeemed certificates of deposit in an endowed fund of Ascension Episcopal School which collateralized the debt and applied the proceeds against a portion of the debt to the bank. In connection with that redemption, Ascension Episcopal School signed a note receivable to Ascension Episcopal School Campus, L.L.C. at rate of 1% payable quarterly commencing August 15, 2012. Under the terms of the note, no principal reduction is expected until all current indebtedness of Ascension Episcopal School Campus, L.L.C. is extinguished. The balance of the note is $431,827 at December 31, 2022 and 2021. The year the note will be repaid is not determinable.

Note 3. Contributions Receivable

Unconditional promises to give are included in the financial statements as contributions receivable and revenues of the appropriate net asset category. Promises to give in excess of one year are discounted using the Treasury yield rates as of balance sheet date. Discount rates applied .39% as of December 31, 2021. Contributions receivable recognized at December 31, 2022 and 2021 were as follows:

	2022	2021
Contributions receivable	$ -	$ 30,500
Unamortized discount	-	(118)
	$ -	$ 30,382

Contributions receivable (net of present value discount) at December 31, 2022 and 2021 had the following restrictions:

	2022	2021
Without restrictions	$ -	$ 498
With restrictions for endowments	-	29,884
	$ -	$ 30,382

The Foundation's management evaluates the collectability of the contribution receivables. 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. No allowance has been recorded as of December 31, 2021, as management considered all pledges fully collectible.

Note 4. Convertible Note Receivables

In January 2019, a donor advised fund loaned $25,000 to ThinkGenetic, Inc. as a convertible note. The receivable bears interest at 8%. Compounded interest is accrued annually. The company may prepay this note in whole or in part. The receivable originally matures any time after the earlier of (a) December 31, 2020, (b) one business day after the closing of a qualified financing, (c) a change in control, or (d) when, upon or after the occurrence of an event of default, such amounts are declared due and payable by the holder or made automatically due and payable in accordance with the terms. Upon obtaining qualified financing, the outstanding principal amount of the convertible note and any accrued but unpaid interest shall be converted into that number of shares of ThinkGenetic, Inc stock by the conversion price. As of December 31, 2022 and 2021, the notes receivable had not been called or converted to equity and remains outstanding as a receivable at year-end.

In May, 2019, a donor advised fund loaned $25,000 to NeuroRescue, Inc as a convertible note. The receivable bears interest at 8%. All outstanding principal and interest shall be due and payable on the earlier of (a) an event of default, (b) closing of qualified financing, (c) sale of the company, or (d) second anniversary of the date of issuance. The outstanding principal balance of the note and any accrued but unpaid interest, will be automatically converted into equity securities of the company in the event the company consummates, prior to the maturity date, an equity financing pursuant to which it sells shares of preferred stock, in a transaction or series of related transactions resulting in aggregate gross proceeds to the company of at least $1,500,000. Upon such qualified financing, the unpaid accrued interest amounts shall automatically convert into shares of preferred stock at a conversional price equal to the lesser of (a) 80% of the price per share paid by purchasers of preferred stock and (b) price obtained by dividing $8,000,000 by the Company's fully-diluted capitalization immediately prior to the qualified financing. If the Company obtained financing via issuance of shares of the company's stock that does not constitute qualified financing prior to the maturity date, the holders of may elect to convert the note receivable into equity. An amendment was done to extend the maturity date to the earlier of (i) May 31, 2024, (ii) one business day after the closing of a qualified financing, (iii) a change in control, or (iv) when, upon or after the occurrence of an event of default, such amounts are declared due and payable by the holder or made automatically due and payable in accordance with the terms thereof; or As of December 31, 2022 and 2021, the note receivable had not been called or converted to equity and remains outstanding as a receivable at year end.

On April 17, 2018, the William C. Schumacher Family Foundation loaned $542,885 to Students of Strength, Inc. as a convertible note. The note receivable bears an interest rate of 3% and a single payment of all accrued interest and principal was due on April 17, 2020. The note is subject to the right granted to the holder to convert the proceeds of this note to common stock at $.0001 par value. The right to covert shall be exercisable upon the first anniversary through the maturity date. As of December 31, 2022 and 2021, it was determined that the Students of Strength, Inc.'s convertible note was considered uncollectible and an allowance was recorded in the amount of $542,885.

The following is a summary of the outstanding convertible notes receivables at December 31, 2022 and 2021:

	2022	2021
Students of Strength	$ 542,885	$ 542,885
ThinkGenetic, Inc.	25,000	25,000
NeuroRescue, Inc	25,000	25,000
Total convertible notes receivable	$ 592,885	$ 592,885
Less: allowance for uncollectible account	(542,885)	(542,885)
Total convertible notes receivable, net	$ 50,000	$ 50,000
Less current portion	(25,000)	(50,000)
Long term portion	$ 25,000	$ -

Note 5. Investments

Investments are measured at fair value in the statements of financial position. Private equity investments with less than 20% ownership that do not have readily determinable fair values are measured at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. Investments consist of bonds, stocks, mutual funds, certificates of deposits and private equity investments. Realized and unrealized gains and losses on investments, interest and dividends, and impairment losses (if any) are reflected in the statement of activities within the appropriate net asset category.

Investments are composed of the following at December 31, 2022 and 2021:

	2022	2021
Pooled investments:		
Fixed income	$ 42,406,447	$ 27,502,011
Equities	43,960,488	42,602,066
Limited partnership	1,219,955	1,099,418
Certificates of deposit	867,332	109,981
Private equity investments	13,868,837	19,317,374
Corporate bonds	6,112,711	3,849,113
Equities	25,028,401	30,861,053
Government securities	2,527,161	-
Mutual and exchange traded funds	17,179,927	22,950,073
Investments carried at fair value	$153,171,259	$148,291,089
Private equity investments without readily determinable fair values	2,899,821	2,966,489
Total investments	$156,071,080	$151,257,578

There were two equity investments with a fair value of $1,316,488 with unfunded commitments of $283,512 as of December 31, 2022.

Note 6. Property and Equipment

Property and equipment at December 31, 2022 and 2021 consisted of the following:

	2022	2021
Land	$ 4,165,000	$ 4,165,000
Buildings and building improvements	25,479,688	25,479,688
Land improvements	1,093,377	1,093,377
Furniture and equipment	185,000	181,899
Technology equipment	600,918	-
Construction in progress	73,500	202,970
	$ 31,597,483	$ 31,122,934
Less accumulated depreciation	(9,570,321)	(8,844,925)
	$ 22,027,162	$ 22,278,009

Total depreciation expense for the years ended December 31, 2022 and 2021 was $695,351 and $695,068, respectively.

Note 7. Funds Held in Custody

The Foundation has adopted FASB ASC 958-605-25-33 (formerly FASB No. 136), *"Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others."* This pronouncement established standards for transactions in which a community foundation accepts a contribution from a donor and agrees to transfer those assets, the return on investments of those assets, or both to another entity that is specified by the donor. ASC 958-605-25-33 specifically requires that if a not-for-profit establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund, the community foundation must account for the transfer of such assets as a liability. The Foundation refers to such transfers as funds held in custody.

The Foundation maintains variance power and legal ownership of funds held in custody, and as such, continues to report the funds as assets of the Foundation. However, in accordance with ASC 958-605-25-33, a liability has been established for the present value of the future payments expected to be made to the not-for-profit organizations, which is generally the equivalent of the fair value of the funds. The funds held in custody as of December 31, 2022 and 2021 were $15,401,189 and $16,224,076, respectively.

Note 8. In-Kind Contributions

The Foundation received donated audit and tax services, computer consulting services and website support, lawn care, and media partnerships. The estimated fair value is based on the costs of these services obtained from the donors. The total amount of donated services at December 31, 2022 and 2021 were $333,372 and $236,298, respectively.

Note 9. CFA-REH, L.L.C.

During 2002, the Foundation formed a 501(c)(2) corporation to accept a donation of land. The 501(c)(2) is a not-for-profit organization that is wholly-owned by Louisiana Real Estate Foundation. The sole purpose of this organization was to accept real estate, hold real estate, collect income, and dispense income and real estate. During 2003, however, the Foundation formed CFA-REH, L.L.C. and transferred the property to that corporation. The limited liability company is wholly-owned by the Foundation.

In 2004, CFA-REH, L.L.C. accepted a $1,000,000 donation and issued debt in the amount of $920,000 to construct a building on the donated land. The building is being leased as a school for an amount equivalent to the debt service on the bonds, including other financing obligations, over the 20 year bond term as discussed in Note 12.

Note 10. Ascension Episcopal School Campus, L.L.C.

The Foundation formed a limited liability company, Ascension Episcopal School Campus, L.L.C., to accept a $3,125,000 donation of 72 acres of undeveloped real estate in Youngsville, Louisiana and to fund the construction of a school. The L.L.C. has constructed a major portion of the proposed school with an estimated ultimate cost of $55,000,000. The initial first phase of the school construction cost was $21,129,048. Additionally, building and land improvements have increased the initial constructions costs. The initial construction activity was funded by contribution commitments from various donors and notes payable to various sources. Additional improvements have been facilitated through donors, as well as the school. The notes payable for the initial school have been refinanced and the current funding sources are facilitated through pledges by various donors to Ascension Episcopal School, a ministry of The Episcopal Church of the Ascension, and other funding sources of both the Church and the School.

Note 11. Long-term Debt

The following is a summary of the outstanding notes payable and long-term debt at December 31, 2022 and 2021:

	2022	2021
Ascension Episcopal School Campus, L.L.C.- 4.50% note payable, monthly payments of $20,789, including interest. Note was extended in 2018 with a maturity of January 20, 2024, secured by real estate.	$ 2,103,248	$ 2,252,738
Less current portion	(156,762)	(149,783)
Long term portion	$ 1,946,486	$ 2,102,955

The aggregate maturities of principal payments due on long-term debt by fiscal year are as follows:

2023	$ 156,762
2024	1,946,486
	$ 2,103,248

The Ascension Episcopal School Campus, L.L.C. indebtedness was incurred in connection with the completion of the construction of the first phase of the school complex. The liability is further guaranteed by The Episcopal Church of the Ascension. As part of that guarantee and lease of the facility, the Church has agreed to make any and all payments to liquidate the debt in excess of any pledges it has received from donors that collateralize the obligations. The note payable for Ascension Episcopal School Campus, L.L.C. has a balloon payment due on January 20, 2024. It is anticipated that the note will be refinanced under similar terms and conditions as the maturing obligation, while it may include a higher rate of interest on the indebtedness based on changes to the prime lending rate.

Note 12. Bonds Payable

At December 31, 2022 and 2021, bonds payable consisted of the following components:

	2022	2021
Bonds payable	$ 70,000	$ 135,000
Bond cost of issuance, net of accumulated amortization	(500)	(1,500)
Bonds payable, net	$ 69,500	$ 133,500
Less current portion	(69,500)	(65,000)
Bonds payable, net, less current portion	$ -	$ 68,500

Revenue bonds with an aggregate principal amount of $920,000 were issued by the Louisiana Public Facilities Authority and the proceeds were loaned to the CFA-REH, L.L.C. pursuant to a loan agreement dated June 1, 2003.

Bond issue costs in the amount of $18,002 were incurred in the issuance of the debt and are being amortized over the life of the bonds.

Interest on the bonds are based on a weekly interest rate determined by the remarketing agent on the interest rate determination date immediately preceding the applicable interest rate adjustment date, to be the lowest interest rate in the judgment of the remarketing agent at which the bonds could be remarketed at par, plus the accrued interest. In addition to interest, the Company is also required to pay fees on a letter of credit securing the debt, remarking agent fees, analyst fees and trustee fees.

Aggregate maturities required on bonds payable are as follows at December 31, 2022:

2023	$ 70,000

Interest expense on the indebtedness was $806 and $282 during the year ended December 31, 2022 and 2021. Payments of bank fees in connection with the debt were $5,171 and $5,485 during the fiscal year ended December 31, 2022 and 2021.

Note 13. Employee Benefit Plan

The Foundation has a discretionary Simple IRA Pension retirement plan (Simple IRA) in effect that covers all employees. The Foundation matches employee contributions to the plan up to 3% of qualified compensation. The Foundations' matching contribution to the plan for the year ended December 31, 2022 and 2021 was $18,978 and $16,829, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 14. Liquidity and Availability of Resources

Financial assets available for general expenditures and grant distributions, without donor or other restrictions limiting their use, within one year of the balance sheet date, are comprised of the following:

	2022	2021
Cash	$ 1,770,443	$ 613,881
Investments	168,576,883	183,642,121
Receivables, current portion	24,778	70,741
	$170,372,104	$184,326,743
Less:		
Donor restricted endowments and funds	(24,054,326)	(27,833,432)
Investments held for Funds Held in Custody	(15,401,189)	(16,224,076)
Total available for general expenditures and grant distributions within one year	$130,916,589	$140,269,235

The Foundation funds its operations primarily through contributions, investment income, rental income and administrative fees. Assets with donor restrictions are not available for general expenditures.

Note 15. Endowments and Net Asset Classifications

The Foundation's endowment funds consist of a number of individual funds established for a variety of purposes. Its endowments include donor-restricted endowment funds; whereby, the stipulations of the gift may require preservation of the original donation with only the income derived used for a specific purpose. Endowed funds with donor-restricted funds are recorded as net assets with restrictions, the income from which is expendable to support the grantor's purpose. When a restriction expires, net assets are reclassified to net assets without restrictions in the consolidated statements of activities as net assets released from restrictions.

Interpretation of Relevant Law

In June 2010, the Louisiana Legislature adopted provisions of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") into Louisiana Law effective July 1, 2010. In 2006, the UPMIFA was approved and recommended by the National Conference of Commissions on Uniform State Laws. The provisions of the Act are to provide for the standard of conduct in managing and investing an institutional fund; to provide for the appropriation for expenditure or the accumulation of an endowment fund; to provide for the delegation of management and investment functions; to provide for the release or modification of restrictions on management, investment, or purpose of an institutional fund and to provide for reviewing compliance.

The Board of the Foundation has implemented 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. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction (if any) of the applicable donor gift instrument at the time the accumulation is added to the fund.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following is a recap of changes in endowment balances as of December 31, 2022 and 2021:

	With Donor Restrictions	
	2022	2021
Endowment net assets, beginning of year	$ 27,300,550	$ 23,577,906
Change in net assets:		
Contributions	2,949,393	2,766,738
Interest and dividends	447,205	310,384
Realized and unrealized gains (losses)	(3,762,873)	2,238,070
Net assets released from restrictions	(1,607,022)	(1,592,548)
Endowment net assets, end of year	$ 25,327,253	$ 27,300,550

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. Deficiencies of this nature exist in endowment funds, with a fair value of $6,726,679 and $169,548 as of December 31, 2022 and 2021, respectively. The amounts of these endowments required to be maintained amounted to $7,801,995 and $218,761, resulting in a deficiency of $1,075,316 and $49,213as of December 31, 2022 and 2021. These deficiencies resulted 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. The basic underlying approach to the management of the investment portfolio is to optimize the risk-return relationship appropriate to the Foundation's needs and goals using a globally diverse portfolio of a variety of asset classes.

Strategies Employed for Achieving Objectives

The primary long-term investment objective is to seek competitive market returns so as to preserve and grow the capital of funds, provide cash flows to fund distributions and to preserve the purchasing power of the funds to meet immediate and long-term charitable needs of donors and the Foundation.

Spending Policy and How the Investment Objectives Relate to Spending Policy

Non-endowed funds may make distributions of any combination of principal and income assuming sufficient assets remain to cover administrative fees. Endowed funds are subject to a distribution rate. Annually, the Board establishes a distribution rate for the following twelve months. This distribution rate is stated as a percentage of the 12 quarter rolling average of each endowed fund. Newly established funds (with fewer than 12 quarters) use the quarterly rolling average from its inception. The distribution rate determines an "available to grant" amount. Unless otherwise instructed, the "available to grant" amount is segregated to the cash and cash equivalents portfolio.

Note 16. Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following as of December 31, 2022 and 2021:

	2022	2021
Subject to expenditure for specified purposes		
Capital projects – land and buildings	$ 6,483,023	$ 6,526,777
Cooperative Endeavor Agreement	-	500,000
Endowments:		
Subject to endowment spending policy and appropriation	25,327,253	27,300,550
Total net assets with donor restrictions	$31,810,276	$34,327,327

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other evens specified by the donors as follows for the year ended December 31, 2022 and 2021:

	2022	2021
Net assets released from restrictions:		
Depreciation expense net of bond payable	$ 43,756	$ 43,756
Program expenses – fees	334	4,215
Administrative fees	183,152	187,576
Love our schools home giveaway	486,000	-
Grants distributed	1,437,534	1,400,761
	$ 2,150,776	$ 1,636,308

Note 17. Cooperative Endeavor Agreement

During 2021, the Foundation entered into a Cooperative Endeavor Agreement with the Louisiana Department of Treasury and the State of Louisiana. A fund was established and considered a non-endowed (non-permanent) designated fund. The Foundation will utilize these funds to build and expand educational and recreational facilities to better serve at risk youth in an underserved and low-income part of the community. In December 2021, the Foundation received $500,000 under this agreement and it is included in contributions on the consolidated statement of activities. During 2022, all of the money was distributed within the guidelines of the Cooperative Endeavor Agreement.

In April 2022, Link and Learn, LLC entered into a Cooperative Endeavor Agreement with the Lafayette Parish School Board (School Board) and Lafayette City-Parish Consolidated Government d/b/a LUS Fiber. The participants in this Cooperative Endeavor Agreement desire to construct and operate Phase One of a dedicated Wi-Fi network in order to service those Lafayette Parish students living in the most economically disadvantaged areas of the Parish. The term of the project shall commence upon the execution and expire 5 years from the date LUS Fiber gives notice to the School Board that the network is fully operational. Prior to this agreement, Link and Learn, LLC had invested in engineering services and purchased equipment in a total amount of $600,918. Upon entering into this agreement, Link and Learn, Inc. grants full rights of use and access to the design and equipment to both the School Board and LUS Fiber. The School Board shall be responsible for the costs incurred by LUS Fiber to maintain and service the Network beginning on the date the network is fully operational for a period of 5 years. LUS Fiber shall provide services in the form of installation, integration, operation and maintenance of the network pursuant to the design guidelines to allow for access by the School Board's students or their parents through School Board-issued equipment and devices. In the event continuation of the services requires additional funding not yet appropriated by the School Board and said funding is not appropriated, the School Board or Link and Learn, LLC may terminate the agreement, without penalty, upon written notice to LUS Fiber and the School Board and/or Link and Learn, LLC.

Note 18. Operating lease

CFA-REH, LLC leases property to The Episcopal Church of the Ascension for the operation of the pre-kindergarten and kindergarten. The monthly rent paid is secured by a 20-year lease entered into on August 21, 2003. The monthly rent shall be an amount sufficient to cover all bond payments and fees, costs and expenses associated with the bonds and any letter of credit, which secures the bond. In addition, rent shall include all costs of constructing the facility in excess of the available bond funds. Rental income for the year ended December 31, 2022 and 2021 was $73,983 and $66,250 respectively.

Ascension Episcopal School Campus, LLC leases property to The Episcopal Church of the Ascension for the operation of the upper school (grades 8-12) which was completed in November 2008. The open ended lease was entered into on November 26, 2007. The base monthly rent to be paid is $500 per month. The Episcopal Church of the Ascension must also pay or reimburse for all repairs and maintenance required, as well as all insurance and ad valorem or other property taxes. The rent shall be adjusted every five years based on the change in the Consumer Price Index (CPI) measured against the base year of 2008. In October 2008, January 2012 and August 2013, amendments to the original lease were executed which requires an additional rent in an amount and at such times as required to enable the Foundation to amortize any loans taken out for purposes of construction for a period not to exceed 20 years, including principal and interest. The loan is amortized over five years with a monthly payment of $20,789 (principal and interest), plus a balloon payment of the remaining balance in 2024. Rental income for the year ended December 31, 2022 and 2021 was $255,474.

CFA Office, LLC leases property to The Woodmen of the World Life Insurance Society under an agreement dated December 22, 2017. The lease is payable per month in an amount equal to $3,600 per month. The lease agreement was extended through December 31, 2022. Rental income for the year ended December 31, 2022 and 2021 was $45,840 and $46,200, respectively.

CFA Office, LLC leases property to The Woodmen of the World Youth Camp Corp. under an agreement dated December 22, 2017. The lease is payable per month in an amount equal to $250 per month. The lease agreement was extended through December 31, 2022. Rental income for the year ended December 31, 2022 and 2021 was $3,000.

Total rental income from operating leases amounted to $380,132 and $370,450 for the years ended December 31, 2022 and 2021, respectively.

The Organization's assets that are involved in operating leases which are included in total property and equipment as of December 31, 2022 and 2021 are as follows:

	2022	2021
Land	$ 3,125,000	$ 3,125,000
Buildings and building improvements	25,326,749	25,326749
Land improvements	1,091,794	1,091,794
Total property included in lease agreements	$ 29,543,543	$ 29,543,543
Less: accumulated depreciation	(9,018,969)	(8,644,916)
Total property included in lease agreements, net	$ 20,524,574	$ 20,898,627

The following is a schedule by years of future minimum rental income on operating leases at December 31, 2022, if the associated debt is not refinanced or extended:

Year Ending December 31,	
2023	$ 319,480
2024	1,954,354
Total future minimum rental income	$ 2,273,834

Note 19. Lease agreement

In January 2021, Link & Learn, LLC, which is wholly owned by the William Schumacher Family Foundation, entered into a lease agreement with the Lafayette City-Parish Consolidated Government to lease an agreed upon location on a tower located at 234 Distribution Drive, Lafayette, Louisiana. The initial term of the lease was for 10 years. After the lapse 36 months from the effective date, the lessee shall have the right to terminate the lease. The term of this lease shall be automatically renewed and extended, unless terminated, for two additional terms of five years each. The rental rate for the first full year of the initial term shall be $17,280 per year, which was prorated from the date of the effective lease agreement to the end of the calendar year. On January 1st of each successive individual year of the initial term and the renewal of this lease agreement, the annual rental rate shall increase by 4% of the amount of the prior year rental rate. During 2022, the lease was terminated by mutual agreement. Total rental expense under this lease agreement during the year ended December 31, 2022 and 2021 totaled $ - 0 – and $16,665, respectively.

In 2021, William Schumacher Family Foundation entered into a lease for office space. The lease is for a 3 year term and will expire December 31, 2024. The base rent is $1,454 a month. Total rental expense under this lease agreement during the year ended December 31, 2022 and 2021 totaled $18,949 and $15,994, respectively.

Note 20. Fair Value of Financial Instruments

In accordance with FASB ASC 820-10-50-1, the Organization groups assets and financial liabilities 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.

Investments are carried at estimated fair market value within the financial statements. Private equity investments that do not have readily determinable fair values are measured at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table presents the Organization's fair value hierarchy for the assets measured at fair value on a recurring basis.

	Fair Value	Fair Value Measurements at Reporting Date Using: Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments measured at net asset value
December 31,2022:					
Pool investments:					
Fixed income	$ 42,406,447	$ 42,406,447	$ -	$ -	$ -
Equity	43,960,488	43,960,488	-	-	-
Limited partnership	1,219,955	-	-	-	1,219,955
Certificate of deposit	867,332	-	-	867,332	-
Private equity investments	13,868,837	-	-	13,868,837	-
Corporate bonds	6,112,711	6,112,711	-	-	-
Equities	25,028,401	25,028,401	-	-	-
Government securities	2,527,161	2,527,161	-	-	-
Mutual and exchange traded funds	17,179,927	17,179,927	-	-	-
Total investments	$153,171,259	$137,215,135	$ -	$ 14,736,169	$ 1,219,955

	Fair Value	Fair Value Measurements at Reporting Date Using: Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments measured at net asset value
December 31,2021:					
Pool investments:					
Fixed income	$ 27,502,011	$ 27,502,011	$ -	$ -	$ -
Equity	42,602,066	42,602,066	-	-	-
Limited partnership	1,099,418	-	-	-	1,099,418
Certificate of deposit	109,981	-	-	109,981	-
Private equity investments	19,317,374	-	-	19,317,374	-
Corporate bonds	3,849,113	3,849,113	-	-	-
Equities	30,861,053	30,861,053	-	-	-
Mutual and exchange traded funds	22,950,073	22,950,073	-	-	-
Total investments	$148,291,089	$127,764,316	$ -	$ 19,427,355	$ 1,099,418

Investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented are intended to permit the reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position. This investment invests in a diversified portfolio of midstream energy infrastructure companies or midstream master limited partnerships.

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

	Certificates of Deposit	Private Equity Investments	Total Level 3 Investments
Ending balance – December 31, 2020	$ 156,324	$12,858,575	$13,014,899
Maturities	(50,000)	-	(50,000)
Investment income, unrealized gains (losses)	3,657	6,458,799	6,462,456
Ending balance – December 31, 2021	$ 109,981	$19,317,374	$19,427,355
Purchase/donations	750,000	-	750,000
Investment income, unrealized gains (losses)	7,351	(5,448,537)	(5,441,186)
Ending balance – December 31, 2022	$ 867,332	$13,868,837	$14,736,169

Note 21. Reclassifications

Certain reclassifications have been made in the financial statements at December 31, 2021, in order to be consistent with reporting in the current year. These reclassifications had no effect on previously reported net assets or changes in net assets.

Note 22. Subsequent Events

The Foundation evaluated the need for disclosures and/or adjustments resulting from subsequent events through June 27, 2023, the date the financial statements were available to be issued. The evaluation did not result in any subsequent events that necessitated disclosures or adjustments under general accounting standards.

SUPPLEMENTARY INFORMATION

COMMUNITY FOUNDATION OF ACADIANA, SUBSIDARY,
RELATED ENTITY AND SUPPORTING ORGANIZATIONS

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO AGENCY HEAD
Year Ended December 31, 2022

There were no compensation, benefits and other payments paid in the year ended December 31, 2022 and 2021 from public funds.

BROUSSARD
POCHÉ, LLP
CERTIFIED PUBLIC ACCOUNTANTS

101 Independence Boulevard | Lafayette, LA 70506
(O) 337.988.4930 | (F) 337.984.2393
www.BroussardPoche.com

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 Directors of
Community Foundation of Acadiana
Lafayette, 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 consolidated financial statements of Community Foundation of Acadiana, Related Entity and Supporting Organizations (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses and cash flows for years then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 27, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Community Foundation of Acadiana, Related Entity and Supporting Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that appropriate in the circumstances for the purpose of expressing our opinions on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Foundation of Acadiana, Related Entity and Supporting Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of Community Foundation of Acadiana, Related Entity and Supporting 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 consolidated 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 that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Foundation of Acadiana's consolidated financial statements are free from 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 consolidated 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*.

4112 West Congress Street | P.O. Box 61400 | Lafayette, LA 70596-1400 | 337.988.4930 | 146 West Main Street | New Iberia, LA 70560 | 337.364.4554 | 103 North Avenue F | Crowley, LA 70526 | 337.783.5693

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 entity'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 Poché, LLP

Lafayette, Louisiana
June 27, 2023

COMMUNITY FOUNDATION OF ACADIANA, SUBSIDARY,
RELATED ENTITY AND SUPPORTING ORGANIZATIONS

SCHEDULE OF FINDINGS AND RESPONSES
Year Ended December 31, 2022

We have audited the consolidated financial statements of Community Foundation of Acadiana, Related Entity and Supporting Organization as of and for the year ended December 31, 2022, and have issued our report thereon dated June 27, 2023. 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 consolidated financial statements as of December 31, 2022 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_ No
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

COMMUNITY FOUNDATION OF ACADIANA, SUBSIDARY,
RELATED ENTITY AND SUPPORTING ORGANIZATIONS

SCHEDULE OF PRIOR FINDINGS
Year Ended December 31, 2022

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

None reported

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.