COMMUNITY FOUNDATION OF ACADIANA

FINANCIAL REPORT

DECEMBER 31, 2011

C O N T E N T S

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated statements of financial position of Community Foundation of Acadiana (a nonprofit organization) and affiliates as of December 31, 2011 and 2010 and the related consolidated statements of activities and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. For the year ended December 31, 2011, we also conducted our audit in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the respective financial position of Community Foundation of Acadiana and affiliates as of December 31, 2011 and 2010, and the change in its net assets and its cash flows for the years then in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2012, on our consideration of Community Foundation of Acadiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Broussard, Poché, Lewis & Breaux, LLP

Lafayette, Louisiana
June 28, 2012

COMMUNITY FOUNDATION OF ACADIANA

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2011 and 2010

ASSETS	2011	2010
CURRENT ASSETS		
Cash and cash equivalents	$11,952,977	$ 6,801,436
Certificates of deposit	478,321	468,895
Investments	16,708,834	14,938,458
Receivables	61,440	13,119
Prepaid expenses	11,605	6,235
Total current assets	$29,213,177	$22,228,143
FIXED ASSETS		
Property and equipment, net	$27,240,650	$27,553,795
OTHER ASSETS		
Security deposit	$ 500	$ 500
Receivables, long-term	88,746	-
Bond issuance costs, net	11,501	12,501
Total other assets	$ 100,747	$ 13,001
Total assets	$56,554,574	$49,794,939
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Notes payable	$ 4,993,502	$ 5,409,288
Current portion of bonds payable	45,000	40,000
Accounts payable	22,811	314,659
Due to others	406,248	406,248
Accrued liabilities	158,920	103,833
Funds held in custody	6,973,291	3,975,245
Total current liabilities	$12,599,772	$10,249,273
LONG-TERM LIABILITIES		
Bonds payable	$ 620,000	$ 665,000
NET ASSETS		
Unrestricted	$32,451,370	$28,445,178
Temporarily restricted	6,657,122	6,395,981
Permanently restricted	4,226,310	4,039,507
	$43,334,802	$38,880,666
Total liabilities and net assets	$56,554,574	$49,794,939

See Notes to Consolidated Financial Statements.

COMMUNITY FOUNDATION OF ACADIANA

CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND OTHER SUPPORT				
Contributions	$ 8,307,726	$ 328,000	$ 257,338	$ 8,893,064
Interest and dividends	250,734	-	88,412	339,146
Gains (losses) on investments	(215,165)	-	(71,969)	(287,134)
Rent income	151,462	-	-	151,462
Administrative fees	175,465	-	-	175,465
Investment expenses	(159,606)	-	(49,137)	(208,743)
Transfers	104,730	(66,859)	(37,871)	-
Other	294,455	-	30	294,455
Total revenues and other support	$ 8,909,771	$ 261,141	$ 186,803	$ 9,357,715
EXPENSES AND LOSSES				
Program expenses:				
Maxie Gospel Tabernacle	$ 474,252	$ -	$ -	$ 474,252
Rockefeller Philanthropy Advisors	431,976	-		431,976
Louisiana Bicentennial 2012	384,549	-	-	384,549
Miles Perret Cancer Services	190,000	-	-	190,000
Other	1,810,761	-	-	1,810,761
Management and general:				
Salaries	301,155	-	-	301,155
Payroll taxes and benefits	51,721	-	-	51,721
Professional services	93,283	-	-	93,283
Advertising and marketing	77,099	-	-	77,099
Conferences and meetings	10,130	-	-	10,130
Office expenses	42,025	-	-	42,025
Insurance	11,666	-	-	11,666
Printing and publications	8,864	-	-	8,864
Interest	313,226	-	-	313,226
Rent	3,748	-	-	3,748
Depreciation and amortization	641,906	-	-	641,906
Trust and bank fees	13,602	-	-	13,602
Computer and internet	21,049	-	-	21,049
Other	22,567	-	-	22,567
Total expenses	$ 4,903,579	$ -0-	$ -0-	$ 4,903,579
Change in net assets	$ 4,006,192	$ 261,141	$ 186,803	$ 4,454,136
Net assets at beginning of year	28,445,178	6,395,981	4,039,507	38,880,666
Net assets at end of year	$ 32,451,370	$ 6,657,122	$ 4,226,310	$43,334,802

See Notes to Consolidated Financial Statements.

COMMUNITY FOUNDATION OF ACADIANA

CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND OTHER SUPPORT				
Contributions	$ 4,586,618	$ -	$ 891,925	$ 5,478,543
Interest and dividends	196,691	-	64,757	261,448
Gains (losses) on investments	688,791	-	218,827	907,618
Rent income	120,789	-	-	120,789
Administrative fees	137,893	-	-	137,893
Investment expense	(135,246)	-	(36,323)	(171,569)
Transfers	237,054	(61,392)	(175,662)	-
Other	14,263	-	-	14,263
Total revenues and other support	$ 5,846,853	$ (61,392)	$ 963,524	$ 6,748,985
EXPENSES AND LOSSES				
Program expenses:				
Massachusetts General Hospital	$ 1,000,000	$ -	$ -	$ 1,000,000
Miles Perret Cancer Services	667,921	-	-	667,921
Diocese of Lafayette	157,369	-	-	157,369
East Bayou Baptists Church	100,000	-	-	100,000
Ascension Episcopal School	83,333	-	-	83,333
Other	1,060,278	-	-	1,060,278
Management and general:				
Salaries	307,061	-	-	307,061
Payroll taxes and benefits	42,010	-	-	42,010
Professional services	98,943	-	-	98,943
Advertising and marketing	18,411	-	-	18,411
Conferences and meetings	14,433	-	-	14,433
Office expenses	36,060	-	-	36,060
Insurance	12,365	-	-	12,365
Printing and publications	11,842	-	-	11,842
Interest	281,531	-	-	281,531
Rent	3,084	-	-	3,084
Depreciation and amortization	636,637	-	-	636,637
Trust and bank fees	16,159	-	-	16,159
Computer and internet	20,999	-	-	20,999
Other	7,743	-	-	7,743
Total expenses	$ 4,576,179	$ -0-	$ -0-	$ 4,576,179
Change in net assets	$ 1,270,674	$ (61,392)	$ 963,524	$ 2,172,806
Net assets at beginning of year	27,174,504	6,457,373	3,075,983	36,707,860
Net assets at end of year	$ 28,445,178	$ 6,395,981	$ 4,039,507	$38,880,666

See Notes to Consolidated Financial Statements.

COMMUNITY FOUNDATION OF ACADIANA

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2011 and 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 4,454,136	$ 2,172,806
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	641,906	636,637
Donated fixed assets	(328,000)	-
Losses (gains) on investments	318,675	(907,619)
(Increase) decrease in other assets	(142,198)	28,212
(Decrease) increase in accounts payable	(291,848)	304,216
Increase in accrued liabilities	55,087	44,559
Net cash provided by operating activities	$ 4,707,758	$ 2,278,811
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of certificates of deposit	$ (9,426)	$ (468,895)
Purchase of investments	(6,512,340)	(8,815,067)
Proceeds from sales of investments	4,423,289	6,562,396
Purchase of fixed assets	-	(100,787)
Net cash used in investing activities	$ (2,098,477)	$ (2,822,353)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in funds held in custody	$ 2,998,046	$ 2,116,387
Increase due to others	-	73,500
Payments of long-term borrowing	(40,000)	(40,000)
Decrease in notes payable	(415,786)	(193,801)
Net cash provided by financing activities	$ 2,542,260	$ 1,956,086
Net increase in cash	$ 5,151,541	$ 1,412,544
Cash at beginning of year	6,801,436	5,388,892
Cash at end of year	$ 11,952,977	$ 6,801,436
SUPPLEMENTAL DISCLOSURES:		
Cash payments of interest	$ 265,997	$ 232,173
Noncash transactions:		
Donated fixed assets	$ 328,000	$ -0-
Donated services	$ 20,080	$ 20,432

See Notes to Consolidated Financial Statements.

Note 1. Nature of Organization and Significant Accounting Policies

Nature of organization:

Community Foundation of Acadiana (the "Foundation") is a Louisiana nonprofit corporation chartered on November 16, 2000. Its purpose is to serve as a community foundation which shall receive and administer funds for charitable, educational or scientific purposes.

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

The Foundation is an exempt organization for Federal income tax purposes under Section 501(c)(3) of the Internal Revenue Code.

Significant accounting policies:

Basis of consolidation -

The consolidated financial statements include the accounts of the Foundation and its wholly owned affiliates CFA Office, L.L.C., CFA-REH, L.L.C. and Ascension Episcopal School Campus, L.L.C. All material inter-company items and transactions have been eliminated.

Contributions and recognition of donor restricted contributions -

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

Amounts received that are for future periods or restricted by the donor for specified purposes are reported as temporarily restricted or permanently restricted support that increase those net assets. When a temporarily restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions.

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

Estimates -

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents -

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

Investments -

Investments, which consist of debt and equity securities and mutual funds, are presented in the consolidated financial statements at fair value. Investment securities are exposed to various risks including, but not limited to, interest rate and market and credit risks. Due to the level of risks associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term.

The Foundation uses the services of Greater Horizons to provide accounting and investment services for the Foundation and its subsidiaries. As part of that arrangement, a portion of the Foundation's investments are placed into "pooled" investment accounts. The concept of "pooled" investment accounts entail the comingling of the investable assets of various entities and organizations into various investment vehicles; whereby, the investment income earned by the pooled assets is allocated to each fund participating in the pool, based on the average monthly balance invested.

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

Property and equipment -

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

Significant assets under construction which are acquired through donated funds are reflected as restricted net assets while the project is under construction and transferred to unrestricted net assets when the asset is completed and placed in service.

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

	Years
Furniture and equipment	5 - 7
Buildings	40

Tax status -

The Foundation is a Louisiana nonprofit corporation established in 2000. It is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code; accordingly, no provision for income taxes has been made in the consolidated financial statements.

Concentrations of credit risk -

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

The Foundation relies heavily on general public donations to support its operations.

Note 2. Investments

Investments are composed of the following at December 31:

	2011			
	Cost	Unrealized Gains	Unrealized Losses	Market Value
Pooled investments:				
Fixed income	$ 6,317,494	$ -	$ -	$ 6,317,494
Equity	5,555,566	-	-	5,555,566
Other	236,155	-	-	236,155
Government Securities	586,733	41,600	309	628,024
Corporate bonds	598,011	17,013	1,222	613,802
Equity securities	1,198,691	398,777	75,600	1,521,868
Mutual funds	1,479,226	356,699	-	1,835,925
	$15,971,876	$ 814,089	$ 77,131	$16,708,834

	2010			
	Cost	Unrealized Gains	Unrealized Losses	Market Value
Pooled investments:				
Fixed income	$ 5,368,448	$ -	$ -	$ 5,368,448
Equity	4,220,150	-	-	4,220,150
Other	122,895	-	-	122,895
Government Securities	588,372	18,904	5,168	602,108
Corporate bonds	583,987	20,945	-	604,932
Equity securities	1,236,190	473,918	2,947	1,707,161
Mutual funds	1,883,864	428,907	7	2,312,764
	$14,003,906	$ 942,674	$ 8,122	$14,938,458

During 2009, all investments of the Foundation were placed with Greater Horizons, as custodian, in both pooled investment accounts and individual investment accounts. When investments are pooled, they lose their specific identification with specific contributions. Thus, the income and realized and unrealized gains and losses of the investment pool are allocated to all participants within that pool. An equitable allocation requires that investment pools be operated on the market value method. The market value method assigns a number of units or percentages to each pool participant based on the relationship of the individual investments to the total investments at the time the investments are pooled. Monthly, these pooled assets are valued and new unit values are assigned and used for valuing additions to, or withdrawals from, the pool by existing members or by new pool participants entering the pool. While these pooled investment accounts would have unrealized gains and losses, there is no way to distinguish them from realized gains with respect to the Foundation's interest within these pools.

Note 3. Fair Value Measurements

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

		Fair Value Measurements at Reporting Date Using	
	Fair Value	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Unobservable Inputs (Level 2)
December 31, 2011:			
Pooled investments -			
Fixed income	$ 6,317,494	$ -0-	$ 6,317,494
Equity	$ 5,555,566	$ -0-	$ 5,555,566
Other	$ 236,155	$ -0-	$ 236,155
Government Securities	$ 628,024	$ 628,024	$ -0-
Corporate bonds	$ 613,802	$ 613,802	$ -0-
Equity securities	$ 1,521,868	$ 1,521,868	$ -0-
Mutual funds	$ 1,835,925	$ 1,835,925	$ -0-
December 31, 2010:			
Pooled investments -			
Fixed income	$ 5,368,448	$ -0-	$ 5,368,448
Equity	$ 4,220,150	$ -0-	$ 4,220,150
Other	$ 122,895	$ -0-	$ 122,895
Government Securities	$ 602,108	$ 602,108	$ -0-
Corporate bonds	$ 604,932	$ 604,932	$ -0-
Equity securities	$ 1,707,161	$ 1,707,161	$ -0-
Mutual funds	$ 2,312,764	$ 2,312,764	$ -0-

Note 4. Property and Equipment

Property and equipment at December 31, 2011 and 2010 consisted of the following:

	2011	2010
Buildings	$25,020,956	$24,692,956
Furniture and equipment	163,598	163,940
	$25,184,554	$24,856,896
Less accumulated depreciation	(2,108,904)	(1,468,100)
	$23,075,650	$23,388,796
Land	4,165,000	4,165,000
	$27,240,650	$27,553,796

Total depreciation expense for the years ended December 31, 2011 and 2010 was $640,906 and $635,637, respectively.

Note 5. Funds Held in Custody

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

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

Note 6. Donated Services

The Foundation received donated rent, printing services, advertising and audit and accounting services. The total amount of donated rent and services included in unrestricted contributions at December 31, 2011 and 2010 is $20,080 and $20,432, respectively.

Note 7. CFA-REH, L.L.C.

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

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

Note 8. Ascension Episcopal School Campus, L.L.C.

The Foundation formed a limited liability company, Ascension Episcopal School Campus, L.L.C., to accept a $3,125,000 donation of 72 acres of undeveloped real estate in Youngsville, Louisiana and to fund the construction of a school. The L.L.C. has constructed a major portion of the proposed school with an estimated ultimate cost of $55,000,000. The initial first phase of the school construction cost was $21,129,048. The construction activity was funded by contribution commitments from various donors and notes payable to various sources. The notes payable are to be paid by pledges by various donors to Ascension Episcopal School, a ministry of The Episcopal Church of the Ascension, and other funding sources of both the Church and the School.

During March 2011, the L.L.C. benefited from improvements to its property as an in-kind donation. A baseball field and related improvements were constructed by a donor with an appraised value of $328,000 on the school's property. The value of the improvements is based on a real estate valuation analysis made in accordance with the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice guidelines. The analysis provided an opinion of the fair value of the baseball field and related improvements in its 'as is' condition at the time of donation. Since the land is already owned by AES School Campus, L.L.C. no value was attributed to the land in the appraisal. The asset is being amortized over a 30 year period, based on the suggested useful lives for similar capital assets.

Note 9. Notes Payable

The following is a summary of the outstanding notes payable at December 31, 2011 and 2010:

	2011	2010
Iberia Bank:		
6.25% note payable, interest payable quarterly, due on demand, and if no demand is made, annual principal payments of $850,244 commencing March 26, 2011, due March 26, 2014, secured by real estate, security interests in pledges, rents and all rights within leases, and security interests in certain endowment funds.	$ 2,948,653	$ 3,348,652
Iberia Bank:		
4% note payable, due on demand and if no demand is made, monthly payments of $2,814, including interest, due March 26, 2012, secured by certificates of deposit.	434,849	450,637

(continued)

Note 9. Notes Payable (Continued)

	2011	2010
Donor loan: $900,000 loaned to AESC to cover cost of construction of the buildings and improvements, initial interest at a rate of 6.0% and reduced to 3.0% in December 2009, quarterly payments of interest beginning January 22, 2010, principal payments of $450,000 per year due December 22, 2010 and 2011, unsecured.	900,000	900,000
Donor loan: $710,000 loaned to AESC to cover cost of construction of buildings and improvements, interest at 6.5%, repayment is subject to certain terms and conditions under an agreement with Iberia Bank.	710,000	710,000
	$ 4,993,502	$ 5,409,289

All of the above notes payable were incurred in connection with the completion of the construction of the first phase of the school complex for the Ascension Episcopal School Campus, L.L.C. ("AESC"). While some of the notes payable have features that may extend repayment of amounts beyond the next fiscal year, they possess features that could accelerate payment of the debt. As such, the notes are classified as current liabilities.

These liabilities are further guaranteed by The Episcopal Church of the Ascension. As part of that guarantee and lease of the facility, the Church has agreed to make any and all payments to liquate the debt in excess of any pledges it has received from donors that collateralize the obligations.

Included in current liabilities at December 31, 2011 and 2010 is a current liability of $406,248, which is a payment for construction costs paid by the Church and others at the completion of the project. Absent any specific agreement as the recordation of the payment, the amount is recorded as a liability. Under the terms of the agreement, that liability is likely to be recorded as a contribution in the near term.

Note 10. Bonds Payable

Revenue bonds with an aggregate principal amount of $920,000 were issued by the Lafayette Public Trust Financing Authority and the proceeds were loaned to the CFA-REH, L.L.C. pursuant to a loan agreement dated June 1, 2003. Bond issue costs in the amount of $18,002 were incurred in the issuance of the debt and are being amortized over the life of the bonds.

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

Aggregate maturities required on long-term debt, including estimated interest of $134,813, are as follows at December 31:

	Principal	Interest	Total
2012	$ 45,000	$ 19,613	$ 64,613
2013	45,000	18,262	63,262
2014	45,000	16,913	61,913
2015	50,000	15,525	65,525
2016	50,000	14,025	64,025
2017-2021	295,000	45,338	340,338
2022-2023	135,000	5,138	140,138
	$ 665,000	$ 134,814	$ 799,814

Interest expense on the indebtedness was $10,272 and $11,494 during the years ended December 31, 2011 and 2010, respectively. Payments of fees in connection with the debt were $10,599 and $11,696 during the fiscal years ended December 31, 2011 and 2010, respectively.

Note 11. Employee Benefit Plan

The Foundation has a discretionary Simple IRA Pension retirement plan (Simple IRA) in effect. The plan covers all employees with one or more years of service. The Foundation will match employee contributions to the plan up to 3% of qualified compensation. The Company's matching contribution to the plan for the years ended December 31, 2011 and 2010 was $5,805 and $4,246, respectively.

Note 12. Endowments and Net Asset Classifications

The Foundation's endowments consist of approximately 60 individual funds established for a variety of purposes. Its endowments include donor-restricted endowment funds; whereby, the stipulations of the gift may require preservation of the original donation with only the income derived used for a specific purpose. Endowed funds with donor-restricted funds are recorded as permanently restricted net assets, the income from which is expendable to support the grantor's purpose. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets in the consolidated statement of activities as net assets released from restrictions.

Interpretation of Relevant Law

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

The Board of the Foundation has implemented a policy requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction (if any) of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment funds not classified in permanently restricted net assets is classified as temporarily restricted or unrestricted net assets, depending on the restrictions of the individual endowments.

Funds with Deficiencies

The Foundation's spending policy, with regard to endowment funds, provide that gifts may be distributed provided that interest and dividends exceed investment and administrative fees on individual funds. However, the net assets of a fund can result in a value that is lower than cumulative original endowed gifts. Due to declines in the fair value of investments as of December 31, 2011 and 2010, fair value adjustments recorded in endowed funds reduced the level of net assets of permanently restricted funds, below the amount of historic gifts by $117,754 and $79,747, respectively. Deficiencies of this nature are reported as an offset against unrestricted net assets.

The following is a recap of changes in endowment balances as of December 31, 2011 and 2010.

	December 31, 2011		
	Unrestricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ (79,747)	$ 4,039,507	$ 3,959,760
Change in net assets:			
Contributions	-	257,338	257,338
Interest and dividends	-	88,412	88,412
Losses on investments	-	(71,969)	(71,969)
Investment expenses	-	(49,137)	(49,137)
Other income		30	30
Net assets released from restrictions	37,871	(37,871)	-
Grants paid	(75,878)	-	(75,878)
Endowment net assets, end of year	$ (117,754)	$ 4,226,310	$ 4,108,556

	December 31, 2010		
	Unrestricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ (112,906)	$ 3,075,983	$ 2,963,077
Change in net assets:			
Contributions	-	891,925	891,925
Interest and dividends	-	64,757	64,757
Gains on investments, net	-	218,827	218,826
Investment expenses	-	(36,323)	(36,323)
Net assets released from restrictions	175,662	(175,662)	-
Grants paid	(142,503)	-	(142,503)
Endowment net assets, end of year	$ (79,747)	$ 4,039,507	$ 3,959,760

Note 13. BP Louisiana Tourism Recovery Fund

During 2010, the Foundation entered into a Fund Agreement with the State of Louisiana, Office of Lieutenant Governor to establish the BP Louisiana Tourism Recovery Fund. The Fund was considered a non-endowed (non-permanent) designated fund for the exclusive purpose of satisfying the Tourism Recovery Program as stipulated by the Memorandum of Understanding between BP Exploration and Production, Inc., the Louisiana Department of Wildlife and Fisheries, and the Office of the Lieutenant Governor of the State of Louisiana and program guidelines.

In accordance with the Fund Agreement, the Foundation was to receive, directly from BP Exploration and Production, Inc., $30,000,000, in $5,000,000 increments over a six-quarter period, commencing in February 2011. The Foundation is expected to make 130 to 140 grant disbursements over the 18 month period as directed by the Lieutenant Governor's Office.

Through December 31, 2011, the Foundation received $20,000,000 and disbursed $14,538,041 in approved grants and $2,807,878 in other direct expenses. As compensation for handling the Fund, the Foundation receives the interest the Fund earns in addition to $4,167, each quarter, as administrative service fees. This designated fund is classified similar to agency funds by the Foundation of which $2,654,080, the balance of the fund at December 31, 2011, is included in funds held in custody.

Note 14. Subsequent Events

The Foundation evaluated the need for disclosures and/or adjustments resulting from subsequent events through June 28, 2012, the date the financial statements were available to be issued. This evaluation resulted in subsequent events that necessitated disclosures and/or adjustments under general accounting standards.

During January 2012, the Ascension Episcopal School Campus, L.L.C. loan by Iberia Bank with an outstanding debt of $2,948,653 as of December 31, 2011 was restructured. The L.L.C. incurred the debt for advances during the construction of the school. The restructuring consisted of a pay down of principal, an interest rate reduction and a split of the debt into three separate tranches. The remaining indebtedness to Iberia Bank was not part of the restructure and was paid off in April 2012.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited the consolidated financial statements of Community Foundation of Acadiana (a nonprofit organization) as of and for the year ended December 31, 2011, and have issued our report thereon dated June 28, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Foundation is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Foundation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over financial reporting.

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 financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of management, others within the Foundation and the Board of Directors and is not intended to be and should not be used by anyone other than these specified parties.

Broussard, Poche', Lewis & Breaux, LLP

Lafayette, Louisiana
June 28, 2012

COMMUNITY FOUNDATION OF ACADIANA

SCHEDULE OF FINDINGS AND RESPONSES
Year Ended December 31, 2011

We have audited the financial statements of Community Foundation of Acadiana as of and for the year ended December 31, 2011, and have issued our report thereon dated June 28, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2011 resulted in an unqualified opinion.

Section I - Summary of Auditors' Reports

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material weaknesses	___ Yes	X No
Control deficiencies identified that are not considered to be material weaknesses	___ Yes	X None Reported

Compliance

Noncompliance material to financial statements	___ Yes	X No

Section II - Financial Statement Findings

No matters are reported.

COMMUNITY FOUNDATION OF ACADIANA

SCHEDULE OF PRIOR FINDINGS
Year Ended December 31, 2011

Community Foundation of Acadiana did not have an audit performed under *Government Auditing Standards* as of and for the year ended December 31, 2010.

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

None reported.

Section II. Internal Control and Compliance Material to Federal Awards

Not applicable.

Section III. Management Letter

The prior year's report did not include a management letter.