

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

**FINANCIAL REPORT**

**DECEMBER 31, 2023**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Community Foundation of Acadiana, Related Entity,  
and Supporting Organizations  
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, 2023 and 2022, 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, 2023 and 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. 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 opinion.

### 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 will always detect a material misstatement when it exists. 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, 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.

*Broussard Poche', LLP*

Lafayette, Louisiana  
June 25, 2024

## **FINANCIAL STATEMENTS**

COMMUNITY FOUNDATION OF ACADIANA,  
RELATED ENTITY AND SUPPORTING ORGANIZATIONS

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
As of December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,489,617	\$ 1,770,443
Investments:		
Money market accounts and interest bearing accounts	9,153,934	12,505,803
Other investments	179,341,804	156,071,080
Accrued interest receivable	95,187	24,778
Other receivables	101,930	-
Prepaid expenses	26,155	24,839
Convertible notes receivable, net	<u>25,000</u>	<u>25,000</u>
Total current assets	<u>\$ 190,233,627</u>	<u>\$ 170,421,943</u>
FIXED ASSETS		
Property and equipment	\$ 31,587,134	\$ 31,597,483
Accumulated depreciation	<u>(10,305,502)</u>	<u>(9,570,321)</u>
Fixed assets, net	<u>\$ 21,281,632</u>	<u>\$ 22,027,162</u>
OTHER ASSETS		
Notes receivable	\$ 431,827	\$ 431,827
Convertible notes receivable, net	25,000	25,000
Security deposits	<u>500</u>	<u>500</u>
Total other assets	<u>\$ 457,327</u>	<u>\$ 457,327</u>
Total assets	<u>\$ 211,972,586</u>	<u>\$ 192,906,432</u>

See Notes to Consolidated Financial Statements.

	<u>2023</u>	<u>2022</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 6,577	\$ 3,239
Current portion of long-term debt	1,946,579	156,762
Current portion of bonds payable	-	69,500
Accrued liabilities	49,237	13,426
Funds held in custody	<u>16,948,520</u>	<u>15,401,189</u>
Total current liabilities	<u>\$ 18,950,913</u>	<u>\$ 15,644,116</u>
<b>LONG-TERM LIABILITIES</b>		
Long-term debt, less current portion	<u>\$ -</u>	<u>\$ 1,946,486</u>
Total liabilities	<u>\$ 18,950,913</u>	<u>\$ 17,590,602</u>
<b>NET ASSETS</b>		
Without donor restrictions	\$ 158,957,036	\$ 143,505,554
With donor restrictions	<u>34,064,637</u>	<u>31,810,276</u>
Total net assets	<u>\$ 193,021,673</u>	<u>\$ 175,315,830</u>
 Total liabilities and net assets	 <u>\$ 211,972,586</u>	 <u>\$ 192,906,432</u>

COMMUNITY FOUNDATION OF ACADIANA,  
RELATED ENTITY AND SUPPORTING ORGANIZATIONS

CONSOLIDATED STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES, GAINS, LOSSES AND OTHER SUPPORT</b>			
Contributions	\$ 17,511,854	\$ 2,902,987	\$ 20,414,841
In-kind contributions	54,552	295,000	349,552
Interest and dividends	2,834,379	584,173	3,418,552
Net gains (losses) on investments			
Realized	372,299	21,329	393,628
Unrealized	12,334,295	2,308,866	14,643,161
Rent income	343,337	-	343,337
Fundraising income	559,715	-	559,715
Administrative fee	75,553	-	75,553
Gain (loss) on disposals of fixed assets	(3,198)	-	(3,198)
Other income	6,779	-	6,779
Net assets released from restrictions	<u>3,857,994</u>	<u>(3,857,994)</u>	<u>-</u>
 Total revenues, gains, losses and other support	 <u>\$ 37,947,559</u>	 <u>\$ 2,254,361</u>	 <u>\$ 40,201,920</u>
 <b>EXPENSES AND LOSSES</b>			
Grants distributed	\$ 17,645,851	\$ -	\$ 17,645,851
Program expenses	2,432,830	-	2,432,830
Supporting services:			
General and administrative	1,703,816	-	1,703,816
Fundraising	<u>713,580</u>	<u>-</u>	<u>713,580</u>
 Total expenses	 <u>\$ 22,496,077</u>	 <u>\$ -</u>	 <u>\$ 22,496,077</u>
 Changes in net assets	 \$ 15,451,482	 \$ 2,254,361	 \$ 17,705,843
 Net assets at beginning of year	 <u>143,505,554</u>	 <u>31,810,276</u>	 <u>175,315,830</u>
 Net assets at end of year	 <u>\$158,957,036</u>	 <u>\$ 34,064,637</u>	 <u>\$193,021,673</u>

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, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES, GAINS, LOSSES AND OTHER SUPPORT			
Contributions	\$ 23,054,245	\$ 2,949,392	\$ 26,003,637
In-kind contributions	58,372	275,000	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	<u>2,425,776</u>	<u>(2,425,776)</u>	<u>-</u>
Total revenues, gains, losses and other support	<u>\$ 7,980,413</u>	<u>\$ (2,517,051)</u>	<u>\$ 5,463,362</u>
EXPENSES AND LOSSES			
Grants distributed	\$ 14,702,270	\$ -	\$ 14,702,270
Program expenses	1,760,376	-	1,760,376
Supporting services:			
General and administrative	1,595,399	-	1,595,399
Fundraising	<u>698,586</u>	<u>-</u>	<u>698,586</u>
Total expenses	<u>\$ 18,756,631</u>	<u>\$ -</u>	<u>\$ 18,756,631</u>
Changes in net assets	\$ (10,776,218)	\$ (2,517,051)	\$ (13,293,269)
Net assets at beginning of year	<u>154,281,772</u>	<u>34,327,327</u>	<u>188,609,099</u>
Net assets at end of year	<u>\$143,505,554</u>	<u>\$ 31,810,276</u>	<u>\$175,315,830</u>

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, 2023

	<u>Program Expenses</u>	<u>Supporting Services General and Administrative</u>	<u>Fundraising Expenses</u>	<u>Total</u>
Salaries	\$ 58,733	\$ 951,901	\$ 25,393	\$ 1,036,027
Payroll taxes and benefits	1,150	126,692	580	128,422
Professional services	974,936	192,427	36,436	1,203,799
Event expense	506,623	17,569	547,686	1,071,878
Travel and meetings	13,200	9,415	40,216	62,831
Office expense	40	54,407	8	54,455
Supplies	2,111	184	15,784	18,079
Repairs and maintenance	-	23,366	-	23,366
Insurance	2,147	29,110	1,087	32,344
Printing and publications	1,302	11,831	18,099	31,232
Trust and bank fees	24,108	1,473	1,334	26,915
Computer and internet	883	109,054	19,738	129,675
Conferences and staff training	-	22,007	-	22,007
Rental expense	-	13,062	-	13,062
Sponsorships	-	78,300	-	78,300
Other	44,188	14,590	7,219	65,997
Interest	95,554	-	-	95,554
Depreciation	<u>707,855</u>	<u>48,428</u>	<u>-</u>	<u>756,283</u>
	<u>\$ 2,432,830</u>	<u>\$ 1,703,816</u>	<u>\$ 713,580</u>	<u>\$ 4,850,226</u>

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

	<u>Program Expenses</u>	<u>Supporting Services General and Administrative</u>	<u>Fundraising Expenses</u>	<u>Total</u>
Salaries	\$ 83,723	\$ 800,877	\$ 14,532	\$ 899,132
Payroll taxes and benefits	2,318	100,672	319	103,309
Professional services	171,202	228,858	33,294	433,354
Event expense	500,978	35,430	561,820	1,098,228
Travel and meetings	31,458	15,562	31,212	78,232
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	12,671	15,687	31,015
Trust and bank fees	11,463	5,937	-	17,400
Computer and internet	1,344	109,381	13,644	124,369
Bad debt expense	500	-	-	500
Conferences and staff training	-	14,462	-	14,462
Rental expense	-	18,949	-	18,949
Sponsorships	-	57,000	-	57,000
Other	9,329	35,926	5,099	50,354
Interest	101,777	-	-	101,777
Depreciation	677,581	47,815	-	725,396
	<u>\$ 1,760,376</u>	<u>\$ 1,595,399</u>	<u>\$ 698,586</u>	<u>\$ 4,054,361</u>

See Notes to Consolidated Financial Statements.

COMMUNITY FOUNDATION OF ACADIANA,  
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CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ 17,705,843	\$ (13,293,269)
Adjustments to reconcile change in net assets to operating activities:		
Depreciation and amortization	756,783	726,396
Net realized and unrealized (gains) losses on investments	(15,036,789)	24,384,586
Loss on disposal of fixed assets	3,198	-
Provision for bad debt	-	500
Decrease (increase) in assets:		
Contribution receivables	-	29,882
Notes receivable	-	145,581
Accrued and other receivables	(172,339)	-
Prepaid expenses	(1,316)	12,135
Write down of construction in process – technology expense	-	129,470
Increase (decrease) in liabilities:		
Accounts payable	3,338	(20,863)
Accrued liabilities	35,811	2,888
Funds held in custody	51,679	1,511,464
Net cash provided by operating activities	<u>\$ 3,346,208</u>	<u>\$ 13,628,770</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	\$(59,367,692)	\$ (72,213,560)
Proceeds from sales of investments	52,629,409	40,681,121
Purchase of fixed assets	(13,951)	(604,019)
Net cash used in investing activities	<u>\$ (6,752,234)</u>	<u>\$ (32,136,458)</u>
<b>FINANCING ACTIVITIES</b>		
Payments on long-term debt	\$ (156,669)	\$ (149,490)
Payments on bonds	(70,000)	(65,000)
Net cash used in financing activities	<u>\$ (226,669)</u>	<u>\$ (214,490)</u>
Net decrease in cash	<u>\$ (3,632,695)</u>	<u>\$ (18,722,178)</u>
Cash at beginning of year:		
Cash and cash equivalents	\$ 1,770,443	\$ 613,881
Money market and interest-bearing deposits	12,505,803	32,384,543
	<u>\$ 14,276,246</u>	<u>\$ 32,998,424</u>
Cash at end of the year:		
Cash and cash equivalents	\$ 1,489,617	\$ 1,770,443
Money market and interest-bearing deposits	9,153,934	12,505,803
	<u>\$ 10,643,551</u>	<u>\$ 14,276,246</u>
<b>SUPPLEMENTAL DISCLOSURES:</b>		
Cash payments of interest	<u>\$ 95,554</u>	<u>\$ 101,777</u>

See 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, its related entity (Louisiana Parks Foundation), and supporting organizations (Louisiana Real Estate Foundation and William Schumacher Family Foundation). Louisiana Parks Foundation was dissolved in 2023. 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 entity, Link & Learn, LLC. 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 -**

Other 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.

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The Foundation has memberships, in which the donors become a member of the Foundation and receive certain benefits. They also offer sponsorships for various events, in which donors can contribute to certain events of the Foundation. Membership fees 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, 2023 and 2022, there is no deferred revenue recorded. All money collected from members, partners and sponsors totaled \$189,665 and \$247,840 for the year ended December 31, 2023 and 2022, 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, 2023 and 2022.

**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, exchanged traded 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 commingled 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 credit losses and doubtful accounts. The Foundation considered the note receivable to be fully collectible as of December 31, 2022, and accordingly, no allowance had been recorded. The allowance for credit loss was considered insignificant as of December 31, 2023.

**COMMUNITY FOUNDATION OF ACADIANA,  
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**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:

	<u>Years</u>
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 filed tax returns are no longer subject to examination by tax authorities for years prior to 2020.

**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, exchange traded funds and private equity investments. 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.

COMMUNITY FOUNDATION OF ACADIANA,  
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**Liquidity**

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

**Leases**

Effective January 1, 2022, the Foundation adopted ASU 2016-02, *Leases* (Topic 842) issued by the Financial Accounting Standards Board (FASB). The Foundation determines if an arrangement contains a lease at inception based on whether the Foundation has the right to control the asset during the contract period and other facts and circumstances. The standard establishes a right-to-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 are classified as either financing or operating, with classifications affecting the pattern of expense recognition in the statement of activities. Leases with a term of less than 12 months will not record a ROU asset and lease liability and the payments will be recognized into profit or loss over the lease term.

The Foundation leases buildings to various tenants. Revenue is generally recognized in the month in which it is earned.

**Adopted 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. The Foundation adopted ASU 2016-13 using the modified retrospective approach on January 1, 2023. The adoption of ASU 2016-13 did not have a significant impact on the financial statements and 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, 2023 and 2022. The year the note will be repaid is not determinable.

**Note 3. 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. An amendment was done in 2023 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. 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, 2023 and 2022, the notes receivable had not



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been called or converted to equity and remains outstanding as a receivable at year-end. The allowance for credit loss was considered insignificant as of December 31, 2023.

In May, 2019, a donor advised fund loaned \$25,000 to NeuroRescue, Inc as a convertible note. Since the initial investment, NeuroRescue has rebranded and changed its line of business. 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. As of December 31, 2023 and 2022, the note receivable had not been called or converted to equity and remains outstanding as a receivable at year end. The allowance for credit loss was considered insignificant as of December 31, 2023.

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 convert shall be exercisable upon the first anniversary through the maturity date. As of December 31, 2023 and 2022, it was determined that the Students of Strength, Inc.'s convertible note was considered uncollectible and an allowance for credit loss was recorded in the amount of \$542,885.

The following is a summary of the outstanding convertible notes receivables at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Students of Strength	\$ 542,885	\$ 542,885
ThinkGenetic, Inc.	25,000	25,000
NeuroRescue, Inc	<u>25,000</u>	<u>25,000</u>
Total convertible notes receivable	\$ 592,885	\$ 592,885
Less: allowance for credit losses	<u>(542,885)</u>	<u>(542,885)</u>
Total convertible notes receivable, net	\$ 50,000	\$ 50,000
Less current portion	<u>(25,000)</u>	<u>(25,000)</u>
Long term portion	<u>\$ 25,000</u>	<u>\$ 25,000</u>

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Note 4. 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, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Pooled investments:		
Fixed income	\$ 47,783,731	\$ 42,406,447
Equities	52,091,144	43,960,488
Limited partnership	-	1,219,955
Certificates of deposit	2,348,250	867,332
Private equity investments	14,928,236	13,868,837
Corporate bonds	4,254,646	6,112,711
Equities	32,520,304	25,028,401
Government securities	2,822,454	2,527,161
Mutual and exchange traded funds	<u>19,668,218</u>	<u>17,179,927</u>
Investments carried at fair value	\$176,416,983	\$153,171,259
Private equity investments without readily determinable fair values	<u>2,924,821</u>	<u>2,899,821</u>
Total investments	<u>\$179,341,804</u>	<u>\$156,071,080</u>

Private equity investments without readily determinable fair values includes investments made by donors into private equity companies. The private equity companies are in the oil and gas and healthcare industries. The investments do not have readily determinable fair values, therefore, the foundation monitors the financial statements of these companies to evaluate for impairment. As of December 31, 2023 and 2022, there was no impairment losses recorded.

There were two equity investments with a fair value of \$1,349,821 and \$1,316,488 with unfunded commitments of \$250,179 and \$283,512 as of December 31, 2023 and 2022, respectively.

Note 5. Property and Equipment

Property and equipment at December 31, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
Land	\$ 4,165,000	\$ 4,165,000
Buildings and building improvements	25,475,379	25,479,688
Land improvements	1,089,707	1,093,377
Furniture and equipment	182,630	185,000
Technology equipment	600,918	600,918
Construction in progress	<u>73,500</u>	<u>73,500</u>
	\$ 31,587,134	\$ 31,597,483
Less accumulated depreciation	<u>(10,305,502)</u>	<u>(9,570,321)</u>
	<u>\$ 21,281,632</u>	<u>\$ 22,027,162</u>

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Total depreciation expense for the years ended December 31, 2023 and 2022 was \$756,283 and \$725,396, respectively.

**Note 6. 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, 2023 and 2022 were \$16,948,520 and \$15,401,189, respectively.

**Note 7. In-Kind Contributions**

The Foundation received donated audit and tax services, computer consulting services and website support 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, 2023 and 2022 were \$349,552 and \$333,372, respectively.

**Note 8. CFA-REH, L.L.C.**

In 2004, CFA-REH, L.L.C., a not-for-profit which is wholly-owned by Louisiana Real Estate Foundation, 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 11. The bonds were paid in full in July 2023.

**Note 9. 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 was refinanced and the current funding sources were 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.

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Note 10. Long-term Debt

The following is a summary of the outstanding notes payable and long-term debt at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
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.	\$ 1,946,579	\$ 2,103,248
Less current portion	<u>(1,946,579)</u>	<u>(156,762)</u>
Long term portion	<u>\$ -</u>	<u>\$ 1,946,486</u>

The aggregate maturities of principal payments due on long-term debt if notes payable is not refinanced by fiscal year are as follows:

2024	<u>\$ 1,946,579</u>
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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. Management is currently working with the financial institution to refinance the note. 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 11. Bonds Payable

At December 31, 2023 and 2022, bonds payable consisted of the following components:

	<u>2023</u>	<u>2022</u>
Bonds payable	\$ -	\$ 70,000
Bond cost of issuance, net of accumulated amortization	<u>-</u>	<u>(500)</u>
Bonds payable, net	\$ -	\$ 69,500
Less current portion	<u>-</u>	<u>(69,500)</u>
Bonds payable, net, less current portion	<u>\$ -</u>	<u>\$ -</u>

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. The bonds were paid in full in July 2023.

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

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Interest on the bonds was 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 was also required to pay fees on a letter of credit securing the debt, remarketing agent fees, analyst fees and trustee fees.

Interest expense on the indebtedness was \$2,094 and \$806 during the year ended December 31, 2023 and 2022. Payments of bank fees in connection with the debt were \$525 and \$5,171 during the fiscal year ended December 31, 2023 and 2022.

**Note 12. 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, 2023 and 2022 was \$13,075 and \$18,978, respectively.

**Note 13. 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:

	<u>2023</u>	<u>2022</u>
Cash	\$ 1,489,617	\$ 1,770,443
Investments	188,495,738	168,576,883
Receivables, current portion	<u>197,117</u>	<u>24,778</u>
	\$190,182,472	\$170,372,104
Less:		
Donor restricted endowments	(27,621,153)	(24,054,326)
Investments held for Funds Held in Custody	<u>(16,948,520)</u>	<u>(15,401,189)</u>
Total available for general expenditures and grant distributions within one year	<u>\$145,612,799</u>	<u>\$130,916,589</u>

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 14. 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.

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**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.

The following is a recap of changes in endowment balances as of December 31, 2023 and 2022:

	<u>With Donor Restrictions</u>	
	<u>2023</u>	<u>2022</u>
Endowment net assets, beginning of year	\$ 25,327,253	\$ 27,300,550
Change in net assets:		
Contributions	2,457,987	2,949,393
Interest and dividends	584,173	447,205
Realized and unrealized gains (losses)	2,330,197	( 3,762,873)
Net assets released from restrictions	<u>(3,078,457)</u>	<u>(1,607,022)</u>
Endowment net assets, end of year	<u>\$ 27,621,153</u>	<u>\$ 25,327,253</u>

**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 \$3,416,648 and \$6,644,616 as of December 31, 2023 and 2022, respectively. The amounts of these endowments required to be maintained amounted to \$3,560,340 and \$7,159,136, resulting in a deficiency of \$143,691 and \$514,519 as of December 31, 2023 and 2022. 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.

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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 15. Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purposes		
Capital projects – land and buildings, net of accumulated depreciation	\$ 6,443,484	\$ 6,483,023
Endowments:		
Subject to endowment spending policy and appropriation	<u>27,621,153</u>	<u>25,327,253</u>
Total net assets with donor restrictions	<u>\$34,064,637</u>	<u>\$31,810,276</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Net assets released from restrictions:		
Depreciation expense net of bond payable	\$ 39,539	\$ 43,756
Program expenses – fees	5,395	334
Administrative fees	221,455	183,152
Love our schools home giveaway	445,000	486,000
SOLA day media sponsorship	295,000	275,000
Donor accounts with a change in classification per donor request	2,005,812	-
Grants distributed	<u>845,793</u>	<u>1,437,534</u>
	<u>\$ 3,857,994</u>	<u>\$ 2,425,776</u>

Note 16. 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, LLC. 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

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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 17. 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, 2023 and 2022 was \$37,037 and \$73,983 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, 2023 and 2022 was \$255,479.

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, 2026. Rental income for the year ended December 31, 2023 and 2022 was \$50,821 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 was \$4,470.

Total rental income from operating leases amounted to \$343,337 and \$380,132 for the years ended December 31, 2023 and 2022, respectively.

The Organization's assets that are involved in operating leases which are included in total property and equipment as of December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Land	\$ 4,165,000	\$ 4,165,000
Buildings and building improvements	25,326,063	25,326,749
Land improvements	<u>1,089,707</u>	<u>1,091,794</u>
Total property included in lease agreements	\$ 30,580,770	\$ 30,583,543
Less: accumulated depreciation	<u>(10,002,013)</u>	<u>(9,018,969)</u>
Total property included in lease agreements, net	<u>\$ 20,578,757</u>	<u>\$ 20,564,574</u>



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The following is a schedule by years of future minimum rental income on all operating leases at December 31, 2023, if the associated debt is not refinanced or extended:

Year Ending <u>December 31,</u>	
2024	\$ 1,997,399
2025	50,820
2026	<u>50,820</u>
Total future minimum rental income	<u>\$ 2,099,039</u>

**Note 18. Lease agreement**

In 2021, William Schumacher Family Foundation entered into a lease for office space. The lease was for a 3 year term and was set to expire December 31, 2024. The base rent was \$1,454 a month. In April 2023, the lease was terminated and replaced with a new lease for the office space. The base rent is \$1,054 a month and will expire January 31, 2025. As of December 31, 2023 and 2022, the Foundation determined the ROU asset and lease liability would be insignificant to the financial statements. Total rental expense under these lease agreements during the year ended December 31, 2023 and 2022 totaled \$13,062 and \$18,949, respectively.

**Note 19. 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.

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

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
	Fair Value				
December 31, 2023:					
Pool investments:					
Fixed income	\$ 47,783,731	\$ 47,783,731	\$ -	\$ -	\$ -
Equity	52,091,144	52,091,144	-	-	-
Certificate of deposit	2,348,250	-	-	2,348,250	-
Private equity investments	14,928,236	-	-	14,928,236	-
Corporate bonds	4,254,646	4,254,646	-	-	-
Equities	32,520,304	32,520,304	-	-	-
Government securities	2,822,454	2,822,454	-	-	-
Mutual and exchange traded funds	19,668,218	19,668,218	-	-	-
Total investments	<u>\$176,416,983</u>	<u>\$159,140,497</u>	<u>\$ -</u>	<u>\$ 17,276,486</u>	<u>\$ -</u>

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
	Fair 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	<u>\$153,171,259</u>	<u>\$137,215,135</u>	<u>\$ -</u>	<u>\$ 14,736,169</u>	<u>\$ 1,219,955</u>

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.

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

	<u>Certificates of Deposit</u>	<u>Private Equity Investments</u>	<u>Total Level 3 Investments</u>
Ending balance – December 31, 2021	\$ 109,981	\$19,317,374	\$19,427,355
Purchase/donation	750,000	-	750,000
Investment income, unrealized gains (losses)	<u>7,351</u>	<u>(5,448,537)</u>	<u>(5,441,186)</u>
Ending balance – December 31, 2022	\$ 867,332	\$13,868,837	\$14,736,169
Purchase/donation	1,500,000	-	1,500,000
Maturities	(49,337)	-	(49,337)
Investment income, unrealized gains (losses)	<u>30,255</u>	<u>1,059,399</u>	<u>1,089,654</u>
Ending balance – December 31, 2023	<u>\$ 2,348,250</u>	<u>\$14,928,236</u>	<u>\$17,276,486</u>

**Note 20. Reclassifications**

Certain reclassifications have been made in the financial statements at December 31, 2022, 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 21. Subsequent Events**

The Foundation evaluated the need for disclosures and/or adjustments resulting from subsequent events through June 25, 2024, 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.