

LAFAYETTE CENTRAL PARK, INC.

Financial Report

Years Ended December 31, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Lafayette Central Park, Inc.
Lafayette, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Lafayette Central Park, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lafayette Central Park, Inc. as of December 31, 2022 and 2021, and the 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 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 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 Lafayette Central Park, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lafayette Central Park, Inc.'s ability to continue as a going concern within one year after the date that the 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 financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. We 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 Lafayette Central Park Inc.'s internal control. Accordingly, no such opinion is expressed. We also evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements. We conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lafayette Central Park Inc.'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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2023 on our consideration of Lafayette Central Park, Inc.'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 the effectiveness of Lafayette Central Park, Inc.'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 Lafayette Central Park, Inc.'s internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
June 23, 2023

FINANCIAL STATEMENTS

LAFAYETTE CENTRAL PARK, INC.
Lafayette, Louisiana

Statements of Financial Position
December 31, 2022 and 2021

	2022	2021
ASSETS		
Assets:		
Cash and cash equivalents	\$ 948,206	\$ 2,752,048
Accounts receivable	553,430	20,851
Grant receivable	-	34,168
Pledges receivable, net	1,252,365	930,808
Prepaid expenses	30,953	16,647
Other	7,026	500
Right-of-use asset	213,617	269,764
Property and equipment, net	16,907,586	14,727,815
Cash and cash equivalents restricted for endowment	600,000	600,000
Total assets	\$ 20,513,183	\$ 19,352,601
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 103,714	\$ 247,019
Contracts payable	-	710,033
Retainage payable	-	118,976
Other accrued liabilities	1,500	1,500
Lease liability, current portion	56,863	56,147
Long term lease liability	156,754	213,617
Total liabilities	318,831	1,347,292
Net assets:		
Without donor restrictions	17,142,444	14,328,839
With donor restrictions	3,051,908	3,676,470
Total net assets	20,194,352	18,005,309
Total liabilities and net assets	\$ 20,513,183	\$ 19,352,601

The accompanying notes are an integral part of this statement.

LAFAYETTE CENTRAL PARK, INC.
Lafayette, Louisiana

Statements of Activities
For the Years Ended December 31, 2022 and 2021

	2022	2021
Changes in net assets without donor restrictions -		
Revenue, contributions, and other support:		
Earned revenue - events, programming and retail	\$ 745,104	\$ 559,672
Contributions, gifts, and bequests	1,412,737	141,446
Interest and other investment income (loss)	(22,823)	83,638
Other income	1,036	104,563
In-kind contributions	126,535	29,462
Total revenues and other support without donor restrictions	2,262,589	918,781
Net assets released from restrictions	3,015,262	2,479,336
Total revenues and other support without donor restrictions	5,277,851	3,398,117
Expenses:		
Program services -		
Programming and events	697,838	757,781
Grounds and maintenance	1,072,573	424,260
Total program services	1,770,411	1,182,041
Supporting services -		
Management and general	292,301	198,405
Fundraising expense	401,534	269,418
Total supporting services	693,835	467,823
Total expenses	2,464,246	1,649,864
Change in net assets without donor restrictions	2,813,605	1,748,253
Changes in net assets with donor restrictions -		
Contributions and promises to give, including amortization of discount	2,415,887	373,262
Grant revenue	67,581	446,909
Net endowment earnings (losses)	(92,768)	61,467
Net assets released from restrictions	(3,015,262)	(2,479,336)
Change in net assets with donor restrictions	(624,562)	(1,597,698)
Change in total net assets	2,189,043	150,555
Net assets, beginning	18,005,309	17,854,754
Net assets, ending	\$ 20,194,352	\$ 18,005,309

The accompanying notes are an integral part of this statement.

LAFAYETTE CENTRAL PARK, INC.
Lafayette, Louisiana

Statement of Functional Expenses
For the Year Ended December 31, 2022

	Program Services		Supporting Services		Total
	Programming and Events	Grounds and Maintenance	Management and General	Fundraising	
	Salaries and benefits	\$ 273,049	\$ 244,721	\$ 150,187	
Other personnel costs	8,502	12,733	7,432	4,208	32,875
Legal and accounting	-	-	8,845	-	8,845
Security	-	88,228	-	-	88,228
Consulting	-	-	-	20,200	20,200
Other outside services	3,753	69,214	6,240	6,825	86,032
Computer and IT	2,800	19,480	606	14,358	37,244
Telephone and internet	1,796	-	5,473	-	7,269
Marketing and advertising	775	-	-	67,935	68,710
Supplies, small equipment, signage	10,788	50,136	7,530	6,092	74,546
Event merchandise	1,508	-	-	-	1,508
Event supplies and materials	41,987	-	-	-	41,987
Event food and beverages	53,440	-	-	-	53,440
Event entertainment and rentals	259,113	-	-	-	259,113
Event vendors	5,000	-	-	-	5,000
Equipment and other rentals	-	23,668	-	332	24,000
Rent	14,846	16,045	14,846	14,846	60,583
Utilities	-	17,416	-	-	17,416
Insurance	17,298	17,298	20,043	17,298	71,937
Interest	-	-	12,522	-	12,522
Bank and merchant fees	377	-	114	7,068	7,559
CFA fund management fee	-	-	-	3,397	3,397
Meetings and catering	1,044	132	1,802	1,034	4,012
Travel and entertainment	15	-	44	689	748
Miscellaneous	497	3,945	-	400	4,842
Direct donor benefit expenses	-	-	-	1,187	1,187
One-time expense	1,250	-	-	-	1,250
Depreciation	-	509,557	56,617	-	566,174
Total	\$ 697,838	\$ 1,072,573	\$ 292,301	\$ 401,534	\$ 2,464,246

The accompanying notes are an integral part of this statement.

LAFAYETTE CENTRAL PARK, INC.
Lafayette, Louisiana

Statement of Functional Expenses
For the Year Ended December 31, 2021

	Program Services		Supporting Services		Total
	Programming and Events	Grounds and Maintenance	Management and General	Fundraising	
Salaries and benefits	\$ 106,093	\$ 175,382	\$ 139,874	\$ 163,823	\$ 585,172
Other personnel costs	2,552	9,207	7,381	3,288	22,428
Legal and accounting	-	-	8,670	-	8,670
Security	-	45,279	-	3,060	48,339
Consulting	-	-	-	11,000	11,000
Other outside services	9,915	52,179	894	4,511	67,499
Computer and IT	3,144	3,450	-	13,044	19,638
Telephone and internet	1,314	1,314	2,780	1,314	6,722
Other technology-related expenses	446	446	-	-	892
Marketing and advertising	1,659	-	182	24,677	26,518
Supplies and small equipment	227,645	33,513	2,115	1,744	265,017
Event merchandise	33,777	-	-	-	33,777
Event supplies and materials	82,097	-	-	-	82,097
Event food and beverages	26,528	-	-	-	26,528
Event entertainment	103,320	-	-	-	103,320
Event vendors	87,641	-	-	-	87,641
Equipment and other rentals	24,712	26,580	-	687	51,979
Rent	14,846	16,045	14,846	14,846	60,583
Utilities	-	4,090	-	-	4,090
Insurance	7,095	7,095	16,314	7,095	37,599
Permits and licenses	150	175	-	-	325
Bank and merchant fees	1,033	-	688	6,775	8,496
CFA fund management fee	-	-	-	9,153	9,153
Meetings and employee appreciation	600	169	1,358	252	2,379
Travel and entertainment	-	-	-	398	398
Miscellaneous	-	4,710	-	750	5,460
Direct donor benefit expenses	-	-	-	3,001	3,001
One-time expense	23,214	14,897	-	-	38,111
Depreciation	-	29,729	3,303	-	33,032
	<u>\$ 757,781</u>	<u>\$ 424,260</u>	<u>\$ 198,405</u>	<u>\$ 269,418</u>	<u>\$ 1,649,864</u>
Total	<u>\$ 757,781</u>	<u>\$ 424,260</u>	<u>\$ 198,405</u>	<u>\$ 269,418</u>	<u>\$ 1,649,864</u>

The accompanying notes are an integral part of this statement.

LAFAYETTE CENTRAL PARK, INC.
Lafayette, Louisiana

Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ 2,189,043	\$ 150,555
Adjustments to reconcile change in net assets to net cash used in operating activities -		
Depreciation	566,174	33,032
(Increase) decrease in accounts receivable	(532,579)	1,687,321
(Increase) decrease in pledges receivable	(321,557)	106,766
Increase in prepaid expenses and other assets	13,336	(22,588)
Increase (decrease) in operating liabilities -		
Accounts payable and other liabilities	(143,305)	151,261
Contracts payable	(710,033)	710,033
Retainage payable	(118,976)	23,849
Contributions with donor restrictions	<u>(1,980,244)</u>	<u>(741,437)</u>
Net cash used in operating activities	<u>(1,038,141)</u>	<u>2,098,792</u>
Cash flows from investing activities:		
Acquisition of furniture and equipment	(71,644)	(359,003)
Additions to work in process	<u>(2,674,301)</u>	<u>(3,217,244)</u>
Net cash used in investing activities	<u>(2,745,945)</u>	<u>(3,576,247)</u>
Cash flows from financing activities:		
Proceeds from (forgiveness of) SBA loan	-	(60,393)
Collections of contributions with donor restrictions	<u>1,980,244</u>	<u>741,437</u>
Net cash provided by financing activities	<u>1,980,244</u>	<u>681,044</u>
Net change in cash and cash equivalents	<u>(1,803,842)</u>	<u>(796,411)</u>
Cash and cash equivalents, beginning of year:		
Unrestricted	2,752,048	3,548,459
Restricted for endowment	<u>600,000</u>	<u>600,000</u>
Total, beginning of year	<u>3,352,048</u>	<u>4,148,459</u>
Cash and cash equivalents, end of year:		
Unrestricted	948,206	2,752,048
Restricted for endowment	<u>600,000</u>	<u>600,000</u>
Total, end of year	<u>\$ 1,548,206</u>	<u>\$ 3,352,048</u>

The accompanying notes are an integral part of this statement.

LAFAYETTE CENTRAL PARK, INC.
Lafayette, Louisiana

Notes to Financial Statements

(1) Nature of Organization and Significant Accounting Policies

A. Organization and Purpose

The Lafayette Central Park, Inc. (Organization) is a non-profit corporation organized under the laws of the State of Louisiana on February 22, 2013. The Organization's purpose is the development, maintenance and operation of a public park, which is located on the 89.09 acre property ("Moncus Park") in the greater Lafayette region, by raising money for the design and construction of the park and for the creation of a fund for perpetual maintenance.

B. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations will either (1) expire by incurring expenses satisfying the restricted purpose (purpose restricted), and/or the passage of time or other events (time restricted), or (2) will never expire (perpetual in nature). When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

C. Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less at the date of acquisition to be cash equivalents.

D. Prepaid Expenses

Prepaid balances are the payments made by the Organization in the current fiscal year to provide services occurring in the subsequent fiscal year.

LAFAYETTE CENTRAL PARK, INC.
Lafayette, Louisiana

Notes to Financial Statements (Continued)

E. Pledges Receivable

Pledges receivable are promises to give. Unconditional promises to give are recorded at fair value, which is measured as the present value of their future cash flows. The discount rate of 4.2% and 3.4% used for the years ended December 31, 2022 and 2021, respectively, was based on risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts are included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

F. Allowance for Doubtful Accounts

Pledges receivable are stated net of an allowance for doubtful accounts. The Organization estimates the allowance based on specific donors, taking into consideration the age of past due amounts and an assessment of the donor's ability to pay. The allowance for doubtful accounts for pledges receivable was \$0 as of December 31, 2022 and 2021, respectively.

G. Property and Equipment

The Organization capitalizes all property and equipment which has a cost, if purchased, or an estimated fair market value, if donated, of at least \$1,000 and has a useful life which extends beyond one year. Donations of property and equipment are recorded as contributions at their estimated fair value. In the absence of donor stipulations regarding how long the contributed assets must be used, the Organization has adopted a policy of establishing time restrictions on contributions of such assets that expire over the useful lives of the assets. Maintenance and repairs are expensed as incurred; however, those that significantly increase asset values or extend useful lives are capitalized. Depreciation is computed by the straight line method at rates based on the following estimated useful lives:

	<u>Years</u>
Furniture and equipment	3 - 7
Leasehold improvements	20 - 30
Park elements	5 - 20

H. Endowment Net Asset Classifications and Spending Policy

Endowments include donor-restricted endowment funds whereby the stipulations of the gift require the preservation of the original donation with only the income derived used for specific purposes. As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Income derived from endowment funds is classified as net assets without donor restrictions.

LAFAYETTE CENTRAL PARK, INC.
Lafayette, Louisiana

Notes to Financial Statements (Continued)

I. Revenue and Expense Recognition

Contributions are recognized when the donor makes a commitment to give to the Organization. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as increases to net assets with donor restrictions. Amounts received whose restrictions have been met in the same reporting period are included as support in net assets without donor restrictions. Earned revenues are recorded at a single point in time, when the performance obligation is met.

The Organization applies ASU No. 2016-02, Lease (Topic 842) to leases as follows: The practical expedient was elected, which permits the application of Topic 842 only to leases having terms over 12 months (long-term leases). The risk-free discount rate is used to measure the lease liabilities and right-of-use assets by class for all long-term operating leases. Operating lease expense included in the statement of activities is recognized on a straight-line basis over the life of the lease. Variable lease payments are expensed as incurred.

All other expenses are recognized in the period incurred in accordance with the accrual basis of accounting.

J. Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses are allocated on a reasonable basis that is consistently applied. Office rent and certain insurances are allocated evenly over the functions. Certain salaries and benefits are allocated on the basis of time and effort.

K. Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accounting principles generally accepted in the United States of America require the Organization's management to evaluate tax positions taken and recognize a tax liability (or asset) if the Organization has undertaken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2022 and 2021, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. All of the Organization's Form 990, *Return of Organization Exempt from Income Tax*, returns filed are subject to examination by the Internal Revenue Service, generally for three years after they are filed.

LAFAYETTE CENTRAL PARK, INC.
Lafayette, Louisiana

Notes to Financial Statements (Continued)

L. Donated Materials and Services

The Organization receives donated materials and services from unpaid volunteers who assist in program services during the year. Some donated services are not reflected in the statement of activities because the criteria for recognition under professional standards have not been satisfied; however, these services are valuable to the Organization's programs. The Organization had 202 and 58 volunteers who provided 1,975 and 718 hours of donated services valued at \$49,375 and \$17,942 for the years ended December 31, 2022 and 2021, respectively. The value of these donated services was not reflected in the statement of activities.

Donations meeting the criteria for recognition are recorded at estimated fair value as follows for the years ended December 31, 2022 and 2021:

	2022	2021
Program services -		
Donated materials:		
Office equipment	\$ 2,208	\$ -
Trees and plants	-	3,250
Donated services:		
Event entertainment/rentals	105,450	24,712
Other services	14,012	-
Marketing and advertising		1,500
Fundraising -		
Marketing and advertising	4,865	-
Total	\$ 126,535	\$ 29,462

M. Advertising Costs

Advertising costs are expensed as incurred. Total advertising expense was \$68,710 and \$26,518 for the years ended December 31, 2022 and 2021, respectively.

N. 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 these estimates.

O. Reclassifications

Certain reclassifications have been made to the 2021 financial statement presentation to correspond to the current year's format. Total net assets and changes in net assets are unchanged due to these reclassifications.

LAFAYETTE CENTRAL PARK, INC.
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(2) Cash and Cash Equivalents

The Organization's cash and cash equivalents consisted of the following as of December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Demand deposits	\$ 599,011	\$ 1,156,349
Time and savings -		
Money market funds	668,529	1,561,031
Other	<u>280,666</u>	<u>634,668</u>
Total	<u>\$ 1,548,206</u>	<u>\$ 3,352,048</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Organization's deposits may not be recovered, or the Organization will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market.

Deposit balances (bank balances) as of December 31, 2022 and 2021, respectively, are secured as follows:

	<u>2022</u>	<u>2021</u>
Federal Deposit Insurance Corporation (FDIC)	\$ 250,000	\$ 250,000
Securities Investor Protection Corporation (SIPC)	668,528	1,561,031
Pledged securities	266,778	500,133
Uninsured	<u>364,823</u>	<u>1,172,084</u>
Total	<u>\$ 1,550,129</u>	<u>\$ 3,483,248</u>

Deposits in the amount of \$668,529 and \$1,561,031 as of December 31, 2022 and 2021, respectively, were held by the custodian, Community Foundation of Acadiana (CFA), and therefore, were exposed to custodial credit risk. As of December 31, 2022 and 2021, respectively, deposits held by CFA were fully insured. Deposits uninsured of \$364,823 and \$1,172,084 as of December 31, 2022 and 2021, respectively, consisted of deposits held at financial institutions which exceeded FDIC coverage. The Organization has adopted a formal investment policy.

Cash and cash equivalents included donor-restricted endowment funds of \$600,000 as of December 31, 2022 and 2021.

LAFAYETTE CENTRAL PARK, INC.
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(3) Liquidity and Availability of Financial Assets

The Organization's financial assets available within one year for general use as of December 31, 2022 and 2021 are as follows:

	2022	2021
Cash and cash equivalents	\$ 1,548,206	\$ 3,352,048
Pledges receivable, due within one year	768,000	895,667
Accounts receivable	553,430	20,851
Grants receivable	-	34,168
Less: cash and cash equivalents with donor-imposed purpose restrictions	(1,799,543)	(2,745,662)
Financial assets available for general use within one year	\$ 1,070,093	\$ 1,557,072

In order to manage liquidity, the Organization has a policy to structure its financial assets to be available as its general expenses, liabilities, and other obligations become due.

(4) Pledges Receivable, Net

Included in pledges receivable are the following promises to give as of December 31:

	2022		2021
	Due within 1 year	Due in 1-5 years	Total
Restricted to future periods	\$ 768,000	\$ 508,000	\$ 1,276,000
Less: unamortized discount			(23,635)
			\$ 1,252,365
			\$ 930,808

LAFAYETTE CENTRAL PARK, INC.
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(5) Property and Equipment

Property and equipment consist of the following as of December 31:

	2022	2021
Furniture and equipment	\$ 51,523	\$ 48,415
Leasehold improvements	10,888,461	10,882,235
Park elements	381,063	318,754
	11,321,047	11,249,404
Less: accumulated depreciation	(668,468)	(102,294)
Total depreciable assets	10,652,579	11,147,110
Work in progress	6,255,007	3,580,705
Total	\$ 16,907,586	\$ 14,727,815

Total depreciation expense for the years ended December 31, 2022 and 2021 was \$566,174 and \$33,032, respectively.

(6) Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following as of December 31:

	2022	2021
Unconditional promises to give	\$ 1,252,365	\$ 930,808
Contributions	1,195,542	2,048,893
Cumulative Moncus Endowment earnings	4,001	96,769
Moncus Endowment	600,000	600,000
Total	\$ 3,051,908	\$ 3,676,470

The following is a summary of changes in net assets with donor restrictions as of December 31, 2022 and 2021:

LAFAYETTE CENTRAL PARK, INC.
Lafayette, Louisiana

Notes to Financial Statements (Continued)

	Time Restricted	Purpose Restricted	Perpetual in Nature	Total
Net assets, December 31, 2021	\$ 1,027,577	\$ 2,048,893	\$ 600,000	\$ 3,676,470
Donor-restricted contributions	480,750	1,980,244	-	2,460,994
Amortization of discount	22,474	-	-	22,474
	<u>503,224</u>	<u>1,980,244</u>	<u>-</u>	<u>2,483,468</u>
Net endowment earnings				
Interest and other investment income	(90,251)	-	-	(90,251)
Investment administration fee	(2,517)	-	-	(2,517)
	<u>(92,768)</u>	<u>-</u>	<u>-</u>	<u>(92,768)</u>
Net assets released from restriction	<u>(181,667)</u>	<u>(2,833,595)</u>	<u>-</u>	<u>(3,015,262)</u>
Net assets, December 31, 2022	<u>\$ 1,256,366</u>	<u>\$ 1,195,542</u>	<u>\$ 600,000</u>	<u>\$ 3,051,908</u>

	Time Restricted	Purpose Restricted	Perpetual in Nature	Total
Net assets, December 31, 2020	\$ 1,122,813	\$ 3,551,355	\$ 600,000	\$ 5,274,168
Donor-restricted contributions	14,868	741,437	-	756,305
Amortization of discount	63,866	-	-	63,866
	<u>78,734</u>	<u>741,437</u>	<u>-</u>	<u>820,171</u>
Net endowment earnings				
Interest and other investment income	64,045	-	-	64,045
Investment administration fee	(2,578)	-	-	(2,578)
	<u>61,467</u>	<u>-</u>	<u>-</u>	<u>61,467</u>
Net assets released from restriction	<u>(235,437)</u>	<u>(2,243,899)</u>	<u>-</u>	<u>(2,479,336)</u>
Net assets, December 31, 2021	<u>\$ 1,027,577</u>	<u>\$ 2,048,893</u>	<u>\$ 600,000</u>	<u>\$ 3,676,470</u>

(8) Donor-Restricted Endowments

The Organization's endowment consists of one fund. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

LAFAYETTE CENTRAL PARK, INC.
Lafayette, Louisiana

Notes to Financial Statements (Continued)

Interpretation of Relevant Law - The Organization has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. Currently, the Organization classifies as donor-restricted net assets (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the perpetual 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 fund that is not classified in donor-restricted net assets is classified as without donor-restriction until those amounts are appropriated for expenditure by the Organization in a manner consistent with management's policies and procedures.

Spending Policy and How the Investment Objectives Relate to Spending Policy - The Organization spends what is necessary to fulfill the endowment purpose. Accordingly, over the long-term, the Organization expects the current spending policy to allow its endowments to grow annually. This is consistent with the objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

The following factors are considered in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) Duration and preservation of the fund.
- (2) Purposes of the Organization and the donor-restricted endowment fund.
- (3) General economic conditions.
- (4) Possible effect of inflation and deflation.
- (5) Expected total return from income and the appreciation of investments.
- (6) Other resources of the Organization.
- (7) Investment policies of the Organization.

Investment Return Objectives, Risk Parameters and Strategies - The Organization has adopted an investment policy, approved by the Board of Directors, for endowment assets that attempts to provide a predictable stream of funding to programs supported by its endowment fund while also maintaining the purchasing power of those endowment assets over the long-term. Endowment assets are invested in funds held by CFA that are intended to result in a consistent inflation-protected rate of return. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Underwater Endowment - From time to time, the fair value of assets associated with the individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires to retain as a fund of perpetual duration. As of December 31, 2022 and 2021, respectively, there were no deficiencies of this nature in the donor-restricted endowment fund.

LAFAYETTE CENTRAL PARK, INC.
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(9) Operating Leases

Park lease-

The Organization is obligated under a lease agreement with the City of Lafayette for the property identified as the Horse Farm, now Moncus Park. The lease agreement is executed in accordance and concurrently with a Cooperative Endeavor Agreement with the City of Lafayette. The lease effective date began in March 2018, with an initial thirty year term, a first renewal term of thirty years and successive renewal terms of thirty-eight years so long as the park and improvements, as developed, remain intact, or are reconstructed by the end of the then term in the event of Force Majeur and provided the Organization is not in default of the lease and continues to meet all conditions of the lease.

The following is a maturity analysis of the annual undiscounted cash flows (payments) of the park operating lease liability as of December 31, 2022.

<u>Year Ending December 31,</u>	<u>Annual</u>	<u>Number</u>	<u>Total</u>
Remaining Primary Term:	<u>Payments</u>	<u>of Years</u>	
2023 through 2027	\$ 1,200	5	\$ 6,000
2028 through 2037	1,500	10	15,000
2038 through 2047	1,875	10	18,750
First Renewal Term:			
2048 through 2057	2,344	10	23,440
2058 through 2067	2,930	10	29,300
2068 through 2077	3,662	10	36,620
Second Renewal Term:			
2078 through 2087	4,578	10	45,780
2088 through 2097	5,722	10	57,220
2098 through 2108	7,153	10	71,530
2109 through 2116	8,941	8	71,528
Total park operating lease liability - payments			<u>\$ 375,168</u>

Other leases-

The Organization leased office space under a non-cancellable lease during the years ending December 31, 2022 and 2021 for \$4,948 monthly, expiring February 28, 2025.

The following is a maturity analysis of the annual undiscounted cash flows (payments) of the other operating lease liability as of December 31, 2022.

<u>Year Ending December 31,</u>	
2023	\$ 59,382
2024	59,382
2025	9,897
Total other operating lease liability - payments	<u>\$ 128,661</u>

LAFAYETTE CENTRAL PARK, INC.
Lafayette, Louisiana

Notes to Financial Statements (Continued)

The following is a reconciliation of the total operating lease liability – payments on the schedules above to the operating lease liability on the accompanying statement of net position.

	Park	Other	Total
Operating lease liability:			
Operating lease liability - current	\$ (1,215)	\$ 58,078	\$ 56,863
Operating lease liability - noncurrent	88,035	68,719	156,754
Total operating lease liability	86,820	126,797	213,617
Present value adjustment	288,348	1,864	290,212
Total operating lease liability - payments	\$ 375,168	\$ 128,661	\$ 503,829

Lease cost of \$60,583 is included in the statement of activities for the years ended December 31, 2022 and 2021. The weighted average of the remaining lease terms (all leases) is 22.9 years and the weighted average discount rate used was 2.51%.

(10) Related Party Transactions

The Organization receives contributions from board members and entities associated with board members. In addition, as of December 31, 2022 and 2021, respectively, the balance in other accrued liabilities of \$1,500 was due to the Chairman of the board.

(11) Commitments and Contingencies

Amounts received in prior years relative to a Cooperative Endeavor Agreement with the Lafayette Public Trust Financing Authority (LPTFA) are subject to audit and inspection by the LPTFA and any governmental agency exercising audit authority over the LPTFA. Management believes results of any future audits would not have a material adverse effect on the financial statements as of December 31, 2022 and 2021.

As of December 31, 2022, the Organization is not involved in any litigation.

(12) Compensation, Benefits and Other Payments to Agency Head

A detail of compensation, benefits, and other payments made to JP MacFayden, executive director for the year December 31, 2022, follows:

Purpose	Amount
Salary	\$ 135,000
Benefits - insurance	13,101
Benefits - retirement and other payroll taxes	13,448
Cell phone	900
Total	\$ 162,449

LAFAYETTE CENTRAL PARK, INC.
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(13) Risk Management

The Organization purchases commercial insurance policies by special event to address risks of loss in the areas of general liability and volunteer accidents. There have been no claims that have exceeded insurance coverage as of December 31, 2022 and 2021.

(14) Multiple Advance Loan

On June 17, 2022, the Organization obtained a multiple advance loan not to exceed \$1,000,000 from a bank for the purpose of paying contractor invoices, secured by all of its charitable donations, pledges, subscriptions, agreements, deposit accounts, and general intangibles. Interest at prime rate plus 1.0%, payable monthly beginning July 17, 2022. The loan matures June 16, 2023. As of December 31, 2022, there was no outstanding balance.

(15) Change in Accounting Principle

The FASB issued ASU No. 2016-02, Leases (Topic 842) intended to improve financial reporting regarding leasing transactions. Under the new standard, a lessee is required to recognize leases on its balance sheet. At initial recognition of a lease, the lessee measures the liability for its lease obligation and the related right-of-use asset at the present value of lease payments not yet paid. The guidance also requires qualitative and quantitative disclosures providing additional information about the amounts recorded in the financial statements. The Organization applied Topic 842 to all leases effective January 1, 2021, the beginning of the earliest comparative period presented. The implementation of Topic 842 resulted in an operating right-of-use asset of \$269,764 net of accumulated amortization of \$185,246 and an operating lease liability of \$269,764 on the statement of net position as of December 31, 2021. There was no net effect on beginning equity.

(16) Subsequent Event Review

The Organization's management has evaluated subsequent events through June 23, 2023, the date which the financial statements were available to be issued.

INTERNAL CONTROL, COMPLIANCE

AND

OTHER MATTERS

KOLDER, SLAVEN & COMPANY, LLC

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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
Lafayette Central Park, Inc.
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 financial statements of the Lafayette Central Park, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 23, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Lafayette Central Park, Inc.'s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Lafayette Central Park, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Lafayette Central Park, Inc.'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 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lafayette Central Park, Inc.'s 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 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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suited for any other purpose. However, this report is a matter of public record and its distribution is not limited.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
June 23, 2023

LAFAYETTE CENTRAL PARK, INC.
Lafayette, Louisiana

Summary Schedule of Current and Prior Year Findings
and Management's Corrective Action Plan

Part I. Current Year Findings and Management's Corrective Action Plan

A. Internal Control Findings -

There are no findings to report under this section.

B. Compliance Findings -

There are no findings to report under this section.

Part II. Prior Year Findings

A. Internal Control Findings -

There are no findings to report under this section.

B. Compliance Findings -

There are no findings to report under this section.