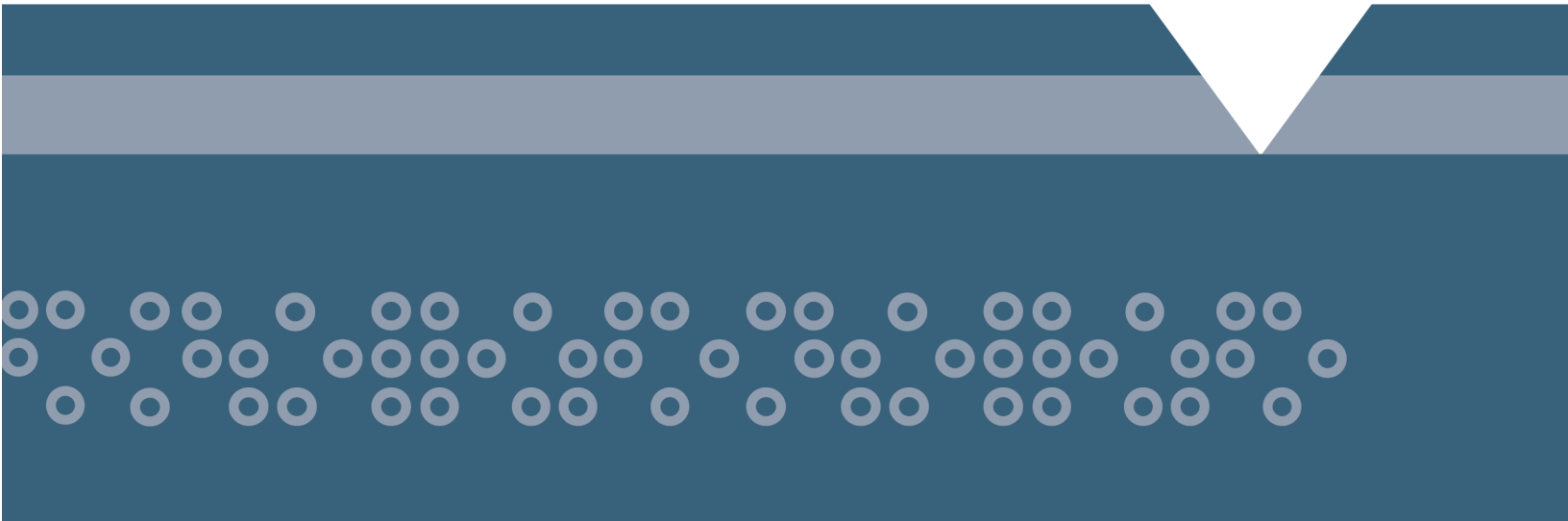


The Community Foundation of North Louisiana
Shreveport, Louisiana

December 31, 2023 and 2022



CERTIFIED PUBLIC
ACCOUNTANTS

THE COMMUNITY FOUNDATION OF NORTH LOUISIANA
SHREVEPORT, LOUISIANA
TABLE OF CONTENTS

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

	<u>Page</u>
Independent Auditor's Report	1-3
Consolidated Statements of Financial Position	4
Consolidated Statements of Activities	5-6
Consolidated Statements of Functional Expenses	7-8
Consolidated Statements of Cash Flows	9
Notes to the Consolidated Financial Statements	10-22

SUPPLEMENTARY INFORMATION

Schedule of Compensation, Benefits, and Other Payments to Agency Head	23
--	----

OTHER REPORTS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	24-25
Schedule of Findings and Questioned Costs	26
Schedule of Prior Year Findings	27

AUDITED CONSOLIDATED FINANCIAL STATEMENTS



REGIONS TOWER
333 TEXAS STREET, SUITE 1525 | SHREVEPORT, LOUISIANA 71101
318.429.1525 (P) | 318.429.2124 (F)

The Audit Committee
The Community Foundation of North Louisiana
Shreveport, Louisiana

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

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, 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 referred to above present fairly, in all material respects, the consolidated financial position of The Community Foundation of North Louisiana as of December 31, 2023 and 2022, 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) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. 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 GAAS and *Government 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 GAAS and *Government 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on page 23 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. In our opinion, the information on page 23 is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2024 on our consideration of The Community Foundation of North Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Community Foundation of North Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Community Foundation of North Louisiana's internal control over financial reporting and compliance.

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana
April 25, 2024

THE COMMUNITY FOUNDATION OF NORTH LOUISIANA
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 992,143	\$ 295,251
Prepaid expenses	39,039	40,362
Contributions receivable	4,193,836	23,381
Investments	183,673,587	167,670,071
Beneficial interest in trusts and estates	181,000	919,000
Fixed assets, net	281,830	323,177
Other assets	400,046	400,046
Lease right of use asset	233,607	322,858
Cash surrender value of life insurance	<u>100,329</u>	<u>103,051</u>
 Total assets	 <u>\$ 190,095,417</u>	 <u>\$ 170,097,197</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Liabilities:</u>		
Accounts payable and advance contributions	\$ 232,615	\$ 268,084
Grants payable	811,425	202,072
Deferred revenue	200,000	100,000
Lease liability	233,607	322,858
Funds held as agency endowments	<u>10,010,699</u>	<u>9,455,349</u>
 Total liabilities	 \$ 11,488,346	 \$ 10,348,363
<u>Net assets:</u>		
Without donor restrictions:		
Designated for donor advised grants	\$ 13,660,130	\$ 11,688,979
Designated for operations	1,482,761	1,466,277
Designated for discretionary grants	64,361,786	60,578,843
Designated by board for endowment	7,300,917	1,366,795
Invested in property and equipment, net	<u>281,830</u>	<u>323,177</u>
Total without donor restrictions	87,087,424	75,424,071
With donor restrictions:		
Restricted in perpetuity - endowment	80,924,830	73,085,158
Restricted for specified purpose	10,413,817	10,320,605
Restricted for passage of time	<u>181,000</u>	<u>919,000</u>
Total with donor restrictions	<u>91,519,647</u>	<u>84,324,763</u>
 Total net assets	 <u>178,607,071</u>	 <u>159,748,834</u>
 Total liabilities and net assets	 <u>\$ 190,095,417</u>	 <u>\$ 170,097,197</u>

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, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Support, revenues, and gains:</u>			
Contributions	\$ 10,620,205	\$ 723,629	\$ 11,343,834
Net investment income (loss)	7,276,362	10,352,395	17,628,757
Grants	1,615,500	5,000	1,620,500
Rental income	400	-	400
Other income	92,698	-	92,698
Total support, revenues and gains	<u>19,605,165</u>	<u>11,081,024</u>	<u>30,686,189</u>
Net assets released from restrictions	5,502,801	(5,502,801)	-
Net assets restricted by donor	<u>(1,616,661)</u>	<u>1,616,661</u>	<u>-</u>
<u>Total support, revenue, gains, and reclassifications</u>	\$ 23,491,305	\$ 7,194,884	\$ 30,686,189
<u>Expenses:</u>			
Program services:			
Grants	\$ 10,320,559	\$ -	\$ 10,320,559
Community programs	733,497	-	733,497
Management and general	559,528	-	559,528
Fundraising and development	214,367	-	214,367
Total expenses	<u>11,827,951</u>	<u>-</u>	<u>11,827,951</u>
<u>Change in net assets</u>	11,663,354	7,194,884	18,858,238
<u>Net assets at beginning of period</u>	<u>75,424,071</u>	<u>84,324,763</u>	<u>159,748,834</u>
<u>Net assets at end of period</u>	<u>\$ 87,087,425</u>	<u>\$ 91,519,647</u>	<u>\$ 178,607,072</u>

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, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Support, revenues, and gains:</u>			
Contributions	\$ 3,885,665	1,691,725	\$ 5,577,390
Net investment income (loss)	(6,048,468)	(2,563,562)	(8,612,030)
Grants	175,100	148,175	323,275
Rental income	400	-	400
Other income	96,576	3	96,579
Total support, revenues and gains	(1,890,727)	(723,659)	(2,614,386)
Net assets released from restrictions	5,243,373	(5,243,373)	-
Net assets restricted by donor	-	-	-
<u>Total support, revenue, gains, and reclassifications</u>	\$ 3,352,646	\$ (5,967,032)	\$ (2,614,386)
 <u>Expenses:</u>			
Program services:			
Grants	\$ 8,831,742	\$ -	\$ 8,831,742
Community programs	637,347	-	637,347
Management and general	529,473	-	529,473
Fundraising and development	212,044	-	212,044
Total expenses	10,210,606	-	10,210,606
<u>Change in net assets</u>	(6,857,960)	(5,967,032)	(12,824,992)
<u>Net assets at beginning of period</u>	82,282,031	90,291,795	172,573,826
<u>Net assets at end of period</u>	\$ 75,424,071	\$ 84,324,763	\$ 159,748,834

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, 2023

	Program Services			Fundraising and Development	Total
	Grants	Community Programs	Management and General		
Amortization of leasehold improvements	\$ -	\$ -	\$ 42,829	\$ -	\$ 42,829
Community programs	-	191,121	-	-	191,121
Depreciation	-	-	21,705	-	21,705
Dues and subscriptions	-	5,699	2,843	1,066	9,608
Equipment rental and maintenance	-	15,330	20,440	15,330	51,100
Grants	10,320,559	-	-	-	10,320,559
Health insurance	-	27,376	19,163	8,213	54,752
Insurance	-	-	32,020	-	32,020
Office supplies and expense	-	9,682	28,110	10,587	48,379
Parking	-	600	10,974	-	11,574
Payroll taxes	-	26,106	18,275	7,832	52,213
Postage	-	1,471	-	-	1,471
Printing	-	4,086	7,544	7,544	19,174
Professional fees	-	-	52,115	-	52,115
Public relations	-	36,353	-	23,443	59,796
Leases	-	28,893	38,524	28,893	96,310
Retirement plan expense	-	15,142	10,600	4,543	30,285
Salaries	-	342,766	239,936	102,830	685,532
Seminars and travel	-	10,173	-	-	10,173
Special events	-	17,129	2,909	2,909	22,947
Telephone	-	1,570	1,177	1,177	3,924
Other	-	-	10,364	-	10,364
	<u>\$ 10,320,559</u>	<u>\$ 733,497</u>	<u>\$ 559,528</u>	<u>\$ 214,367</u>	<u>\$ 11,827,951</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, 2022

	Program Services			Fundraising and Development	Total
	Grants	Community Programs	Management and General		
Amortization of leasehold improvements	\$ -	\$ -	\$ 42,829	\$ -	\$ 42,829
Community programs	-	160,861	-	-	160,861
Depreciation	-	-	17,537	-	17,537
Dues and subscriptions	-	4,554	4,048	1,518	10,120
Equipment rental and maintenance	-	14,756	19,675	14,756	49,187
Grants	8,831,742	-	-	-	8,831,742
Health insurance	-	30,355	21,249	9,107	60,711
Insurance	-	-	29,557	-	29,557
Office supplies and expense	-	10,986	27,126	11,319	49,431
Parking	-	-	11,346	-	11,346
Payroll taxes	-	24,553	17,187	7,365	49,105
Postage	-	2,004	2,004	2,065	6,073
Printing	-	4,885	9,771	9,771	24,427
Professional fees	-	-	41,709	-	41,709
Public relations	-	-	-	22,589	22,589
Leases	-	28,118	37,491	28,118	93,727
Retirement plan expense	-	12,763	8,934	3,829	25,526
Salaries	-	322,149	225,505	96,645	644,299
Seminars and travel	-	5,029	3,772	3,772	12,573
Special events	-	14,746	-	-	14,746
Telephone	-	1,588	1,189	1,190	3,967
Other	-	-	8,544	-	8,544
	<u>\$ 8,831,742</u>	<u>\$ 637,347</u>	<u>\$ 529,473</u>	<u>\$ 212,044</u>	<u>\$ 10,210,606</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, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>Cash flows from operating activities:</u>		
Change in net assets	\$ 18,858,238	\$ (12,824,992)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	21,705	17,537
Amortization of leasehold improvements	42,829	42,829
Realized and unrealized loss (gain) on investments	(13,920,997)	15,604,503
Decrease in interest in charitable remainder trusts and estates	738,000	120,000
Decrease in prepaid expenses and other assets	1,323	2,415
(Increase) Decrease in accounts receivable	(4,170,455)	169,576
Decrease in cash surrender value of life insurance	2,722	2,151
Decrease in other assets	-	198,363
(Decrease) in accounts payable and advance dues	(35,469)	(138,310)
Increase in deferred revenue	100,000	-
Increase (Decrease) in grants payable	609,353	(11,025)
(Decrease) increase in funds held as agency endowments	555,350	(928,500)
Net cash provided by operating activities	<u>2,802,599</u>	<u>2,254,547</u>
<u>Cash flows from investing activities:</u>		
Proceeds from sale of investments	18,216,244	21,487,161
Purchase of investments	(20,298,764)	(23,522,826)
Purchase of equipment and furnishings	(23,186)	(59,093)
Net cash (used) by investing activities	<u>(2,105,706)</u>	<u>(2,094,758)</u>
<u>Net increase in cash and cash equivalents</u>	696,893	159,789
<u>Cash and cash equivalents at beginning of year</u>	<u>295,251</u>	<u>135,462</u>
<u>Cash and cash equivalents at end of year</u>	<u>\$ 992,144</u>	<u>\$ 295,251</u>

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, 2023 AND 2022

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.

THE COMMUNITY FOUNDATION OF NORTH LOUISIANA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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, 2023 and 2022, 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

THE COMMUNITY FOUNDATION OF NORTH LOUISIANA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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. Cost and 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 individual donors represented 61% and 20% of total contributions for the years ended December 31, 2023 and 2022, respectively.

(j) Reclassification

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

THE COMMUNITY FOUNDATION OF NORTH LOUISIANA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

3. Investments

Major classifications of investments at December 31, 2023 and 2022 follow:

	<u>2023</u> Fair Value	<u>2022</u> Fair Value
Trusts (excluding Stiles)	\$ 16,923,900	\$ 15,759,774
Stiles trust	7,079,040	7,653,975
Long-term pool	123,704,723	113,617,342
Intermediate Pool	1,208,745	443,927
Short-term pool	12,260,157	12,419,211
Other pools	21,499,773	16,339,621
Other	997,249	1,436,221
Total investments	<u>\$ 183,673,587</u>	<u>\$ 167,670,071</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. 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>2023</u> Fair Value	<u>2022</u> Fair Value
Cash and cash equivalents	\$ 12,796,883	\$ 14,001,667
Fixed income	27,297,656	26,513,456
Equity	84,770,161	71,652,326
Hedge funds	24,487,997	22,826,149
Real estate and mineral interests	14,170,302	13,296,631
Other	20,150,588	19,379,842
	<u>\$ 183,673,587</u>	<u>\$ 167,670,071</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

THE COMMUNITY FOUNDATION OF NORTH LOUISIANA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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, 2023 and 2022 are as follows:

	Level 1	Level 2	Level 3	Total Fair Value
December 31, 2023				
Cash and cash equivalents	\$ 12,796,883	\$ -	\$ -	\$ 12,796,883
Fixed income	27,297,656	-	-	27,297,656
Equity	84,770,161	-	-	84,770,161
Hedge funds	-	-	751,043	751,043
Real estate and mineral interests	-	13,507,565	-	13,507,565
Other	20,029	2,118	300,403	322,550
Total assets in the fair value hierarchy	124,884,729	13,509,683	1,051,446	139,445,858
Investments measured at net asset value	-	-	-	44,227,729
Total investments	<u>\$ 124,884,729</u>	<u>\$ 13,509,683</u>	<u>\$ 1,051,446</u>	<u>\$ 183,673,587</u>
	Level 1	Level 2	Level 3	Total Fair Value
December 31, 2022				
Cash and cash equivalents	\$ 14,001,667	\$ -	\$ -	\$ 14,001,667
Fixed income	26,513,456	-	-	26,513,456
Equity	71,652,326	-	-	71,652,326
Hedge funds	-	-	686,828	686,828
Real estate and mineral interests	-	12,073,947	-	12,073,947
Other	-	1,000	306,367	307,367
Total assets in the fair value hierarchy	112,167,449	12,074,947	993,195	125,235,591
Investments measured at net asset value	-	-	-	42,434,480
Total investments	<u>\$ 112,167,449</u>	<u>\$ 12,074,947</u>	<u>\$ 993,195</u>	<u>\$ 167,670,071</u>

THE COMMUNITY FOUNDATION OF NORTH LOUISIANA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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

	Hedge Funds	Other	Total
Balance-December 31, 2021	\$ 789,997	\$ 306,866	\$ 1,096,863
Gains (losses) realized and unrealized	<u>(103,169)</u>	<u>(499)</u>	<u>(103,668)</u>
Balance-December 31, 2022	686,828	306,367	993,195
Gains (losses) realized and unrealized	<u>64,215</u>	<u>(5,964)</u>	<u>58,251</u>
Balance-December 31, 2023	<u>\$ 751,043</u>	<u>\$ 300,403</u>	<u>\$ 1,051,446</u>

The following table summarizes investments measured at fair value based on net asset value (NAVs) per share as of December 31, 2023 and 2022, respectively.

	NAV in Funds	Amount Unfunded Commitments	Redemption Terms	Redemption Restrictions
December 31, 2023:				
Hedge funds				
Multi-strategy fund	\$ 5,628,038	\$ -	Quarterly	(b)
Multi-strategy fund	8,768,897	-	Quarterly	N/A*
Multi-strategy fund	9,340,019	-	Quarterly	(b)
Emerging markets fund	2,763,544	-	Monthly	(a)
International fund	-	-	Monthly	N/A
Real estate-illiquid funds				
Real estate	662,737	322,629	N/A	N/A*
Natural resources	5,841,835	4,225,170	N/A	N/A*
Private equity funds				
Distressed, buyout, and				
venture capital and energy	4,450,373	3,823,705	N/A	N/A*
Energy	1,147,616	63,158	N/A	N/A*
Real estate	2,474,452	2,025,000	N/A	N/A*
Debt	3,150,218	343,418	N/A	N/A*
	<u>\$ 44,227,729</u>	<u>\$ 10,803,080</u>		

(continued)

THE COMMUNITY FOUNDATION OF NORTH LOUISIANA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

	NAV in Funds	Amount Unfunded Commitments	Redemption Terms	Redemption Restrictions
December 31, 2022:				
Hedge funds				
Multi-strategy fund	\$ 5,184,227	\$ -	Quarterly	(b)
Multi-strategy fund	8,269,470	-	Quarterly	N/A*
Multi-strategy fund	8,685,624	-	Quarterly	(b)
Emerging markets fund	1,572,584	-	Monthly	(a)
International fund	-	-	Monthly	N/A
Real estate-illiquid funds				
Real estate	1,222,684	554,223	N/A	N/A*
Natural resources	5,939,052	1,431,917	N/A	N/A*
Private equity funds				
Distressed, buyout, and				
venture capital and energy	3,387,142	2,465,576	N/A	N/A*
Energy	1,708,516	1,712	N/A	N/A*
Real estate	3,883,330	2,340,000	N/A	N/A*
Debt	2,581,851	514,806	N/A	N/A*
	<u>\$ 42,434,480</u>	<u>\$ 7,308,234</u>		

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

(a) The fund may invest in a variety of instruments including equity and currencies, as well as warrants, rights swaps, preferred stocks, convertible securities, money market obligations and financial instruments.

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

4. Fixed Assets

A summary of fixed assets at December 31, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Equipment and furnishings	\$ 331,630	\$ 322,143
Leasehold improvements	556,307	556,304
<u>Less-accumulated depreciation and amortization</u>	<u>(606,107)</u>	<u>(555,270)</u>
Total fixed assets	<u>\$ 281,830</u>	<u>\$ 323,177</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

THE COMMUNITY FOUNDATION OF NORTH LOUISIANA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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, 2023 and 2022, the Foundation was the owner of forty-six agency endowment funds with a combined value of \$10,010,699 and \$9,455,349, respectively. The following table summarizes activity in such funds during the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
<u>Agency endowment fund balances at beginning of year</u>	\$ 9,455,349	\$ 10,383,849
Contributions	37,987	368,497
Net investment income (loss)	963,810	(856,240)
Grants	(352,018)	(349,348)
Administrative expenses	(93,427)	(90,449)
Other expenses	<u>(1,002)</u>	<u>(960)</u>
<u>Agency endowment fund balances at end of year</u>	<u>\$ 10,010,699</u>	<u>\$ 9,455,349</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 shall 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.

THE COMMUNITY FOUNDATION OF NORTH LOUISIANA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Endowment funds net asset composition as of December 31, 2023 and 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, December 31, 2021	\$ 1,502,185	\$ 77,052,878	\$ 78,555,063
Contributions	100	1,447,443	1,447,543
Net investment income (loss)	(125,554)	(1,471,930)	(1,597,484)
Appropriation of endowment assets for expenditure	<u>(9,936)</u>	<u>(3,943,233)</u>	<u>(3,953,169)</u>
Endowment net assets, December 31, 2022	1,366,795	73,085,158	74,451,953
Contributions	4,985,164	1,730,821	6,715,985
Net investment income	187,706	8,246,800	8,434,506
Appropriation of endowment assets for expenditure	(14,748)	(2,137,949)	(2,152,697)
Change in classification	<u>776,000</u>	<u>-</u>	<u>776,000</u>
Endowment net assets, December 31, 2023	<u>\$ 7,300,917</u>	<u>\$ 80,924,830</u>	<u>\$ 88,225,747</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 4 funds determined to be underwater at December 31, 2023. Those funds had a fair market value of \$106,165, a principal amount of \$107,335 and an underwater balance of \$1,170. There were 11 funds determined to be underwater at December 31, 2022. Those funds had a fair market value of \$565,884, a principal amount of \$580,815 and an underwater balance of \$14,931.

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.

THE COMMUNITY FOUNDATION OF NORTH LOUISIANA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

General Expenditures

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

Financial assets at December 31, 2023 and 2022 designated by the board for operating purposes:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 135,291	\$ 48,706
Investments - short term pool	<u>1,497,088</u>	<u>1,547,999</u>
Total	<u>\$ 1,632,379</u>	<u>\$ 1,596,705</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 \$1,657,073 for December 31, 2023 and \$1,541,679 for 2022 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 2024 are \$1,717,972.

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, 2023 and 2022 were \$8,045,374 and \$7,356,118, 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 \$5,347,978 will be available for granting during 2024, at the Board's discretion. The board endowed \$1,262,114 and \$1,143,217 for operating expenditures at December 31, 2023 and 2022, respectively.

THE COMMUNITY FOUNDATION OF NORTH LOUISIANA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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 \$30,285 and \$25,526 to the 403(b) plan for the years ended December 31, 2023 and 2022, 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, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Assets:		
Investments	\$ <u>7,079,040</u>	\$ <u>7,653,975</u>
Total assets	<u>7,079,040</u>	<u>7,653,975</u>
Net assets with donor restrictions	<u>\$ 7,079,040</u>	<u>\$ 7,653,975</u>

THE COMMUNITY FOUNDATION OF NORTH LOUISIANA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Statement of Activities

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support:			
Net investment income (loss)	\$ -	\$ (104,681)	\$ (104,681)
Total revenues, gains, and other support:	-	(104,681)	(104,681)
Net assets released from restrictions	470,254	(470,254)	-
Total revenues, gains, other support, and reclassifications	470,254	(574,935)	(104,681)
Distributions	(470,254)	-	(470,254)
Changes in net assets	-	(574,935)	(574,935)
Net assets at beginning of year	-	7,653,975	7,653,975
Net assets at end of year	<u>\$ -</u>	<u>\$ 7,079,040</u>	<u>\$ 7,079,040</u>

Statement of Activities

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support:			
Net investment income	\$ -	\$ 722,705	\$ 722,705
Total revenues, gains, and other support:	-	722,705	722,705
Net assets released from restrictions	1,289,560	(1,289,560)	-
Total revenues, gains, other support, and reclassifications	1,289,560	(566,855)	722,705
Distributions	(1,289,560)	-	(1,289,560)
Changes in net assets	-	(566,855)	(566,855)
Net assets at beginning of year	-	8,220,830	8,220,830
Net assets at end of year	<u>\$ -</u>	<u>\$ 7,653,975</u>	<u>\$ 7,653,975</u>

The distributions of \$470,254 and \$1,289,560 from the Trust to the Foundation for the years ended December 31, 2023 and 2022, respectively, were eliminated in consolidation.

THE COMMUNITY FOUNDATION OF NORTH LOUISIANA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

12. Leases

The Foundation leases office space under an operating lease expiring May 31, 2026. The lease had a remaining life of 2.5 years and 3.5 years as of December 31, 2023 and 2022, respectively. Management used a 2.5% discount rate to determine the lease liability as of December 31, 2023 and 2022.

The following is a maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2023:

2024	\$ 98,379
2025	100,446
2026	<u>42,211</u>
	241,036
Less amount representing interest	<u>(7,429)</u>
Net lease liabilities	<u><u>\$ 233,607</u></u>

Lease expense recorded for the years ended December 31, 2023 and 2022 was \$96,310 and \$93,727, respectively.

13. 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 April 25, 2024, the date which the financial statements were available to be issued, noting no such issues.

SUPPLEMENTARY INFORMATION

THE COMMUNITY FOUNDATION OF NORTH LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2023

Louisiana Revised Statute 24:513 (A) (3) requires reporting of the total compensation, reimbursements, and benefits paid to the agency head or chief executive officer. This law was further amended by Act 462 of the 2016 Regular Session of the Louisiana Legislature to clarify that nongovernmental or not-for-profit local auditees are required to report only the compensation, reimbursements, and benefits paid to the agency head or chief executive officer from public funds.

The Community Foundation is not required to report the total compensation, reimbursements, and benefits paid to Ms. Kristi Gustavson, Executive Officer during the year ended December 31, 2023, as none of those payments was made from public funds.

OTHER REPORTS



REGIONS TOWER
333 TEXAS STREET, SUITE 1525 | SHREVEPORT, LOUISIANA 71101
318.429.1525 (P) | 318.429.2124 (F)

The Audit Committee
The Community Foundation of North Louisiana
Shreveport, Louisiana

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of The Community Foundation of North Louisiana, which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated April 25, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered The Community Foundation of North Louisiana’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Community Foundation of North Louisiana’s internal control. Accordingly, we do not express an opinion on the effectiveness of The Community Foundation of North Louisiana’s internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Community Foundation of North Louisiana's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana
April 25, 2024

THE COMMUNITY FOUNDATION OF NORTH LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023

A. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the consolidated financial statements of The Community Foundation of North Louisiana.
2. No material weaknesses or significant deficiencies relating to the audit of the consolidated financial statements are reported.
3. No instances of noncompliance material to the consolidated financial statements of The Community Foundation of North Louisiana were disclosed during the audit.
4. The Community Foundation of North Louisiana was not subject to a Federal Single Audit for the year ended December 31, 2023.

B. Findings – Financial Statement Audit

None

C. Findings and Questioned Costs – Major Federal Award Programs

Not applicable.

THE COMMUNITY FOUNDATION OF NORTH LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2023

There were no prior year findings.