ACADIANA CENTER FOR THE ARTS, INC.

Financial Report

Year Ended June 30, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Acadiana Center for the Arts, Inc.
Lafayette, Louisiana

Opinion

We have audited the accompanying financial statements of Acadiana Center for the Arts, Inc. (a nonprofit corporation) which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and cash flows for the year 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 Acadiana Center for the Arts, Inc. as of June 30, 2025, and the changes in its net assets and its cash flows for the year 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 Acadiana Center for the Arts, 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; this includes 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 Acadiana Center for the Arts, 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 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, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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.
- 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 Acadiana Center for the Arts, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Acadiana Center for the Arts, 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 Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 5 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2025, on our consideration of Acadiana Center for the Arts, 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 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 Acadiana Center for the Arts, Inc.'s internal control over financial reporting and compliance.

Darnall, Sikes & Frederick
A Corporation of Certified Public Accountants

Lafayette, Louisiana
November 10, 2025

ACADIANA CENTER FOR THE ARTS, INC.
Statement of Financial Position
June 30, 2025

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	$ 441,020
Accounts receivable, net	142,769
Grants receivable	244,837
Pledges receivable, current, net	154,353
Prepaid expenses	50,571
Total current assets	1,033,550
PROPERTY AND EQUIPMENT	
Art work	78,000
Buildings	667,725
Furniture and equipment	441,593
Finance lease right-of-use assets	85,546
Construction in progress	743,777
	2,016,641
Less: accumulated depreciation	(169,713)
Net property and equipment	1,846,928
OTHER ASSETS	
Investments, without donor restrictions	167,060
Investments, with donor restrictions	1,518,923
Pledges receivable, long-term, net	180,098
Total other assets	1,866,081
TOTAL ASSETS	$ 4,746,559

The accompanying notes are an integral part of this statement.

ACADIANA CENTER FOR THE ARTS, INC.
Statement of Financial Position (Continued)
June 30, 2025

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Current maturities of long-term debt	$ 17,844
Current portion of finance lease obligations	14,400
Accounts payable	274,270
Accrued payroll liabilities	57,621
Accrued expenses	2,641
Deferred revenue	225,455
Total current liabilities	592,231
NON-CURRENT LIABILITIES	
Long-term debt, net of current maturities	524,045
Finance lease obligations, net of current portion	68,869
Total non-current liabilities	592,914
Total liabilities	1,185,145
NET ASSETS	
Without donor restrictions	1,499,276
With donor restrictions	2,062,138
Total net assets	3,561,414
TOTAL LIABILITIES AND NET ASSETS	$ 4,746,559

The accompanying notes are an integral part of this statement.

ACADIANA CENTER FOR THE ARTS, INC.
Statement of Activities
Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Grants:			
Direct public grants	$ 10,000	$ -	$ 10,000
Government grants	1,250,869	-	1,250,869
Total grants	1,260,869	-	1,260,869
Contributions and support:			
Direct public support	255,197	745,874	1,001,071
Direct sponsorship support	306,100	-	306,100
Donated securities	-	500,000	500,000
Donated goods and services	280,335	-	280,335
Government contracts	926,049	-	926,049
Program income	364,978	-	364,978
Rental income	157,687	-	157,687
Special events	502,512	-	502,512
Concession sales	122,785	-	122,785
Pass-through income	435,504	3,135	438,639
Other and miscellaneous	25,914	-	25,914
Net investment income	71,088	-	71,088
Total contributions and revenue	3,448,149	1,249,009	4,697,158
Total revenue	4,709,018	1,249,009	5,958,027
Net assets released from donor restrictions	522,779	(522,779)	-
Total revenue and net assets released from donor restrictions	5,231,797	726,230	5,958,027
Expenses:			
Program services	3,110,232	-	3,110,232
Administrative	1,220,260	-	1,220,260
Total expenses	4,330,492	-	4,330,492
INCREASE IN NET ASSETS	901,305	726,230	1,627,535
NET ASSETS, beginning	597,971	1,335,908	1,933,879
NET ASSETS, ending	$ 1,499,276	$ 2,062,138	$ 3,561,414

The accompanying notes are an integral part of this statement.

ACADIANA CENTER FOR THE ARTS, INC.
Statement of Functional Expenses
Year Ended June 30, 2025

	PROGRAM SERVICES							
	Fundraising	Rentals	Community Development	Education	Exhibits	Programming	General and Admin	Total
Advertising	$ 26,489	$ 36	$ 6,291	$ 1,392	$ 679	$ 7,592	$ 77	$ 42,556
Artist fees	20,123	1,500	2,201	475,385	16,250	193,711	650	709,820
Depreciation expense	-	299	314	1,153	217	33,150	30,027	65,160
Dues and subscriptions	142	-	-	474	200	2,486	25,001	28,303
Donated goods and services	81,420	154	747	9,107	3,846	15,706	169,355	280,335
Facilities and equipment	31,719	13,840	432	26,809	4,326	42,416	165,985	285,527
Food and beverages	35,933	946	1,192	8,635	78	10,993	37,470	95,247
Grant programs	-	-	174,547	15,252	-	-	-	189,799
Insurance	1,462	-	-	-	2,858	-	25,716	30,036
Interest expense	-	-	-	-	-	16,539	1,275	17,814
Licenses, fees and penalties	13,106	15	145	10,661	123	6,421	28,294	58,765
Pass-through sales and payments	-	230,345	-	13,718	1,816	13,086	-	258,965
Postage	2,580	-	179	373	227	5,031	1,367	9,757
Printing	21,488	136	2,121	11,199	5,181	20,241	4,658	65,024
Professional and contract services	61,880	21,170	6,077	71,007	3,147	146,874	55,754	365,909
Salaries, benefits and payroll taxes	144,578	60,034	105,934	239,625	76,059	369,382	558,178	1,553,790
Supplies	23,324	130	1,337	23,022	2,561	61,194	27,105	138,673
Telephone	25	-	-	-	-	886	18,197	19,108
Travel and meetings	3,093	10	1,965	15,818	404	22,932	11,320	55,542
Utilities	-	-	-	-	-	531	59,831	60,362
	$ 467,362	$ 328,615	$ 303,482	$ 923,630	$ 117,972	$ 969,171	$ 1,220,260	$ 4,330,492

The accompanying notes are an integral part of this statement.

ACADIANA CENTER FOR THE ARTS, INC.
Statement of Cash Flows
Year Ended June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	$ 1,627,535
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation expense	65,161
Donated securities	(408,923)
Investment activities	(428,840)
(Increase) decrease in:	
Accounts receivable	(37,072)
Grants receivable	(169,529)
Pledges receivable	(334,451)
Prepaid expenses	(10,912)
Increase (decrease) in:	
Accounts payable	226,353
Accrued payroll liabilities	15,502
Accrued expenses	684
Deferred revenue	72,472
Net cash provided by operating activities	617,980
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of fixed assets	(116,938)
Construction in progress	(743,777)
Net cash used by investing activities	(860,715)
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal payments on long-term debt	(17,320)
Principal payments on finance lease obligations	(2,277)
Net cash used by financing activities	(19,597)
Net decrease in cash	(262,332)
CASH, beginning of year	703,352
CASH, end of year	$ 441,020
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:	
Interest paid	$ 17,814
NON-CASH INVESTING AND FINANCING ACTIVITIES:	
Assets acquired in exchange for finance lease obligations	$ 85,546

The accompanying notes are an integral part of this statement.

ACADIANA CENTER FOR THE ARTS, INC.

Notes to Financial Statements

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Acadiana Center for the Arts, Inc. (the Organization) is a non-profit corporation that serves an eight-parish region of Southwestern Louisiana, known collectively as Acadiana. The Organization serves a pivotal role in promoting the arts of the eight-parish service area, enhancing the organizational development of the various cultural organizations, and creating new programs, projects, and opportunities for the arts to develop in southwest Louisiana. Serving as cultural environmentalists, the Organization seeks to foster and nurture an atmosphere where the arts and artists can flourish locally.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

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

Net assets with donor restrictions – Net assets with donor restrictions or resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature, such as those that are restricted by a donor that the resources be maintained in perpetuity.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Public Support and Revenue

Grants and other contributions of cash and other assets are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions is reclassified to net assets without donor restrictions and reported in the Statement of Activities as "Net Assets Released from Restrictions." Restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions.

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

The Organization recognizes revenue when services are performed. Prior to the service date, all collections are recorded as deferred revenue on the statement of financial position. After the concert is performed or once the grant stipulations are fulfilled, the Organization realizes and records the revenue. In the event any of the productions are not presented, the advance ticket collections for that concert will be available for refund to the ticket holders. At June 30, 2025, the Organization had deferred revenue of $225,455.

Donated Assets and Services

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. For the year ended June 30, 2025, $162,000 of donated facilities rent and $118,335 of professional service costs are reflected in the statement of functional expenses and the statement of activities.

No amounts have been reflected on the statements for volunteer services because no objective basis is available to measure the value of such services. Nevertheless, a substantial number of volunteers have donated significant amounts of their time in the Organization’s program services and its fundraising activities.

Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore has no provision for federal income taxes. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the code. It is also exempt from Louisiana income tax. However, should the Organization engage in activities unrelated to its exempt purpose, taxable income could result. The Organization had no material unrelated business income for the fiscal year under audit.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents exclude permanently restricted cash and cash equivalents.

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable is primarily made up of government grants. The financial statements for the Organization do not contain an allowance for uncollectible receivables because management believes all amounts will be collected. However, if management becomes aware of information that would change its assessment about the collectability of any receivable, management would write off the receivable as bad debt at that time.

Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are not recognized in the financial statements until the conditions are substantially met or explicitly waived by the donor. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

Investments

The Organization has adopted FASB ASC Subtopic 958-320, "Not-for-Profit Entities-Investments-Debt and Equity Securities." Under FASB ASC Subtopic 958-320, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Fair Values of Financial Instruments

Fair value accounting standards define fair value, establish a framework for measuring fair value, outline a fair value hierarchy based on inputs used to measure fair value and enhance disclosure requirements for fair value measurements. The fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Level 1 or 2 of the hierarchy) and the reporting entity’s own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Level 1 inputs are quoted prices in active markets for identical investments that the investment manager has the ability to access at the measurement date.

- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly.

- Level 3 inputs are unobservable inputs for the investment.

The Organization's statement of financial position includes the following financial instruments that are required to be measured at fair value on a recurring basis:

- Investments in mutual funds and common stock are considered Level 1 assets and are reported at fair value based on quoted prices in active markets for identical assets at the measurement date.

Property and Equipment

Property and equipment are stated at cost for assets purchased and at fair value at the date of donation for contributed assets. Donations of property and equipment are recorded as support at their estimated fair market value and are reported as unrestricted unless the donor has restricted the donated assets for a specific purpose. Depreciation is computed using the straight-line method over the estimated useful lives of the assets which range from 5 to 40 years. All acquisitions of property and equipment in excess of $5,000 are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed.

Advertising

Advertising costs are expensed as incurred. Advertising expense was $42,556 for the year ended June 30, 2025. The Organization also received an additional $31,765 of donated advertising services which are shown as donated goods and services on the statement of functional expenses.

Compensated Absences

The obligation of accumulated paid time off is recorded in the Statement of Financial Position and Statement of Activities. Employees of the Organization are entitled to paid time off, depending on job classification, length of service, and other factors. The annual leave varies from 144 to 224 hours per fiscal year, based on the employee's length of service. Upon separation, employees are paid for any unused paid time off at the employee's current rate of pay. Compensated absences payable was $53,293 for the year ended June 30, 2025, and is included in accrued payroll liabilities on the Statement of Financial Position.

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Uses 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through November 10, 2025, the date the financial statements were available to be issued.

NOTE 2 GRANTS RECEIVABLE

As of June 30, 2025, grants receivable consisted of the following:

Atchafalaya National Heritage Area	$ 4,721
Lafayette Consolidated Government	200,268
Louisiana Department of Culture, Recreation and Tourism	11,750
Louisiana Department of Economic Development	21,596
Louisiana Office of Tourism	6,502
	$ 244,837

NOTE 3 PROMISES TO GIVE

Pledges receivable are unconditional promises to pay certain amounts in the future. Management believes that all pledges will be collected in full; therefore, no allowance for credit losses has been recorded. The promises to give as of June 30, 2025, are due $163,577 in 2026, and $195,000 over the following four years. Promises to give that are due beyond a year are discounted at 3.79%. The unamortized discount on promises to give is $24,126 as of June 30, 2025.

NOTE 4 PROPERTY AND EQUIPMENT

A summary of changes in property and equipment is as follows:

	Balance July 1, 2024	Additions	Disposals	Balance June 30, 2025
Artwork	$ 78,000	$ -	$ -	$ 78,000
Buildings	667,725	-	-	667,725
Furniture and equipment	324,655	116,938	-	441,593
Finance lease right-of-use assets	-	85,546	-	85,546
Construction in progress	-	743,777	-	743,777
Total	1,070,380	946,261	-	2,016,641
Accumulated depreciation	(104,552)	(65,161)	-	(169,713)
Property and equipment, net	$ 965,828	$ 881,100	$ -	$ 1,846,928

Depreciation expense was $65,161 for the year ended June 30, 2025.

NOTE 5 INVESTMENTS

Investment securities are carried at fair value based on quoted prices in active markets (all Level 1 Measurements) and consist of the following at June 30, 2025:

	Cost	Fair Value	Unrealized Appreciation
Cash and cash equivalents	$ 779,652	$ 779,644	$ (8)
Marketable equity securities	884,790	906,339	21,549
	$ 1,664,442	$ 1,685,983	$ 21,541

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended June 30, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	$ 53,859	$ -	$ 53,859
Realized losses	2,458	-	2,458
Unrealized gains	21,541	-	21,541
Advisory fees	(6,770)	-	(6,770)
	$ 71,088	$ -	$ 71,088

NOTE 6 INVESTMENTS – DONOR-DESIGNATED ENDOWMENTS

The Organization's endowment consists of funds that are to be used to support the mission of the Organization. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Per the donation agreement, the historical dollar amount of the endowment fund is to be preserved. The Organization classifies, as net assets with donor restrictions, the original value of gifts donated to the permanent endowment and the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure. Under the Organization's spending policy, in the absence of donor restrictions, the net appreciation on a donor-restricted endowment fund is spendable. The donors have not placed restrictions on the use of investment income or net appreciation resulting from the donor-restricted endowment fund. Appropriations for expenditures from endowment funds are to be approved by the Board of Directors.

Interpretation of Relevant Law. The Board of Directors of 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 date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (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 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 classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA.

In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment fund: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

Investment Return Objectives, Risk Parameters and Strategies. The Organization has adopted an investment policy, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment fund while also seeking to maintain the purchasing power of these endowment assets over the long-term. Endowment assets are invested in a well-diverse asset mix, which includes equity and debt securities, that is 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.

NOTE 6 INVESTMENTS – DONOR-DESIGNATED ENDOWMENTS (CONTINUED)

Investment composition as of June 30, 2025 was as follows:

Without Donor Restrictions	With Donor Restrictions: Temporary Restriction	With Donor Restrictions: Permanent Endowment	Total Investment Assets
$ 167,060	$ 687,138	$ 831,785	$ 1,685,983

Changes in investment balances as of June 30, 2025 were as follows:

	Without Donor Restrictions	With Donor Restrictions: Temporary Restriction	With Donor Restrictions: Permanent Endowment	Total Investment Assets
Investments, beginning of year	$ 98,220	$ -	$ 750,000	$ 848,220
Direct public support	-	490,000	-	490,000
Donated securities	-	327,138	81,785	408,923
Investment income	54,069	-	-	54,069
Net appreciation	21,541	-	-	21,541
Amounts appropriated for expenditure	(6,770)	(130,000)	-	(136,770)
Investments, end of year	$ 167,060	$ 687,138	$ 831,785	$ 1,685,983

NOTE 7 NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurred expenditures satisfying the restricted purpose or by occurrence of other events specified by the donors to the following programs for the year ended June 30, 2025:

Jean Breaux Award Fund	$ 4,047
Courtney Granger Fund	1,979
LCG Create - Equipment	56,754
Let Culture Lead	329,999
Capital Campaign - Arts in Education The Vision 2030	130,000
	$ 522,779

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

The Organization has assets which are restricted in their application by virtue of the donor's intention or commitments already entered into by the Organization. These net assets are to be held in perpetuity and the earnings are to be used for the programs of the Organization. Details on the restricted balances as June 30, 2025 of are set out below:

James D. Moncus Family Foundation Endowment	$ 750,000
Louisiana Music Museum Endowment	100,000
Jean Breaux Award Fund	18,993
Courtney Granger Fund	17,292
LCG Create - Equipment	50,152
Let Culture Lead	109,827
Louisiana Music Museum - General	650,000
Capital Campaign - Arts in Education The Vision 2030	365,874
	$ 2,062,138

NOTE 9 LONG-TERM DEBT

Note payable to Lafayette Public Trust Financing Authority, Inc., payable in 300 monthly installments of $2,822, including interest at 3.00%, maturing April 2047, collateralized by property.	$ 541,889
	541,889
Less: current maturities of long-term debt	(17,844)
Net long-term debt	$ 524,045

Scheduled maturities of long-term debt for each of the next five years is summarized below:

June 30,	
2026	$ 17,844
2027	18,387
2028	18,946
2029	19,523
2030	20,117
Thereafter	447,072
	$ 541,889

NOTE 10 LEASES

On April 21, 2025, the Organization entered into a finance lease for an exterior display sign. The lease term is for five years (60 months), with fixed monthly payments of $1,776 beginning May 21, 2025, through May 21, 2030. The lease includes a bargain purchase option at the end of the term, which the Organization is reasonably certain to exercise. There are no options to extend or terminate the lease. The lease does not include variable lease payments, residual value guarantees, or significant restrictions or covenants. As the Organization's leases typically do not contain a readily determinable implicit rate, the Organization determines the present value of the lease liability using its incremental borrowing rate at the lease commencement date.

The following summarizes the line items on the Statement of Financial Position which include amounts for leases as of June 30, 2025:

Finance lease right-of-use assets	$	85,546
Less accumulated depreciation		(1,426)
Total finance lease right-of-use assets	$	84,120
Current portion of finance lease obligations	$	14,400
Finance lease obligations, net of current portion		68,869
Total finance lease liabilities	$	83,269

The Organization's lease costs recognized for the year ended June 30, 2025 consist of the following:

Amortization of ROU assets - finance leases	$	1,426
Interest on ROU lease liabilities - finance leases		1,275
Total finance lease cost	$	2,701

Other information for the year ended June 30, 2025 is as follows:

Finance lease - operating cash flows	$	1,275
Finance lease - financing cash flows		2,277
ROU assets acquired in exchange for finance lease obligations		85,546
Weighted average lease term - finance leases		4.83 yrs
Weighted average discount rate - finance leases		9.00%

NOTE 10 LEASES (CONTINUED)

The aggregate annual lease obligations as of June 30, 2025 are as follows:

2026	$	21,309
2027		21,309
2028		21,309
2029		21,309
2030		17,758
Total undiscounted lease obligations	$	102,994
Less imputed interest		(19,725)
Present value of lease obligations	$	83,269

NOTE 11 DONATED SERVICES AND FACILITIES

The Organization received a significant amount of donated services from unpaid volunteers who assist in fundraising and special projects. No amounts have been recognized in the Statement of Activities because the criteria for recognition under SFAS No. 116 has not been satisfied. On December 2, 2003, the Organization executed a lease with the Lafayette Consolidated Government to begin upon occupation of a newly constructed facility. The lease period was ten years with the right to renew for three consecutive periods of five years each. The lease was renewed for an additional five years in December 2018. Under the agreement, the Organization will pay rent at the rate of $100 per year, as well as be responsible for payment of all insurance and maintenance, heating and cooling and elevator systems. The estimated rental in the amount of $162,000 has been reflected in the accompanying financial statements as contributions with a like amount shown as donated goods and services.

NOTE 12 FUNDRAISING EXPENSE

Each year, the Organization hosts several fundraising events. Fundraising costs are expensed as incurred. The total fundraising expense for the year ended June 30, 2025 was $467,362, of this amount, $81,420 represent in-kind donations.

NOTE 13 AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets available for general expenditures, that is, without donor or other restrictions limiting their use as of June 30, 2025:

Cash and cash equivalents	$	441,020
Accounts receivable		142,769
Grants receivable		244,837
Pledges receivable, current, net		154,353
Prepaid expenses		50,571
Total financial assets available to meet general expenditures over the next twelve months	$	1,033,550

NOTE 14 COMPENSATION OF BOARD OF DIRECTORS

Directors do not receive any compensation for their services as Directors of the Organization. Directors may be reimbursed for their expenses, if any, incurred in carrying out the purposes of the Organization, provided that such reimbursement does not adversely affect the Organization's qualification under Section 501(c)(3) of the Internal Revenue Code.

NOTE 15 CONCENTRATIONS

The Organization received a substantial portion of its revenues from City, Parish and State grants and contracts. Any substantial change in any of these components could have adverse effects on the Organization's financial condition.

Concentrations of credit risk with respect to promises receivable are limited due to the number of contributors comprising the Organization's contributor base and their dispersion across different industries. As of June 30, 2025, approximately 25% and 21% of the Organization's gross pledges receivable ($358,577) were due from two donors.

NOTE 16 CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances at one financial institution which may, at times, exceed Federal Deposit Insurance Corporation insurance limits of $250,000. Management believes the credit risk associated with these deposits is minimal.

NOTE 17 INVESTMENT EXPENSES

Expenses relating to investment revenues, including custodial fees and investment advisory fees, amounted to $6,770 and have been netted against investment revenues in the accompanying Statement of Activities.

NOTE 18 CONTINGENCIES – GRANT PROGAMS

The Organization participates in federal, state and local grant programs, which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Organization has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable at year end may be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and local grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the Organization.

NOTE 19 COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO DIRECTOR

A detail of compensation, benefits, and other payments made to the executive director Samuel Oliver for the year ended June 30, 2025.

Purpose	Amount
Salary	$ 95,769
Benefits - insurance and retirement	8,551
Paid time off	4,231
Reimbursements	82
Total	$ 108,633

NOTE 20 FAIR VALUE MEASUREMENTS

The following table summarizes assets measured at fair value by classification within the fair value hierarchy at June 30, 2025:

	Quoted Price in Active Markets for Identical Assets (Level 1)
Cash and sweep balances	$ 779,644
Stocks, options and ETFs	383,630
Fixed income securities	109,383
Mutual funds	413,326
	$ 1,685,983

NOTE 21 RETIREMENT PLAN

Effective July 1, 2024, the Organization established a Simple IRA retirement plan for all employees, including both full-time and part-time staff. Under the provisions of the plan, employees may elect to contribute either a fixed dollar amount or a percentage of their gross compensation each pay period. The employer matches employee contributions at a rate of up to 3% of gross compensation per pay period. For the year ended June 30, 2025, employer contributions made under this plan totaled $29,298.

INTERNAL CONTROL AND COMPLIANCE

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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*

The Board of Directors
Acadiana Center for the Arts, 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 Acadiana Center for the Arts, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 10, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Acadiana Center for the Arts, Inc.'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Acadiana Center for the Arts, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Acadiana Center for the Arts, 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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Acadiana Center for the Arts, 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 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 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 suitable for any other purpose.

This report is intended solely for the information and use of the board of directors, management, others within the organization and is not intended to be and should not be used by anyone other than those specified parties. However, Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Darnall, Sikes & Frederick
A Corporation of Certified Public Accountants

Lafayette, Louisiana
November 10, 2025

ACADIANA CENTER FOR THE ARTS, INC.

Schedules of Findings and Questioned Costs
Year Ended June 30, 2025

Part I: Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report - Financial Statements

An unmodified opinion has been issued on Acadiana Center for the Arts, Inc.'s financial statements as of and for the year ended June 30, 2025.

Deficiencies and Material Weaknesses in Internal Control – Financial Reporting

No deficiencies or material weaknesses in internal control over financial reporting were disclosed during the audit of the financial statements.

Material Noncompliance - Financial Reporting

There were no instances of noncompliance material to the financial statements noted during the audit of the financial statements.

FEDERAL AWARDS

This section is not applicable for the fiscal year ended June 30, 2025.

Part II: Findings Relating to an Audit in Accordance with *Government Auditing Standards*

This section is not applicable for the fiscal year ended June 30, 2025.

Part III: Findings and Questioned Costs Relating to Federal Programs

At June 30, 2025, the Acadiana Center for the Arts, Inc. did not meet the requirements to have a single audit in accordance with OMB Circular A-133, therefore, this section is not applicable.

Part IV: Management Letter

The auditor did not issue a management letter this year.

ACADIANA CENTER FOR THE ARTS, INC.

Summary Schedule of Prior Year Findings
Year Ended June 30, 2025

This section is not applicable for the year ended June 30, 2025.

ACADIANA CENTER FOR THE ARTS, INC.

Management's Corrective Action Plan for Current Year Findings
Year Ended June 30, 2025

This section is not applicable for the year ended June 30, 2025.