COMMUNITY FOUNDATION OF ACADIANA

FINANCIAL REPORT

DECEMBER 31, 2012

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

Report on the Financial Statements

We have audited the accompanying consolidated statements of the financial position, consolidated statements of activities and cash flows of Community Foundation of Acadiana (a nonprofit organization) and affiliates as of and for years ended December 31, 2012 and 2011, and the related notes to consolidated financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these consolidated financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the respective financial position of the Community Foundation of Acadiana and affiliates as of December 31, 2012 and 2011, and the change in its net assets and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2013, on our consideration of Community Foundation of Acadiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Foundation of Acadiana's internal control over financial reporting and compliance.

Broussard, Poche', Lewis & Breaux, LLP

Lafayette, Louisiana
June 27, 2013

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COMMUNITY FOUNDATION OF ACADIANA

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2012 and 2011

ASSETS	2012	2011
CURRENT ASSETS		
Cash and cash equivalents	$11,149,913	$11,952,977
Certificates of deposit	-	478,321
Investments	18,748,333	16,708,834
Receivables:		
Pledges	55,000	50,000
Donated assets in conversion	119,233	-
Other	44,299	26,856
Prepaid expenses	19,747	11,605
Total current assets	$30,136,525	$29,228,593
FIXED ASSETS		
Property and equipment	$29,455,548	$29,349,554
Accumulated depreciation	(2,754,687)	(2,108,904)
Property and equipment, net	$26,700,861	$27,240,650
OTHER ASSETS		
Receivables, long-term:		
Note Receivable	$ 431,827	$ -
Pledges -	14,367	73,330
Security deposit	500	500
Bond issuance costs, net	10,501	11,501
Total other assets	$ 457,195	$ 85,331
Total assets	$57,294,581	$56,554,574

See Notes to Consolidated Financial Statements.

LIABILITIES AND NET ASSETS	2012	2011
CURRENT LIABILITIES		
Notes payable	$ 1,610,000	$ 1,610,000
Current portion of long-term debt	350,981	3,383,502
Current portion of bonds payable	45,000	45,000
Accounts payable	75,678	22,811
Accrued liabilities	232,760	158,920
Due to others	406,248	406,248
Funds held in custody	7,640,861	6,973,291
Total current liabilities	$10,361,528	$12,599,772
LONG-TERM LIABILITIES		
Long-term debt, less current portion	$ 2,129,387	$ -
Bonds payable, less current portion	575,000	620,000
Total long-term liabilities	$ 2,704,387	$ 620,000
NET ASSETS		
Unrestricted	$32,933,061	$32,451,370
Temporarily restricted	6,686,954	6,657,122
Permanently restricted	4,608,651	4,226,310
Total net assets	$44,228,666	$43,334,802
Total liabilities and net assets	$57,294,581	$56,554,574

COMMUNITY FOUNDATION OF ACADIANA

CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND OTHER SUPPORT				
Contributions	$ 6,056,634	$ 102,787	$ 230,445	$ 6,389,866
Interest and dividends	320,440	-	90,343	410,783
Gains (losses) on investments	707,470	-	279,715	987,185
Rent income	710,316	-	-	710,316
Administrative fees	185,638	-	-	185,638
Investment expenses	(178,988)	-	(53,405)	(232,393)
Transfers	239,494	(72,955)	(166,539)	-
Other	375,106	-	1,782	376,888
Total revenues and other support	$ 8,416,110	$ 29,832	$ 382,341	$ 8,828,283
EXPENSES AND LOSSES				
Program expenses:				
Rockefeller Philanthropy Advisors	$ 1,296,934	$ -	$ -	$ 1,296,934
Hurricane Disaster Relief	1,073,031	-	-	1,073,031
International Fellowship of Christians and Jews	350,000	-	-	350,000
Notre Dame Foundation	150,000	-	-	150,000
Other	3,422,525	-	-	3,422,525
Management and general:				
Salaries	371,969	-	-	371,969
Payroll taxes and benefits	74,586	-	-	74,586
Professional services	117,632	-	-	117,632
Advertising and marketing	36,894	-	-	36,894
Conferences and meetings	13,671	-	-	13,671
Office expenses	39,545	-	-	39,545
Insurance	8,532	-	-	8,532
Printing and publications	18,306	-	-	18,306
Interest	256,166	-	-	256,166
Rent	3,633	-	-	3,633
Depreciation and amortization	646,783	-	-	646,783
Trust and bank fees	21,776	-	-	21,776
Computer and internet	16,916	-	-	16,916
Other	15,520	-	-	15,520
Total expenses	$ 7,934,419	$ -0-	$ -0-	$ 7,934,419
Change in net assets	$ 481,691	$ 29,832	$ 382,341	$ 893,864
Net assets at beginning of year	32,451,370	6,657,122	4,226,310	43,334,802
Net assets at end of year	$ 32,933,061	$ 6,686,954	$ 4,608,651	$44,228,666

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	294,425	-	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 STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2012 and 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 893,864	$ 4,454,136
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	646,783	641,906
Donated fixed assets	(102,787)	(328,000)
Losses (gains) on investments	(987,185)	318,675
(Increase) decrease in receivables and other assets	(522,682)	(142,198)
(Decrease) increase in accounts payable	52,867	(291,848)
Increase in accrued liabilities	73,840	55,087
Net cash provided by operating activities	$ 54,700	$ 4,707,758
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of certificates of deposit	$ -	$ (9,426)
Proceeds from redeemed certificates of deposit	478,321	-
Purchase of investments	(4,502,445)	(6,512,340)
Proceeds from sales of investments	3,450,131	4,423,289
Purchase of fixed assets	(3,207)	-
Net cash used in investing activities	$ (577,200)	$ (2,098,477)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in funds held in custody	$ 667,570	$ 2,998,046
Payments of long-term borrowing	(948,134)	(40,000)
Decrease in notes payable	-	(415,786)
Net cash provided by (used in) financing activities	$ (280,564)	$ 2,542,260
Net increase (decrease) in cash	$ (803,064)	$ 5,151,541
Cash at beginning of year	11,952,977	6,801,436
Cash at end of year	$ 11,149,913	$ 11,952,977
SUPPLEMENTAL DISCLOSURES:		
Cash payments of interest	$ 128,417	$ 265,997
Noncash transactions:		
Donated fixed assets	$ 102,787	$ 328,000

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 primary purpose is to serve as a community foundation which shall receive and administer component funds (donor advised funds and others) for charitable, educational or scientific purposes.

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., in addition to affiliated organizations, Louisiana Real Estate Foundation and Louisiana Parks Foundation. During 2012, CFA Office, L.L.C., CFA-REH, L.L.C. and Ascension Episcopal School Campus, L.L.C. become wholly owned affiliates of Louisiana Real Estate Foundation. 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 component funds with "variance power" clauses in the fund agreements as unrestricted net assets, which is a predominant trend used by most community foundations.

Amounts received for future periods or restricted by the donor for specified purposes are reported as temporarily restricted or permanently restricted support increase those net assets. When a temporary 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 component funds that have time restrictions

As these assets are depreciated, the amount depreciation in a given period is considered to be a release from that 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.

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

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.

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 and is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code; accordingly, no provision for income taxes has been made in the consolidated financial statements.

The Foundation Form 990, *Return of Organization Exempt from Income Tax*, is no longer subject to examination by tax authorities for years prior to 2009.

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. Note Receivable

In connection with the renewal of certain indebtedness with IberiaBank, Ascension Episcopal School Campus, L.L.C. ("AESC") redeemed certificates of deposit in an endowed fund of Ascension Episcopal School which collateralized the debt and applied the proceeds against a portion of the debt to the bank. In connection with that redemption, Ascension Episcopal School signed a note receivable to AESC at rate of 1% payable quarterly commencing August 15, 2012. Under the terms of the note, no principal reduction is expected until all current indebtedness of AESC is extinguished. The balance of the note is $431,827 at December 31, 2012.

Note 3. Investments

Investments are composed of the following at December 31:

	2012			
	Cost	Unrealized Gains	Unrealized Losses	Market Value
Pooled investments:				
Fixed income	$ 7,239,780	$ -	$ -	$ 7,239,780
Equity	6,721,976	-	-	6,721,976
Other	292,240	-	-	292,240
Government securities	440,345	35,302	380	475,267
Corporate bonds	654,173	11,544	1,959	663,758
Equity securities	1,474,047	383,134	73,359	1,783,822
Mutual funds	1,263,129	308,835	474	1,571,490
	$18,085,690	$ 738,815	$ 76,172	$18,748,333

	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

All investments of the Foundation are 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 4. 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	Fair Value Measurements at Reporting Date Using: Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Unobservable Inputs (Level 2)
December 31, 2012:			
Pooled investments -			
Fixed income	$ 7,239,780	$ -0-	$ 7,239,780
Equity	$ 6,721,976	$ -0-	$ 6,721,976
Other	$ 292,240	$ -0-	$ 292,240
Government Securities	$ 475,218	$ 475,218	$ -0-
Corporate bonds	$ 663,758	$ 663,758	$ -0-
Equity securities	$ 1,783,822	$ 1,783,822	$ -0-
Mutual funds	$ 1,571,490	$ 1,571,490	$ -0-
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-

Note 5. Property and Equipment

Property and equipment at December 31, 2012 and 2011 consisted of the following:

	2012	2011
Buildings	$25,123,743	$25,020,956
Furniture and equipment	166,805	163,598
	$25,290,548	$25,184,554
Less accumulated depreciation	(2,754,687)	(2,108,904)
	$22,535,861	$23,075,650
Land	4,165,000	4,165,000
	$26,700,861	$27,240,650

Total depreciation expense for the years ended December 31, 2012 and 2011 was $645,783 and $640,906, respectively.

Note 6. Funds Held in Custody

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

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

Note 7. Donated Services

The Foundation received donated audit and accounting services, computer consulting services and website support and lawn care. The total amount of donated services included in unrestricted contributions at December 31, 2012 and 2011 is $26,493 and $20,080, respectively.

Note 8. 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 9. Ascension Episcopal School Campus, L.L.C.

The Foundation formed a limited liability company, Ascension Episcopal School Campus, L.L.C. ("AESC"), 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 AESC. 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 owned by AESC no value was attributed to 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 10. Notes Payable and Long-term Debt

The following is a summary of the outstanding notes payable and long-term debt at December 31, 2012 and 2011:

	2012	2011
Notes payable:		
Donor loan:		
$900,000 loaned to AESC to cover cost of construction of the buildings and improvements, interest at a rate of 6.0%, quarterly payments of interest beginning January 22, 2010, principal payments of $450,000 per year due December 22, 2010, unsecured and subordinated to IberiaBank debt.	$ 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 and subordinated to all indebtedness of AESC.	710,000	710,000
	$ 1,610,000	$ 1,610,000

(continued)

Note 10. Notes Payable and Long-Term Debt (Continued)

	2012	2011
Long-term debt:		
6.25% note payable to IberiaBank, 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
4% note payable to IberiaBank, 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
6.25% note payable to IberiaBank, due in monthly payments of $8,881, including interest, commencing March 10, 2012, with a final balloon due February 10, 2015, secured by four guarantors.	1,180,675	-
6.25% note payable to IberiaBank, due in monthly payments of $4,966, including interest, commencing March 10, 2012, with a final balloon payment due February 10, 2015, secured by cash and assets of the Ascension Episcopal School.	660,212	-
6.25% note payable to IberiaBank, interest payable quarterly, estimated principal payments of $80,000 in the first year, $300,000 in the second year, and the balance due February 10, 2015, secured by pledged receivables.	639,481	-
Total long-term debt	$ 2,480,368	$ 3,383,502
Less current portion	350,981	3,383,502
Long-term portion	$ 2,129,387	$ -0-

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

2013	$ 350,981
2014	393,788
2015	1,735,599
	$ 2,480,368

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 during the 2011 fiscal year. Based on renewed terms on the bank indebtedness during 2012, that portion of principal which is due beyond one year is classified as long-term at December 31, 2012.

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, 2012 and 2011 is a liability for $406,248, and reflects payments received from the Church and others to pay for final construction costs 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, or would be payable by contributions or rent after extinguishment of all indebtedness by AESC to others on extensions of credit.

Note 11. 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 $115,200, are as follows at December 31:

	Principal	Interest	Total
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	55,000	12,488	67,488
2018-2023	375,000	37,988	412,988
	$ 620,000	$ 115,201	$ 735,201

Interest expense on the indebtedness was $8,677 and $10,272 during the years ended December 31, 2012 and 2011, respectively. Payments of fees in connection with the debt were $10,193 and $10,599 during the fiscal years ended December 31, 2012 and 2011, respectively.

Note 12. Employee Benefit Plan

The Foundation has a discretionary Simple IRA Pension retirement plan (Simple IRA) in effect that covers all employees. The Foundation matches employee contributions to the plan up to 3% of qualified compensation. The Company's matching contribution to the plan for the years ended December 31, 2012 and 2011 was $9,732 and $5,805, respectively.

Note 13. Endowments and Net Asset Classifications

The Foundation's endowment funds consist of a number of individual funds established for a variety of purposes. Its endowments include donor-restricted endowment funds; whereby, the stipulations of the gift may require preservation of the original donation with only the income derived used for a specific purpose. Endowed funds with donor-restricted funds are recorded as 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 for endowment funds includes the application of an annual spending rate. Depending on market conditions and investment performance, 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, 2012 and 2011, fair value adjustments recorded in endowed funds reduced the level of net assets of permanently restricted funds, below the amount of historic gifts by $29,846 and $117,754, 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, 2012 and 2011.

	December 31, 2012		
	Unrestricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ (117,754)	$ 4,226,310	$ 4,108,556
Change in net assets:			
Contributions	-	230,445	230,445
Interest and dividends	-	90,343	90,343
Gains on investments	-	279,715	279,715
Investment expenses	-	(53,405)	(53,405)
Other income	-	1,782	1,782
Grants	(78,631)	-	(78,631)
Net assets released from restrictions	166,539	(166,539)	-
Endowment net assets, end of year	$ (29,846)	$ 4,608,651	$ 4,578,805

	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

Note 14. 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, 2012, the Foundation received all the funds of which $20,000,000 was received in 2011 and the remaining $10,000,000 was received in 2012. The fund made disbursements of approved grants during December 31, 2012 and 2011 of $7,603,382 and $14,538,041, respectively in addition to other direct expenses of $2,416,706 and $2,807,878, respectively. 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 $2,633,992 and $2,654,080, respectively, the balance of the fund remaining at December 31, 2012 and 2012, is included in funds held in custody in current liabilities.

Note 15. Subsequent Events

The Foundation evaluated the need for disclosures and/or adjustments resulting from subsequent events through June 27, 2013, the date the consolidated financial statements were available to be issued. This evaluation did not result in subsequent events that necessitated disclosures and/or adjustments to the financial statements in accordance with generally accepted accounting standards.

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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*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Community Foundation of Acadiana (a nonprofit organization), which comprise the statement of financial position as of December 31, 2012, and the related consolidated statements of activities and cash flows for year then ended, and the related notes to consolidated financial statements, and have issued our report thereon dated June 27, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Community Foundation of Acadiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Foundation of Acadiana's internal control. Accordingly, we do not express an opinion on the effectiveness of Community Foundation of Acadiana's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Broussard, Poche', Lewis & Breaux, LLP

Lafayette, Louisiana
June 27, 2013

COMMUNITY FOUNDATION OF ACADIANA

SCHEDULE OF FINDINGS AND RESPONSES
Year Ended December 31, 2012

We have audited the consolidated financial statements of Community Foundation of Acadiana as of and for the year ended December 31, 2012, and have issued our report thereon dated June 27, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the consolidated financial statements as of December 31, 2012 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, 2012

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.