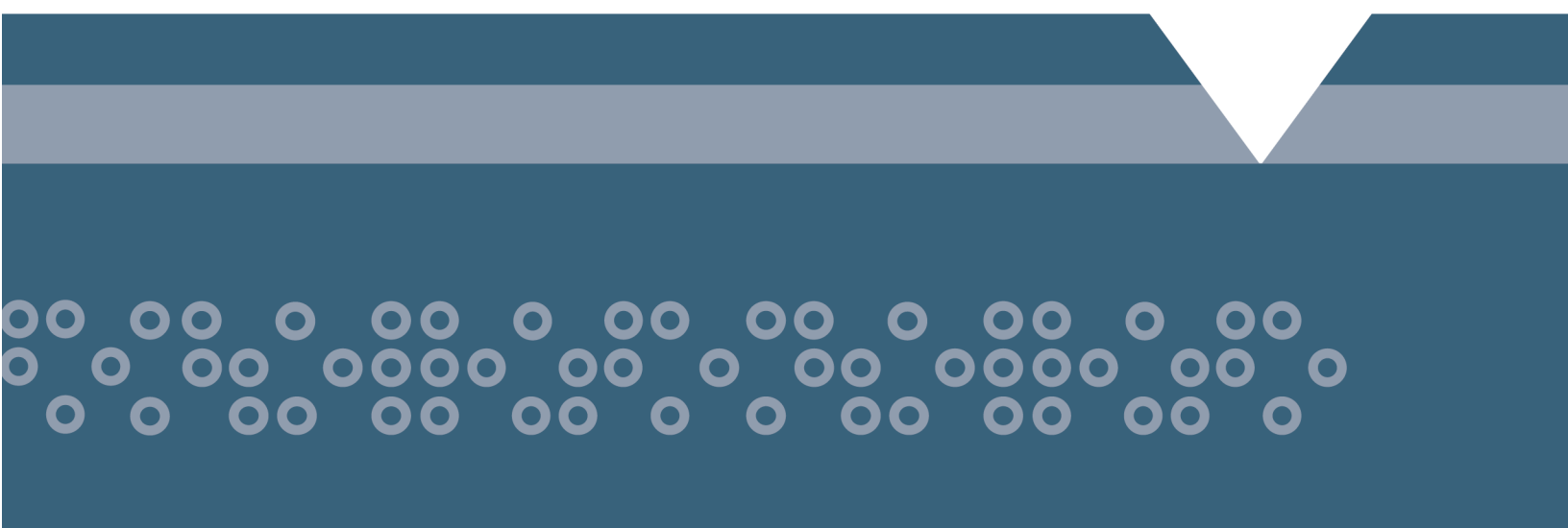


The Community Foundation of North Louisiana
Shreveport, Louisiana

December 31, 2025 and 2024



**THE COMMUNITY FOUNDATION OF NORTH LOUISIANA
SHREVEPORT, LOUISIANA
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AUDITED CONSOLIDATED FINANCIAL STATEMENTS



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To the Audit Committee
The Community Foundation of North Louisiana
Shreveport, LA

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the accompanying consolidated financial statements of The Community Foundation of North Louisiana, which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, 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 referred to above present fairly, in all material respects, the consolidated financial position of The Community Foundation of North Louisiana as of December 31, 2025 and 2024, and the consolidated changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Community Foundation of North Louisiana and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 the 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about

The Community Foundation of North Louisiana's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 The Community Foundation of North Louisiana'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Community Foundation of North Louisiana'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.

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana
June 18, 2026

THE COMMUNITY FOUNDATION OF NORTH LOUISIANA
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

<u>ASSETS</u>	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 339,601	\$ 939,111
Prepaid expenses	44,354	47,913
Contributions receivable	15,000,525	481,550
Other receivables	755,047	-
Investments	226,525,038	195,998,293
Beneficial interest in trusts and estates	191,000	191,000
Fixed assets, net	162,616	229,615
Other assets	400,046	400,046
Lease right of use asset	64,032	140,007
Cash surrender value of life insurance	96,278	96,278
	243,578,537	198,523,813
Total assets	243,578,537	198,523,813
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and advance contributions	\$ 215,500	\$ 233,157
Grants payable	456,537	529,318
Deferred revenue	-	175,000
Lease liability	64,032	140,007
Funds held as agency endowments	11,620,548	10,592,132
	12,356,617	11,669,614
Total liabilities	\$ 12,356,617	\$ 11,669,614
Net assets:		
Without donor restrictions:		
Designated for donor advised grants	\$ 17,911,072	\$ 13,639,791
Designated for operations	1,464,431	1,729,582
Designated for discretionary grants	91,830,157	68,724,342
Designated by board for endowment	9,755,082	7,985,137
Invested in property and equipment, net	162,616	229,615
Total without donor restrictions	121,123,358	92,308,467
With donor restrictions:		
Restricted in perpetuity - endowment	97,805,582	82,699,476
Restricted for specified purpose	12,101,980	11,655,256
Restricted for passage of time	191,000	191,000
Total with donor restrictions	110,098,562	94,545,732
Total net assets	231,221,920	186,854,199
Total liabilities and net assets	\$ 243,578,537	\$ 198,523,813

The accompanying notes are an integral part of the consolidated financial statements.

**THE COMMUNITY FOUNDATION OF NORTH LOUISIANA
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
<u>Support, revenues, and gains:</u>			
Contributions	\$ 23,244,014	\$ 8,104,720	\$ 31,348,734
Net investment income	12,431,030	13,071,762	25,502,792
Grants	355,300	424,500	779,800
Rental income	700	-	700
Other income	140,465	-	140,465
Total support, revenues and gains	36,171,509	21,600,982	57,772,491
Net assets released from restrictions	6,629,270	(6,629,270)	-
Net assets restricted by donor	(581,118)	581,118	-
<u>Total support, revenue, gains, and reclassifications</u>	\$ 42,219,661	\$ 15,552,830	\$ 57,772,491
<u>Expenses:</u>			
Program services	12,429,800	-	12,429,800
Management and general	640,998	-	640,998
Fundraising and development	333,972	-	333,972
Total expenses	13,404,770	-	13,404,770
<u>Change in net assets</u>	28,814,891	15,552,830	44,367,721
<u>Net assets at beginning of period</u>	92,308,467	94,545,732	186,854,199
<u>Net assets at end of period</u>	\$ 121,123,358	\$ 110,098,562	\$ 231,221,920

The accompanying notes are an integral part of the consolidated financial statements

**THE COMMUNITY FOUNDATION OF NORTH LOUISIANA
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
<u>Support, revenues, and gains:</u>			
Contributions	\$ 5,487,796	1,451,431	\$ 6,939,227
Net investment income	8,402,899	4,825,552	13,228,451
Grants	161,150	524,497	685,647
Rental income	460	-	460
Other income	98,292	-	98,292
Total support, revenues and gains	14,150,597	6,801,480	20,952,077
Net assets released from restrictions	3,775,395	(3,775,395)	-
Net assets restricted by donor	-	-	-
<u>Total support, revenue, gains, and reclassifications</u>	\$ 17,925,992	\$ 3,026,085	\$ 20,952,077
<u>Expenses:</u>			
Program services	11,856,640	-	11,856,640
Management and general	576,477	-	576,477
Fundraising and development	271,832	-	271,832
Total expenses	12,704,949	-	12,704,949
<u>Change in net assets</u>	5,221,043	3,026,085	8,247,128
<u>Net assets at beginning of period</u>	87,087,424	91,519,647	178,607,071
<u>Net assets at end of period</u>	\$ 92,308,467	\$ 94,545,732	\$ 186,854,199

The accompanying notes are an integral part of the consolidated financial statements.

**THE COMMUNITY FOUNDATION OF NORTH LOUISIANA
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Program Services	Management and General	Fundraising and Development	Total
Amortization of leasehold improvements	\$ -	\$ 42,829	\$ -	\$ 42,829
Community programs	130,600	-	-	130,600
Contract labor	-	-	77,500	77,500
Depreciation	-	24,169	-	24,169
Dues and subscriptions	10,080	8,959	3,360	22,399
Grants	11,742,334	-	-	11,742,334
Health insurance	32,508	22,756	9,752	65,016
Insurance	-	30,170	-	30,170
Office supplies and expense	6,731	6,732	6,731	20,194
Parking	-	10,800	-	10,800
Payroll taxes	29,602	20,721	8,881	59,204
Postage	1,559	1,559	1,559	4,677
Printing	5,548	11,095	11,096	27,739
Professional fees	-	98,043	-	98,043
Public relations	-	-	21,900	21,900
Leases	30,134	40,178	30,134	100,446
Retirement plan expense	19,032	13,322	5,709	38,063
Salaries	387,728	271,409	116,318	775,455
Seminars and travel	8,533	6,400	6,400	21,333
Special events	-	-	11,447	11,447
Technology	20,960	27,947	20,960	69,867
Telephone	4,451	742	2,225	7,418
Other	-	3,167	-	3,167
	<u>\$ 12,429,800</u>	<u>\$ 640,998</u>	<u>\$ 333,972</u>	<u>\$ 13,404,770</u>

The accompanying notes are an integral part of the consolidated financial statements.

**THE COMMUNITY FOUNDATION OF NORTH LOUISIANA
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Program Services	Management and General	Fundraising and Development	Total
Amortization of leasehold improvements	\$ -	\$ 42,829	\$ -	\$ 42,829
Community programs	174,143		-	174,143
Contract labor	-	-	57,500	57,500
Depreciation	-	23,301	-	23,301
Dues and subscriptions	5,713	5,078	1,904	12,695
Grants	11,187,251	-	-	11,187,251
Health insurance	26,134	18,294	7,840	52,268
Insurance	-	29,649	-	29,649
Office supplies and expense	8,043	27,772	8,043	43,858
Parking	-	10,800	-	10,800
Payroll taxes	26,694	18,686	8,008	53,388
Postage	1,682	1,682	1,682	5,046
Printing	4,840	9,680	9,680	24,200
Professional fees	-	57,664	-	57,664
Public relations	-	-	16,296	16,296
Leases	29,514	39,351	29,514	98,379
Retirement plan expense	12,914	9,040	3,874	25,828
Salaries	349,318	244,523	104,796	698,637
Seminars and travel	7,171	5,378	5,378	17,927
Special events	5,498	-	-	5,498
Technology	16,089	21,452	16,089	53,630
Telephone	1,636	1,227	1,228	4,091
Other	-	10,071	-	10,071
	<u>\$ 11,856,640</u>	<u>\$ 576,477</u>	<u>\$ 271,832</u>	<u>\$ 12,704,949</u>

The accompanying notes are an integral part of the consolidated financial statements.

**THE COMMUNITY FOUNDATION OF NORTH LOUISIANA
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<u>Cash flows from operating activities:</u>		
Change in net assets	\$ 44,367,721	\$ 8,247,128
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	24,169	23,301
Amortization of leasehold improvements	42,829	42,829
Realized and unrealized (gain) on investments	(20,717,528)	(9,987,369)
(Increase) in interest in charitable remainder trusts and estates	-	(10,000)
(Increase) decrease in prepaid expenses and other assets	3,559	(8,874)
(Increase) decrease in receivables	(15,274,022)	3,712,286
Decrease in cash surrender value of life insurance	-	4,052
Increase (decrease) in accounts payable and advance contributions	(17,657)	542
(Decrease) increase in deferred revenue	(175,000)	(118,600)
(Decrease) in grants payable	(72,781)	(282,107)
Increase in funds held as agency endowments	1,028,416	581,433
Net cash provided by operating activities	9,209,706	2,204,621
<u>Cash flows from investing activities:</u>		
Proceeds from sale of investments	96,110,879	45,880,752
Purchase of investments	(105,920,095)	(48,124,490)
Purchase of equipment and furnishings	-	(13,915)
Net cash (used) by investing activities	(9,809,216)	(2,257,653)
<u>Net (decrease) increase in cash and cash equivalents</u>	(599,510)	(53,032)
<u>Cash and cash equivalents at beginning of year</u>	939,111	992,143
<u>Cash and cash equivalents at end of year</u>	\$ 339,601	\$ 939,111

The accompanying notes are an integral part of the consolidated financial statements.

THE COMMUNITY FOUNDATION OF NORTH LOUISIANA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

1. Nature of Operations

The consolidated financial statements include The Community Foundation of North Louisiana (the Foundation), CFNLA Properties, LLC, CFNLA Properties II, LLC, and its supporting organization, the Annie Lowe Stiles Trust (the Trust). All significant intercompany accounts and transactions have been eliminated in consolidation.

The Foundation (formerly The Community Foundation of Shreveport-Bossier) is a public nonprofit organization which was organized on June 26, 1961, to serve the needs of North Louisiana including the following parishes: Bienville, Bossier, Caddo, Claiborne, DeSoto, Jackson, Lincoln, Morehouse, Natchitoches, Ouachita, Red River, Sabine, Union and Webster. Grants are made by the Foundation for charitable, scientific, literary, educational, and civic purposes.

The Trust is being administered by the trustees for the benefit of the Foundation which is both the income and principal beneficiary of the Trust. The trustees are directed to deliver the net income annually to the Foundation for its public, charitable, and educational uses. The trustees have full discretion to distribute any amount of principal to the Foundation and in the event the principal of the Trust should become inadequate to justify its continuance, they may terminate it by delivering its remaining property to the Foundation. The net income from the Trust's real estate (royalties, rentals, and timber sales) is distributed to the Foundation quarterly. Such distributions are eliminated in consolidation.

CFNLA Properties, LLC and CFNLA Properties II, LLC (collectively, the Companies) were formed during 2014 and 2019, respectively. The Foundation is the sole member of each company.

2. Summary of Significant Accounting Policies

The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

(a) Financial Statement Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Financial Accounting Standards Board ("FASB") has established the Accounting Standards Codification ("ASC") as the source of authoritative accounting principles to be applied in the preparation of financial statements in accordance with GAAP. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for general use and not subject to donor restrictions. Funds designated for donor advised grants are available for distribution or restriction upon recommendation by the donor which is followed by Foundation Board approval. The Board of Directors has designated, from net assets without donor restrictions, net assets for endowment, operations, and discretionary

grants. The Foundation's policy is to designate unrestricted donor gifts at the discretion of the Board of Directors. Net assets without donor restriction also include the investment in property and equipment net of accumulated depreciation.

Net Assets With Donor Restrictions – Net assets that are contributions and endowment investment earnings subject to donor-imposed restrictions. The Foundation may report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. Donors may make recommendations of donor advised funds to restricted funds held by the foundation. These transfers are shown on the statement of activities as net assets restricted by donor. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. As of December 31, 2025 and 2024, the Foundation's net assets with donor restrictions are restricted for funding various community educational and philanthropic programs specified by the donors.

(b) Cash and Cash Equivalents

The Foundation considers all highly liquid financial instruments purchased with original maturities of three months or less, which are not held within our investment portfolios, to be cash and cash equivalents. Cash and highly liquid financial instruments included in our investment portfolios are excluded from this definition.

(c) Income Taxes

The Foundation, Trust and Companies are nonprofit organizations and are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has further determined that the Trust is a supporting organization as described in Section 509(a)(3) of the Internal Revenue Code. The Companies have been deemed disregarded entities and all transactions have been recorded by the Foundation. Therefore, no provision for income taxes has been made in the financial statements, but the Foundation is required to file an annual information tax return. Any penalties related to late filing or other requirements would be recognized as penalties expense in the Foundation's accounting records.

The Foundation and Trust file U.S. federal Form 990 for informational purposes. The Foundation's federal income tax returns are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

(d) Investments

The Foundation records investments at fair value, based on quoted market prices, where available. Mineral interests are valued using a multiple of earnings or discounted estimated cash flow methodology. Alternative investments consist of those investments which are not valued based upon a quoted market price and include non-marketable hedge funds, real estate funds, and private equity assets. These funds invest in various partnership interests, managed accounts, and other vehicles to generate investment return. These funds are reported at estimated fair value as measured by their net asset value as reported by fund managers. That amount represents the Foundation's proportionate interest in the capital of the invested funds. Increases and decreases in market value are recognized

in the periods in which they occur. Upon disposition, the cost of the specific investment is used to compute the realized gain or loss to be recognized. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses. Market values are disclosed in Note 3.

(e) Fixed Assets, Depreciation, and Amortization

Fixed assets are recorded at cost, or if donated, at the fair market value at the date of donation. Depreciation is provided over the estimated useful lives of the assets on a straight-line basis. Amortization of leasehold improvements is provided on a straight-line basis over the remaining term of the lease or the useful life of the improvement, whichever is shorter.

(f) Support and Revenue Recognition

Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

(g) Functional Allocation of Expenses

The costs of program services have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expense by function. Accordingly, certain costs have been allocated among the community programs, management and general, and fundraising expenses. Certain administrative costs associated with the grant process are not included under grants on the consolidated statement of functional expenses and have been more appropriately reflected under community programs.

(h) Use of Estimates

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

(i) Concentrations of Credit and Market Risk

Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of cash equivalents and investments. Cash equivalents are maintained at high-quality financial institutions and credit exposure is limited at any one institution. The Organization has not experienced any losses on its cash equivalents. The Organization's investments do not represent significant concentrations of market risk because the Organization's investment portfolio is adequately diversified among issuers, industries, and geographic regions.

Contributions from a few donors represented 72% and 11% of total contributions at December 31, 2025 and December 31, 2024, respectively.

(j) Reclassification

Certain prior year amounts have been reclassified to conform with current year presentation.

3. Investments

Major classifications of investments at December 31, 2025 and 2024 follow:

	<u>2025</u>	<u>2024</u>
	Fair Value	Fair Value
Trusts (excluding Stiles)	\$ 1,467,053	\$ 18,648,246
Stiles trust	5,128,165	5,345,864
Long-term pool	199,683,061	136,532,232
Intermediate Pool	3,866,489	1,445,369
Short-term pool	13,155,947	14,515,766
Other pools	2,498,870	18,845,751
Other	725,453	665,065
Total investments	<u>\$ 226,525,038</u>	<u>\$ 195,998,293</u>

Investments-other pools are funds established by donors in an amount over \$250,000 whereby the donor is allowed to recommend a financial advisor. This amount was increased to \$500,000 during 2024, for all new funds. The performance of these funds is monitored by the Foundation Board and Investment Committee.

Investments-trusts, investments pools, and investments-other are presented below with their respective fair values at December 31:

	<u>Fair Value</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 44,278,036	\$ 13,723,739
Fixed income	22,334,698	28,424,680
Equity	97,530,119	98,920,016
Hedge funds	34,574,842	26,892,355
Real estate and mineral interests	15,629,758	9,922,105
Other	12,177,585	18,115,398
	<u>\$ 226,525,038</u>	<u>\$ 195,998,293</u>

The Foundation adopted FASB Codification topic 820, "Fair Value Measurement" (FASB ASC 820), as of January 1, 2008. FASB ASC 820 requires disclosures that stratify balance sheet amounts measured at fair value based on the inputs used to derive fair value measurements. These strata include:

- Level 1 valuations, where the valuation is based on quoted market prices for identical assets or liabilities traded in active markets (which include exchanges and over-the-counter markets with sufficient volume),
- Level 2 valuations, where the valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market, and
- Level 3 valuations, where the valuation is generated from model-based techniques that use significant assumptions not observable in the market, but observable based on Foundation-specific data. These

unobservable assumptions reflect the Foundation's own estimates for assumptions that market participants would use in pricing the asset or liability. Valuation techniques typically include option pricing models, discounted cash flow models and similar techniques, but may also include the use of market prices of assets or liabilities that are not directly comparable to the subject asset or liability.

Fair values of assets and liabilities measured on a recurring basis at December 31, 2025 and 2024 are as follows:

	Level 1	Level 2	Level 3	Total Fair Value
December 31, 2025				
Cash and cash equivalents	\$ 44,278,036	\$ -	\$ -	\$ 44,278,036
Fixed income	22,334,698	-	-	22,334,698
Equity	97,530,119	-	-	97,530,119
Hedge funds	-	-	-	-
Real estate and mineral interests	-	7,823,616	-	7,823,616
Other	-	2,118	296,957	299,075
Total assets in the fair value hierarchy	164,142,853	7,825,734	296,957	172,265,544
Investments measured at net asset value	-	-	-	54,259,494
Total investments	\$ 164,142,853	\$ 7,825,734	\$ 296,957	\$ 226,525,038

	Level 1	Level 2	Level 3	Total Fair Value
December 31, 2024				
Cash and cash equivalents	\$ 13,723,739	\$ -	\$ -	\$ 13,723,739
Fixed income	25,649,582	-	-	25,649,582
Equity	98,920,016	-	-	98,920,016
Hedge funds	-	-	847,200	847,200
Real estate and mineral interests	-	9,409,009	-	9,409,009
Other	-	2,118	298,647	300,765
Total assets in the fair value hierarchy	138,293,337	9,411,127	1,145,847	148,850,311
Investments measured at net asset value	-	-	-	47,147,982
Total investments	\$ 138,293,337	\$ 9,411,127	\$ 1,145,847	\$ 195,998,293

Investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3)

	Hedge Funds	Other	Total
Balance-December 31, 2023	\$ 751,043	\$ 300,403	\$ 1,051,446
Gains (losses) realized and unrealized	96,157	(1,756)	94,401
Balance-December 31, 2024	847,200	298,647	1,145,847
Gains (losses) realized and unrealized	(847,200)	(1,690)	(848,890)
Balance-December 31, 2025	\$ -	\$ 296,957	\$ 296,957

The following table summarizes investments measured at fair value based on net asset value (NAVs) per share as of December 31, 2025 and 2024, respectively.

	NAV in Funds	Amount Unfunded Commitments	Redemption Terms	Redemption Restrictions
December 31, 2025:				
Hedge funds				
Multi-strategy fund	\$ 9,831,656	\$ -	Quarterly	(a)
Multi-strategy fund	10,708,655	-	Quarterly	N/A*
Multi-strategy fund	11,031,990	-	Quarterly	(a)
Multi-strategy fund	3,002,541	-	Quarterly	(b)
Real estate-illiquid funds				
Real estate	487,076	227,308	N/A	N/A*
Natural resources	7,319,066	1,405,301	N/A	N/A*
Private equity funds				
Distressed, buyout, and venture capital and energy	6,735,001	5,031,363	N/A	N/A*
Energy	428,797	63,158	N/A	N/A*
Real estate	2,700,159	555,000	N/A	N/A*
Debt	1,989,196	236,301	N/A	N/A*
Growth	25,357	3,465,000	N/A	N/A*
	<u>54,259,494</u>	<u>10,983,431</u>		
December 31, 2024:				
Hedge funds				
Multi-strategy fund	\$ 6,124,183	\$ -	Quarterly	(a)
Multi-strategy fund	9,631,328	-	Quarterly	N/A*
Multi-strategy fund	10,289,644	-	Quarterly	(a)
Multi-strategy fund	2,775,098	-	Quarterly	(b)
Real estate-illiquid funds				
Real estate	513,096	240,446	N/A	N/A*
Natural resources	6,788,489	2,321,012	N/A	N/A*
Private equity funds				
Distressed, buyout, and venture capital and energy	5,527,306	5,729,238	N/A	N/A*
Energy	745,339	63,158	N/A	N/A*
Real estate	2,312,333	1,395,000	N/A	N/A*
Debt	2,441,166	236,301	N/A	N/A*
	<u>47,147,982</u>	<u>9,985,155</u>		

*These funds are in a private equity or partnership structure with no ability to redeem.

(a) Up to 25% may be redeemed quarterly.

(b) The fund specializes in US middle market private debt and private equity investments.

4. Fixed Assets

A summary of fixed assets at December 31, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Equipment and furnishings	\$ 338,938	\$ 338,938
Leasehold improvements	556,304	556,304
Less-accumulated depreciation and amortization	(732,626)	(665,627)
Total fixed assets	<u>\$ 162,616</u>	<u>\$ 229,615</u>

5. Agency Endowment Funds

FASB ASC 958 establishes standards for transactions in which a community foundation accepts a contribution from a donor and agrees to transfer those assets, the return on investment of those assets or both to another entity that is specified by the donor. FASB ASC 958 specifically requires that if a not-for-profit organization (NPO) 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 funds as agency endowments.

The Foundation maintains variance power and legal ownership of agency endowment funds and as such continues to report the funds as assets of the Foundation. However, in accordance with FASB ASC 958, a liability has been established for the fair value of the funds, which is generally equivalent to the present value of future payments expected to be made to the NPOs.

At December 31, 2025 and 2024, the Foundation was the owner of 48 agency endowment funds with a combined value of \$11,620,548 and \$10,592,132, respectively. The following table summarizes activity in such funds during the years ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Agency endowment fund balances at beginning of year	\$ 10,592,132	\$ 10,010,699
Contributions	6,716	10,930
Net investment income	1,527,322	1,036,412
Grants	(406,939)	(368,071)
Administrative expenses	(98,634)	(96,169)
Other expenses	(49)	(1,669)
<u>Agency endowment fund balances at end of year</u>	<u>\$ 11,620,548</u>	<u>\$ 10,592,132</u>

6. Endowed Net Assets

The Foundation has established prudent investment and spending policies with the objective of maintaining the purchasing power of its endowed assets in perpetuity and to provide a stable level of support to the beneficiaries. To achieve this objective, the Foundation's asset allocation strategy is reviewed periodically and adjusted to target a total return that covers inflation, administrative expenses, and spending allocations, while minimizing volatility.

A spending rate is determined by the Foundation's Board of Directors. The rate is currently 4.0%. This determination is made with consideration given to market conditions and the spending levels of peer institutions. The spending rate approved by the Board is applied to the twelve-quarter moving average market value of the pooled assets by fund. Effective July 1, 2010, the Louisiana legislature enacted Act No. 168 ("Act") to implement the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as the standard for the management and investment of institutional funds in Louisiana. The Act permits an institution to appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund was established, subject to the intent of the donor as expressed in the gift instrument. The Foundation's spending policy dictates that no portion of the corpus (original amount of donation) of the endowed assets be allocated for spending.

The Foundation classifies as net assets with donor restrictions the original value of gifts donated for permanent endowment, any subsequent gifts to such endowments, and accumulations subsequently made at the direction of the applicable donor instrument. Contributions below may include funds transferred from unrestricted funds within the Foundation.

Endowment funds net asset composition as of December 31, 2025 and 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, December 31, 2023	\$ 7,300,917	\$ 80,924,830	\$ 88,225,747
Contributions	47,893	1,503,695	1,551,588
Net investment income	690,303	2,854,924	3,545,227
Appropriation of endowment assets for expenditure	(53,976)	(2,692,874)	(2,746,850)
Change in classification	-	108,901	108,901
Endowment net assets, December 31, 2024	7,985,137	82,699,476	90,684,613
Contributions	915,843	8,305,395	9,221,238
Net investment income	1,145,869	9,096,070	10,241,939
Appropriation of endowment assets for expenditure	(291,767)	(2,876,477)	(3,168,244)
Change in classification	-	581,118	581,118
Endowment net assets, December 31, 2025	<u>\$ 9,755,082</u>	<u>\$ 97,805,582</u>	<u>\$ 107,560,664</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below corpus. These deficiencies could result from unfavorable market fluctuations. Subsequent gains that restore the fair value of the assets of the endowment funds to corpus will be classified as an increase in net assets with donor restrictions or an increase in net assets without donor restrictions as applicable. No spending is allowed from funds determined to be underwater per Foundation policy.

There were no funds determined to be underwater at December 31, 2025. There were 5 funds determined to be

underwater at December 31, 2024. Those funds had a fair market value of \$772,331, a principal amount of \$773,548 and an underwater balance of \$1,217.

7. Liquidity and Availability

The Foundation manages its cash available to meet general expenditures and grants following two guiding principles:

- Operating within a prudent range of financial soundness and stability, and
- Maintaining adequate liquid assets.

General Expenditures

General expenditures include management and general expenses, fundraising expenses, and some program expenses.

Financial assets at December 31, 2025 and 2024 designated by the board for operating purposes:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 194,669	\$ 89,250
Investments - short term pool	1,574,731	1,638,663
Total	<u>\$ 1,769,400</u>	<u>\$ 1,727,913</u>

In addition to these funds available for general expenditures, the Foundation's Board of Directors has chosen to charge an administrative fee to all funds based on the funds' average quarterly market value over the preceding twelve quarters or the number of quarters in existence to cover general expenditures required to operate the Foundation. The administrative fee rate is 1% for all funds with the exception of scholarship funds established after February 19, 2004, which incur fees at a rate of 1.5%. The fees are assessed on a quarterly basis. Administrative fees of \$1,854,701 for the years ended December 31, 2025 and \$1,790,179 for 2024 were charged to specific funds. Such administrative fee income (Operating Fund) and administrative fee expense (other funds) is netted in the presentation of the consolidated statement of activities. Estimated administrative fees available for general expenditures during 2026 are \$1,969,892.

The Foundation manages its cash available for grant purposes by examining the purpose for which the fund was established, whether the fund is endowed or not. Most funds that are not endowed are invested in the Foundation's short-term pool which includes an allocation to money market funds and an allocation to high quality fixed-income securities with maturities ranging from approximately one year to approximately five years. Funds held in the short-term pool are subject to withdrawal at any time. Capital preservation and liquidity are paramount. In addition, the Foundation offers an intermediate pool. The intermediate pool offers an allocation to equity and fixed income index funds. It is considered to be liquid. Funds invested in this pool are not endowed and are available for granting.

For those funds that are endowed, or the fund operates according to our spending policy for granting, the funds are generally invested in the Foundation's long-term pool. The amount available for granting is determined on an annual

basis. This amount is calculated according to the Foundation's spending policy, which is currently 4% of the funds' average quarterly market value over the preceding twelve quarters. In order to protect the value of an endowment and not consume principal, no grant distributions are made that will cause the fund value to dip below the amounts contributed to the fund. Funds available for granting during December 31, 2025 and 2024 were \$9,238,936 and \$9,106,454, respectively. Amounts available for granting and to cover the administrative fees charged by the Foundation are transferred to the short-term pool so that they are readily available. An estimated amount of \$4,423,595 will be available for granting during 2026, at the Board's discretion. The board endowed \$1,614,853 and \$1,396,744 for operating expenditures at December 31, 2025 and 2024, respectively.

8. Functional Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include dues and subscriptions, equipment rental and maintenance, health insurance, office supplies, payroll taxes, printing, rent, retirement plan expense, salaries, and telephone, all of which are allocated on the basis of estimates of time and effort or other reasonable bases.

9. Beneficial Interest in Trusts and Estates

The Foundation receives gifts of future interest through charitable remainder trusts. Charitable remainder trusts are arrangements in which a donor establishes and funds a trust with specified distributions to be made to a non-charitable beneficiary over a specified period of time not to exceed the lives of the beneficiaries. The distributions to the beneficiaries are for a specified percentage of the trust's fair value as determined annually. Upon termination of the trust, the Foundation receives the assets remaining. The present value of the assets are determined based on discount rates and life expectancy tables provided by National Center for Health Statistics.

10. Retirement Plan

Effective January 1, 2003, the assets of the 401(k) plan were rolled into a new 403(b) retirement plan. The 403(b) plan covers employees who have completed one year of eligibility service and are at least twenty-one years old. The Foundation matches employee contributions up to 6% of eligible wages.

Participants are fully vested in employer contributions after three years of service. The Foundation contributed \$38,063 and \$25,828 to the 403(b) plan for the years ended December 31, 2025 and 2024, respectively.

Also, effective January 1, 2003, the Foundation implemented a tax-deferred annuity plan. Participation in this plan is voluntary and the Foundation makes no contributions. Employees may begin participating in this plan on the first of the month following employment at the Foundation.

11. Condensed Financial Statements of Annie Lowe Stiles Trust

Financial information pertaining only to the Annie Lowe Stiles Trust follows for the years ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Assets:		
Investments	\$ 5,128,165	\$ 5,345,864
Total assets	<u>5,128,165</u>	<u>5,345,864</u>
Net assets with donor restrictions	<u>\$ 5,128,165</u>	<u>\$ 5,345,864</u>

Statement of Activities

	<u>2025</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support:			
Net investment income (loss)	\$ -	\$ 1,568,084	\$ 1,568,084
Total revenues, gains, and other support	-	1,568,084	1,568,084
Net assets released from restrictions	<u>1,785,783</u>	<u>(1,785,783)</u>	<u>-</u>
Total revenues, gains, other support, and reclassifications	1,785,783	(217,699)	1,568,084
Distributions	<u>(1,785,783)</u>	<u>-</u>	<u>(1,785,783)</u>
Changes in net assets	-	(217,699)	(217,699)
Net assets at beginning of year	-	5,345,864	5,345,864
Net assets at end of year	<u>\$ -</u>	<u>\$ 5,128,165</u>	<u>\$ 5,128,165</u>

Statement of Activities

	<u>2024</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support:			
Net investment income (loss)	\$ -	\$ (1,471,861)	\$ (1,471,861)
Total revenues, gains, and other support	-	(1,471,861)	(1,471,861)
Net assets released from restrictions	<u>261,315</u>	<u>(261,315)</u>	<u>-</u>
Total revenues, gains, other support, and reclassifications	261,315	(1,733,176)	(1,471,861)
Distributions	<u>(261,315)</u>	<u>-</u>	<u>(261,315)</u>
Changes in net assets	-	(1,733,176)	(1,733,176)
Net assets at beginning of year	-	7,079,040	7,079,040
Net assets at end of year	<u>\$ -</u>	<u>\$ 5,345,864</u>	<u>\$ 5,345,864</u>

The distributions of \$1,785,783 and \$261,315 from the Trust to the Foundation for the years ended December 31, 2025 and 2024, respectively, were eliminated in consolidation.

12. Leases

The Foundation leases office space under an operating lease expiring August 31, 2026. The lease has a remaining life of .5 years and 1.5 years as of December 31, 2025 and 2024, respectively. Management used a 2.5% discount rate to rate to determine the lease liability as of December 31, 2025 and 2024.

The following is a maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2025:

2026	\$	64,782
Less amount representing interest		<u>(750)</u>
Net lease liabilities		<u><u>64,032</u></u>

Lease expense recorded for the years ended December 31, 2025 and 2024 was \$100,446 and \$98,379, respectively.

13. Contributions Receivable

The Foundation was named as a beneficiary for two separate estates receivable for individuals who passed away during 2025. The Foundation has recorded receivables in the amount of 15,000,525 for these estates at December 31, 2025. The remaining value of these estates due to the Foundation are not presently determinable and have not been included in these financial statements.

14. Subsequent Events

The Foundation is required to evaluate events or transactions that may occur after the balance sheet date for potential recognition or disclosure in the financial statements. The Foundation performed such an evaluation through June 18, 2026, the date which the financial statements were available to be issued, noting no such issues.