

LAFAYETTE CENTRAL PARK, INC.

Financial Report

Years Ended December 31, 2021 and 2020

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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, 2021 and 2020, 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, 2021 and 2020, 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 opinion.

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 28, 2022 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 28, 2022

FINANCIAL STATEMENTS

LAFAYETTE CENTRAL PARK, INC.
Lafayette, Louisiana

Statements of Financial Position
December 31, 2021 and 2020

	2021	2020
ASSETS		
Assets:		
Cash and cash equivalents	\$ 2,752,048	\$ 3,548,459
Accounts receivable	20,851	1,708,172
Grant receivable	34,168	-
Pledges receivable, net	930,808	1,037,574
Prepaid expenses	16,647	19,380
Other	500	9,347
Property and equipment, net	14,727,815	11,184,600
Cash and cash equivalents restricted for endowment	600,000	600,000
Total assets	\$ 19,082,837	\$ 18,107,532
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 247,019	\$ 95,758
Contracts payable	710,033	-
Retainage payable	118,976	95,127
Other accrued liabilities	1,500	1,500
Current maturities on long-term debt	-	12,734
Long-term debt, net of current portion	-	47,659
Total liabilities	1,077,528	252,778
Net assets:		
Without donor restrictions	14,328,839	12,580,586
With donor restrictions	3,676,470	5,274,168
Total net assets	18,005,309	17,854,754
Total liabilities and net assets	\$ 19,082,837	\$ 18,107,532

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, 2021 and 2020

	2021	2020
Changes in net assets without donor restrictions -		
Revenue, contributions, and other support:		
Earned revenue - events, programming and retail	\$ 559,672	\$ -
Contributions, gifts, and bequests	141,446	239,984
Grant revenue	-	2,500
Interest and other investment income	83,638	37,877
Other income	104,563	-
In-kind contributions	29,462	-
Total revenues and other support without donor restrictions	918,781	280,361
Net assets released from restrictions	2,479,336	1,454,702
Total revenues and other support without donor restrictions	3,398,117	1,735,063
Expenses:		
Program services -		
Programming and events	757,781	132,860
Grounds and maintenance	424,260	302,685
Total program services	1,182,041	435,545
Supporting services -		
Management and general	198,405	204,751
Fundraising expense	269,418	204,143
Total supporting services	467,823	408,894
Total expenses	1,649,864	844,439
Change in net assets without donor restrictions	1,748,253	890,624
Changes in net assets with donor restrictions -		
Contributions and promises to give, including amortization of discount	373,262	4,085,116
Grant revenue	446,909	-
Net endowment earnings (losses)	61,467	54,603
Net assets released from restrictions	(2,479,336)	(1,454,702)
Change in net assets with donor restrictions	(1,597,698)	2,685,017
Change in total net assets	150,555	3,575,641
Net assets, beginning	17,854,754	14,279,113
Net assets, ending	\$ 18,005,309	\$ 17,854,754

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, small equipment, signage	235,442	33,513	2,115	1,744	272,814
Event merchandise	23,404	-	-	-	23,404
Event supplies and materials	74,300	-	-	-	74,300
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	11,406	-	688	6,775	18,869
CFA fund management fee	-	-	-	9,153	9,153
Meetings and catering	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
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

Statement of Functional Expenses
For the Year Ended December 31, 2020

	<u>Program Services</u>		<u>Supporting Services</u>		<u>Total</u>
	<u>Programming and Events</u>	<u>Grounds and Maintenance</u>	<u>Management and General</u>	<u>Fundraising</u>	
	Salaries and benefits	\$ 87,113	\$ 88,287	\$ 140,047	
Other personnel costs	371	1,174	2,245	2,579	6,369
Legal and accounting	-	-	20,138	21	20,159
Security	-	29,849	-	-	29,849
Consulting	-	361	3,000	18,323	21,684
Other outside services	2,137	55,069	336	1,926	59,468
Computer and IT	3,331	3,331	2,653	9,815	19,130
Telephone and internet	2,057	1,904	1,939	1,692	7,592
Other technology-related expenses	1,956	1,804	2,033	1,796	7,589
Marketing and advertising	5,468	-	390	14,474	20,332
Supplies and small equipment	3,025	8,364	-	379	11,768
Equipment and other rentals	-	5,870	-	-	5,870
Rent	15,146	15,145	15,146	15,146	60,583
Utilities	-	2,109	-	-	2,109
Insurance	11,135	11,135	14,389	11,135	47,794
Permits and licenses	-	890	-	480	1,370
Bank and merchant fees	-	-	-	3,718	3,718
CFA fund management fee	-	-	-	5,028	5,028
Meetings and employee appreciation	-	63	427	281	771
Travel and entertainment	218	-	(176)	814	856
Miscellaneous	-	268	-	-	268
Direct donor benefit expenses	-	-	-	7,827	7,827
One-time expense	903	57,410	-	7,754	66,067
Depreciation	-	19,652	2,184	-	21,836
Total	<u>\$ 132,860</u>	<u>\$ 302,685</u>	<u>\$ 204,751</u>	<u>\$ 204,143</u>	<u>\$ 844,439</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, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 150,555	\$ 3,575,641
Adjustments to reconcile change in net assets to net cash provided by operating activities -		
Depreciation	33,032	21,836
(Increase) decrease in accounts receivable	1,687,321	(1,564,866)
(Increase) decrease in pledges receivable	106,766	(353,259)
Increase in prepaid expenses and other assets	(22,588)	(6,907)
Increase (decrease) in operating liabilities -		
Accounts payable and other liabilities	151,261	82,806
Contracts payable	710,033	(430,431)
Retainage payable	23,849	(351,999)
Contributions with donor restrictions	(741,437)	(3,450,191)
Net cash provided by (used in) operating activities	2,098,792	(2,477,370)
Cash flows from investing activities:		
Acquisition of furniture and equipment	(359,003)	(59,623)
Additions to work in process	(3,217,244)	(396,216)
Net cash used in investing activities	(3,576,247)	(455,839)
Cash flows from financing activities:		
Proceeds from (forgiveness of) SBA loan	(60,393)	60,393
Collections of contributions with donor restrictions	741,437	3,450,191
Net cash provided by financing activities	681,044	3,510,584
Net change in cash and cash equivalents	(796,411)	577,375
Cash and cash equivalents, beginning of year:		
Unrestricted	3,548,459	2,971,084
Restricted for endowment	600,000	600,000
Total, beginning of year	4,148,459	3,571,084
Cash and cash equivalents, end of year:		
Unrestricted	2,752,048	3,548,459
Restricted for endowment	600,000	600,000
Total, end of year	\$ 3,352,048	\$ 4,148,459

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 3.4% used for the years ended December 31, 2021 and 2020 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, 2021 and 2020, 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. Earned revenues are recorded at a single point in time, when the performance obligation is met. 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. Accordingly, certain costs have been allocated among the program and support services benefited.

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, 2021 and 2020, 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.

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. For the year ended December 31, 2021, the Organization had 158 volunteers who provided 718 hours of donated services valued at \$17,942. 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 year ended December 31, 2021:

LAFAYETTE CENTRAL PARK, INC.
Lafayette, Louisiana

Notes to Financial Statements (Continued)

	2021
Program services -	
Donated materials:	
Trees and plants	\$ 3,250
Donated services:	
Equipment and other rentals	24,712
Marketing and advertising	1,500
Total	\$ 29,462

M. Advertising Costs

Advertising costs are expensed as incurred. Total advertising expense was \$26,518 and \$20,332 for the years ended December 31, 2021 and 2020, 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 2020 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.

(2) Cash and Cash Equivalents

The Organization's cash and cash equivalents consisted of the following as of December 31, 2021 and 2020:

	2021	2020
Demand deposits	\$ 1,156,349	\$ 1,065,591
Time and savings -		
Money market funds	1,561,031	2,581,595
Other	634,668	501,273
Total	\$ 3,352,048	\$ 4,148,459

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.

LAFAYETTE CENTRAL PARK, INC.
Lafayette, Louisiana

Notes to Financial Statements (Continued)

Deposit balances (bank balances) as of December 31, 2021 and 2020, respectively, are secured as follows:

	<u>2021</u>	<u>2020</u>
Federal Deposit Insurance Corporation (FDIC)	\$ 250,000	\$ 250,000
Securities Investor Protection Corporation (SIPC)	1,561,031	2,581,595
Pledged securities	500,133	303,425
Uninsured	<u>1,172,084</u>	<u>1,014,536</u>
Total	<u>\$ 3,483,248</u>	<u>\$ 4,149,556</u>

Deposits in the amount of \$1,561,031 and \$2,581,595 as of December 31, 2021 and 2020, respectively, were held by the custodian, Community Foundation of Acadiana (CFA), and therefore, were exposed to custodial credit risk. As of December 31, 2021 and 2020, respectively, deposits held by CFA were fully insured. Deposits uninsured of \$1,172,084 and \$1,014,536 as of December 31, 2021 and 2020, 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, 2021 and 2020.

(3) Liquidity and Availability of Financial Assets

The Organization's financial assets available within one year for general use as of December 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 3,352,048	\$ 4,148,459
Pledges receivable, due within one year	895,667	246,667
Accounts receivable	20,851	1,708,172
Grants receivable	34,168	-
Less: cash and cash equivalents with donor-imposed purpose restrictions	<u>(3,676,470)</u>	<u>(5,274,168)</u>
Financial assets available for general use within one year	<u>\$ 626,264</u>	<u>\$ 829,130</u>

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.

LAFAYETTE CENTRAL PARK, INC.
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(4) Pledges Receivable, Net

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

	2021			2020
	Due within 1 year	Due in 1-5 years	Total	
	Restricted to future periods	\$ 895,667	\$ 62,000	\$ 957,667
Less: unamortized discount			(26,859)	(89,593)
			\$ 930,808	\$ 1,037,574

(5) Property and Equipment

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

	2021	2020
Furniture and equipment	\$ 48,415	\$ 48,415
Leasehold improvements	10,882,235	-
Park elements	318,754	149,498
	11,249,404	197,913
Less: accumulated depreciation	(102,294)	(69,261)
Total depreciable assets	11,147,110	128,652
Work in progress	3,580,705	11,055,948
Total	\$ 14,727,815	\$ 11,184,600

Total depreciation expense for the years ended December 31, 2021 and 2020 was \$33,032 and \$21,836, respectively.

LAFAYETTE CENTRAL PARK, INC.
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(6) Long-Term Debt

Long-term debt as of December 31 consists of the following:

	2021	2020
Note payable to a bank, dated April 18, 2020, bearing interest of 1%. Loan is through the Small Business Administration, Section 1106 of the Cares Act, Paycheck Protection Program (PPP). Monthly payments of principal and interest are deferred in accordance with PPP. Loan was forgiven in 2021.	-	60,393
Less current maturities	-	12,734
	\$ -	\$ 47,659

(7) Net Assets with Donor Restrictions

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

	2021	2020
Unconditional promises to give	\$ 930,808	\$ 1,037,574
Contributions	2,048,893	3,551,355
Cumulative Moncus Endowment earnings	96,769	85,239
Moncus Endowment	600,000	600,000
Total	\$ 3,676,470	\$ 5,274,168

The following is a summary of changes in net assets with donor restrictions as of December 31, 2021 and 2020:

	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
	78,734	741,437	-	820,171
Net endowment earnings				
Interest and other investment income	64,045	-	-	64,045
Investment administration fee	(2,578)	-	-	(2,578)
	61,467	-	-	61,467
Net assets released from restriction	(235,437)	(2,243,899)	-	(2,479,336)
Net assets, December 31, 2021	\$ 1,027,577	\$ 2,048,893	\$ 600,000	\$ 3,676,470

LAFAYETTE CENTRAL PARK, INC.
Lafayette, Louisiana

Notes to Financial Statements (Continued)

continued

	Time Restricted	Purpose Restricted	Perpetual in Nature	Total
Net assets, December 31, 2019	\$ 739,151	\$ 1,250,000	\$ 600,000	\$ 2,589,151
Donor-restricted contributions	612,690	3,450,191	-	4,062,881
Amortization of discount	22,235	-	-	22,235
	<u>634,925</u>	<u>3,450,191</u>	<u>-</u>	<u>4,085,116</u>
Net endowment earnings				
Interest and other investment income	56,850	-	-	56,850
Investment administration fee	(2,247)	-	-	(2,247)
	<u>54,603</u>	<u>-</u>	<u>-</u>	<u>54,603</u>
Net assets released from restriction	(305,866)	(1,148,836)	-	(1,454,702)
Net assets, December 31, 2020	<u>\$ 1,122,813</u>	<u>\$ 3,551,355</u>	<u>\$ 600,000</u>	<u>\$ 5,274,168</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.

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.

LAFAYETTE CENTRAL PARK, INC.
Lafayette, Louisiana

Notes to Financial Statements (Continued)

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, 2021 and 2020, respectively, there were no deficiencies of this nature in the donor-restricted endowment fund.

(9) Operating Leases

Park lease-

On July 26, 2013, the Organization entered into 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. Under the Cooperative Endeavor Agreement, the Organization is to construct improvements on the property of not less than \$6,800,000 and to develop means to provide for maintenance and insurance of the property over the lease term.

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 annual rental for the primary term and the renewal terms are as follows:

LAFAYETTE CENTRAL PARK, INC.
Lafayette, Louisiana

Notes to Financial Statements (Continued)

Primary Term:

Lease effective date through end of 10th calendar year:	\$1,200
11th calendar year through end of 20th calendar year:	\$1,500
21st calendar year through end of 30th calendar year:	\$1,875

First Renewal Term:

31st calendar year through end of 40th calendar year:	\$2,344
41st calendar year through end of 50th calendar year:	\$2,930
51st calendar year through end of 60th calendar year:	\$3,662

Second Renewal Term:

61st calendar year through end of 70th calendar year:	\$4,578
71st calendar year through end of 80th calendar year:	\$5,722
81st calendar year through end of 90th calendar year:	\$7,153
91st calendar year through end of 98th calendar year:	\$8,941

Other leases-

The Organization leased office space under a non-cancellable lease during the years ending December 31, 2021 and 2020 for \$4,948 monthly, expiring February 28, 2022.

Future minimum payments under the non-cancellable lease as of December 31, 2021 was as follows:

<u>Year Ending December 31,</u> 2022	<u>\$ 9,897</u>
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Rent expense for each of the years ending December 31, 2021 and 2020 was \$60,583.

(10) Related Party Transactions

The Organization receives contributions from board members and entities associated with board members. In addition, as of December 31, 2021 and 2020, 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, 2021 and 2020.

As of December 31, 2021, the Organization is not involved in any litigation.

LAFAYETTE CENTRAL PARK, INC.
Lafayette, Louisiana

Notes to Financial Statements (Continued)

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

A detail of compensation, benefits, and other payments made to Elizabeth Brooks, executive director for the period January 1, 2021 through August 15, 2021, and JP MacFayden, executive director for the period August 16, 2021 through December 31, 2021, follows:

Purpose	Amount
Elizabeth Brooks:	
Salary	\$ 59,375
Benefits - insurance	2,781
Benefits - retirement and other payroll taxes	6,356
Car allowance	563
Cell phone	563
JP MacFayden:	
Salary	50,625
Benefits - insurance	4,978
Benefits - retirement and other payroll taxes	5,037
Cell phone	338
Total	<u>\$ 130,616</u>

(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, 2021 and 2020.

(14) Subsequent Event Review

- A. Subsequent Financing – 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%, is payable monthly beginning July 17, 2022. The loan matures June 16, 2023. As of June 28, 2022, outstanding advances amounted to \$888,872.
- B. Evaluation Date - The Organization’s management has evaluated subsequent events through June 28, 2022, 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, 2021, 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 28, 2022.

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 28, 2022.

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.