
UNIVERSITY OF NEW ORLEANS FOUNDATION

Consolidated Financial Statements

December 31, 2023

With Independent Auditors' Report Thereon

UNIVERSITY OF NEW ORLEANS FOUNDATION

Consolidated Financial Statements

December 31, 2023

With Independent Auditors' Report Thereon

UNIVERSITY OF NEW ORLEANS FOUNDATION

December 31, 2023

Table of Contents

	Page
Independent Auditors' Report	1 – 3
Consolidated Statements of Financial Position	4
Consolidated Statements of Activities and Changes in Net Assets	5
Consolidated Statements of Functional Expenses	6
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8 – 21
Supplemental Schedules -	
Consolidating Statement of Financial Position – December 31, 2023	23
Consolidating Statement of Financial Position – December 31, 2022	24
Consolidating Statement of Activities and Changes in Net Assets – For the Year Ended December 31, 2023	25
Consolidating Statement of Activities and Changes in Net Assets – For the Year Ended December 31, 2022	26
Supplemental Schedule 1 – International Alumni Association – Schedule of Revenue, Support, and Expenses	28
Supplemental Schedule 2 – National Collegiate Athletic Association – Schedule of Revenue, Support, Expenses, and Capitalized Expenditures Made to or on Behalf of the University's Intercollegiate Athletics Program	29
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	30 – 31

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
University of New Orleans Foundation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the University of New Orleans Foundation, (a nonprofit organization (The Foundation) and its subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statement of activities and changes in net assets, functional expenses, and cash flow for the year then ended, and the related consolidated financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of University of New Orleans Foundation as of December 31, 2023 and the consolidated results of its operations 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 ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* (Government Auditing Standards), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company 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.

Prior Period Financial Statements

The financial statements of the University of New Orleans Foundation for the year ended December 31, 2022, were audited by another auditor who expressed an unmodified opinion on those statements on June 13, 2023.

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 the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 GAAS 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 GAAS and *Government 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 the Company'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 the Company'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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules for the year ended December 31, 2023 are presented for purposes of additional analysis and is are 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.

The supplemental schedules for the year ended December 31, 2022, were subjected to the auditing procedures applied in the December 31, 2022 audit of the financial statements by another auditor whose report on the December 31, 2022 supplementary information stated that the information was 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 June 12, 2024, on our consideration of the Foundation's internal control over financial reporting and 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 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 the Foundation's internal control over financial reporting and compliance.

EisnerAmper LLP

EISNERAMPER LLP
Metairie, Louisiana
June 12, 2024

EISNERAMPER
LLP



UNIVERSITY OF NEW ORLEANS FOUNDATION

Consolidated Statements of Financial Position

As of December 31, 2023 and 2022

Assets

	<u>2023</u>	<u>2022</u>
Current assets:		
Cash and cash equivalents	\$ 1,185,276	\$ 782,952
Investments	11,461,504	11,605,816
Accounts receivable	26,007	51,560
Contributions receivable	211,156	847,608
Real estate held for sale, net	661,684	-
Unconditional promises to give, net	2,264,711	1,415,988
Deferred charges and prepaid expenses	119,452	146,575
Total current assets	<u>15,929,790</u>	<u>14,850,499</u>
Noncurrent assets:		
Cash and cash equivalents - endowments	2,674,116	2,784,148
Investments - endowments	91,238,982	82,153,050
Unconditional promises to give, net	5,683,047	5,774,446
Split-interest agreements	1,697,602	-
Investments - other	98,333	98,988
Real estate, net	6,688,361	7,451,940
Other noncurrent assets	228,217	211,244
Total noncurrent assets	<u>108,308,658</u>	<u>98,473,816</u>
Total assets	<u>\$ 124,238,448</u>	<u>\$ 113,324,315</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 444,934	\$ 279,864
Amounts held in custody for others	470,171	471,999
Other current liabilities - due to University	1,125,901	686,384
Total current liabilities	<u>2,041,006</u>	<u>1,438,247</u>
Noncurrent liabilities:		
Amounts invested for others	26,575,203	24,343,192
Total noncurrent liabilities	<u>26,575,203</u>	<u>24,343,192</u>
Total liabilities	<u>28,616,209</u>	<u>25,781,439</u>
Net assets:		
Without donor restrictions	9,908,973	10,595,335
With donor restrictions	85,713,266	76,947,541
Total net assets	<u>95,622,239</u>	<u>87,542,876</u>
Total liabilities and net assets	<u>\$ 124,238,448</u>	<u>\$ 113,324,315</u>

The accompanying notes are an integral part of these consolidated financial statements.

UNIVERSITY OF NEW ORLEANS FOUNDATION

Consolidated Statements of Activities and Changes in Net Assets

For the years ended ended December 31, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:						
Contributions	\$ 272,156	\$ 8,560,928	\$ 8,833,084	\$ 354,628	\$ 4,351,279	\$ 4,705,907
Investment income, net of investment fees of \$180,925 and \$185,816	1,317,987	7,699,924	9,017,911	(1,497,876)	(9,089,893)	(10,587,769)
Service fees, special events, and program revenue	1,292,854	723,738	2,016,592	1,191,614	745,788	1,937,402
Rental income	514,191	-	514,191	1,573,564	-	1,573,564
Other income	4,015	-	4,015	17,105	-	17,105
Total support and revenue before net assets released from restrictions	3,401,203	16,984,590	20,385,793	1,639,035	(3,992,826)	(2,353,791)
Net assets released from restrictions:						
Net assets released from restrictions	8,218,865	(8,218,865)	-	6,461,513	(6,461,513)	-
Total net assets released	8,218,865	(8,218,865)	-	6,461,513	(6,461,513)	-
Total revenue and support	11,620,068	8,765,725	20,385,793	8,100,548	(10,454,339)	(2,353,791)
Expenses:						
Program support	9,856,280	-	9,856,280	8,143,158	-	8,143,158
Management and general	756,880	-	756,880	735,945	-	735,945
Fundraising	1,693,270	-	1,693,270	1,598,591	-	1,598,591
Total expenses	12,306,430	-	12,306,430	10,477,694	-	10,477,694
Change in net assets	(686,362)	8,765,725	8,079,363	(2,377,146)	(10,454,339)	(12,831,485)
Net assets at beginning of year	10,595,335	76,947,541	87,542,876	12,972,481	87,401,880	100,374,361
Net assets at end of year	<u>\$ 9,908,973</u>	<u>\$ 85,713,266</u>	<u>\$ 95,622,239</u>	<u>\$ 10,595,335</u>	<u>\$ 76,947,541</u>	<u>\$ 87,542,876</u>

The accompanying notes are an integral part of these consolidated financial statements.

University of New Orleans Foundation

Consolidated Statements of Functional Expenses

For the years ended ended December 31, 2023 and 2022

	2023			
	Program Support	Management & General	Fundraising	Total
Donations to University/affiliates	\$ 5,166,946	\$ -	\$ -	\$ 5,166,946
Fees for services	2,276,637	672,310	1,222,872	4,171,819
Advertising and promotion	47,267	-	78,941	126,208
Office expenses	602,266	26,260	181,120	809,646
Information technology	66,564	58,009	153,275	277,848
Occupancy	248,013	-	-	248,013
Travel	175,506	276	16,551	192,333
Conferences, conventions, and meetings	656,411	25	35,334	691,770
Depreciation	382,903	-	-	382,903
Insurance	218,399	-	-	218,399
Cultivations/donations	15,368	-	5,177	20,545
	<u>\$ 9,856,280</u>	<u>\$ 756,880</u>	<u>\$ 1,693,270</u>	<u>\$ 12,306,430</u>
	2022			
	Program Support	Management & General	Fundraising	Total
Donations to University/affiliates	\$ 3,652,180	\$ -	\$ -	\$ 3,652,180
Fees for services	2,093,247	652,254	1,107,944	3,853,445
Advertising and promotion	25,217	-	76,185	101,402
Office expenses	684,260	28,589	225,527	938,376
Information technology	36,377	55,087	135,056	226,520
Occupancy	244,543	-	-	244,543
Travel	124,794	-	14,631	139,425
Conferences, conventions, and meetings	677,919	15	37,147	715,081
Depreciation	399,791	-	-	399,791
Insurance	196,810	-	-	196,810
Cultivations/donations	8,020	-	2,101	10,121
	<u>\$ 8,143,158</u>	<u>\$ 735,945</u>	<u>\$ 1,598,591</u>	<u>\$ 10,477,694</u>

The accompanying notes are an integral part of these consolidated financial statements.

UNIVERSITY OF NEW ORLEANS FOUNDATION

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 8,079,363	\$ (12,831,485)
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	382,903	399,791
Amortization of unconditional promises to give discount	73,165	(369,242)
Realized (gain)/loss on investments	(143,603)	1,128,040
Unrealized (gain)/loss on investments	(6,861,652)	11,149,354
Restricted long-term contributions pledged	(4,354,377)	(1,202,447)
Changes in unconditional promises to give allowance	186,519	294,769
Changes in assets and liabilities:		
Accounts and contributions receivable	662,005	87,485
Other assets	10,150	(99,753)
Accounts payable, accrued liabilities, and other liabilities	602,759	(269,039)
Net cash used in operating activities	(1,362,768)	(1,712,527)
Cash flows from investing activities:		
Purchases/improvements of real estate, property, and equipment	(281,008)	(1,081,679)
Sales/purchases of investments, net	(1,935,710)	3,871,754
Change in amounts invested for others - noncurrent, net	2,232,011	(2,789,023)
Net cash provided by investing activities	15,293	1,052
Cash flows from financing activities:		
Collections of contributions restricted for long-term purposes	1,639,767	2,151,971
Net cash provided by financing activities	1,639,767	2,151,971
Change in cash and cash equivalents	292,292	440,496
Cash and cash equivalents at beginning of year	3,567,100	3,126,604
Cash and cash equivalents at end of year	\$ 3,859,392	\$ 3,567,100
Composition of cash and cash equivalents:		
Current cash and cash equivalents	\$ 1,185,276	\$ 782,952
Non-current cash and cash equivalents - endowments	2,674,116	2,784,148
	\$ 3,859,392	\$ 3,567,100
SUPPLEMENTAL NON-CASH FLOW DISCLOSURE:		
Cash paid during the year for interest	\$ -	\$ -

The accompanying notes are an integral part of these consolidated financial statements.

UNIVERSITY OF NEW ORLEANS FOUNDATION

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(1) Summary of Significant Accounting Policies

(a) *History and Organization*

The University of New Orleans Foundation (the Foundation), a registered nonprofit corporation in Louisiana, was established in 1984 with a mission of serving the University of New Orleans (the University) by raising private sector funds for the advancement of the University. During the year ended December 31, 2013, the Foundation created three wholly owned subsidiaries, University of New Orleans Foundation Real Estate Company, L.L.C. (UNOFREC), University of New Orleans Foundation Working Interest, L.L.C. (UNOFWI), and University of New Orleans Foundation Royalty Company, L.L.C. (UNOFRC), (collectively, the Foundation), which are disregarded entities for income tax purposes. The purpose of the subsidiaries is to receive and hold funds and property for the advancement of the University.

(b) *Basis of Presentation*

The consolidated financial statements of the Foundation have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America (US GAAP). The consolidated financial statements include the financial statements of the Foundation and its three wholly-owned controlled subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation. The significant accounting policies followed in the preparation of the accompanying consolidated financial statements are described below.

The financial statements of the Foundation have been prepared in accordance with US GAAP, which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

- Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Foundation's management and the board of directors. The revenues received and expenses incurred in conducting the mission of the Foundation are included in this category.
- Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Consolidated Statements of Activities and Changes in Net Assets.

In determining the classification of certain assets as current or non-current, management has considered whether the ultimate use of the asset is related to current operations. Consequently, in accordance with US GAAP, a portion of cash and cash equivalents and unconditional promises to give which are intended for uses other than current operations have been presented as non-current assets, despite their expected collection within twelve months.

UNIVERSITY OF NEW ORLEANS FOUNDATION

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(1) Summary of Significant Accounting Policies (continued)

(c) *Cash and Cash Equivalents*

For the purposes of the Consolidated Statements of Cash Flows, the Foundation considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

(d) *Unconditional Promises to Give*

Unconditional promises to give are recognized as revenue in the period received. Promises to give are recorded at their realizable value, using present value techniques if they are expected to be collected in more than one year. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. An allowance for doubtful accounts has been established based on management's assessment of collectability.

(e) *Investments*

Investments are recorded at cost when purchased, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the Consolidated Statements of Financial Position. Net investment income/(loss) is reported in the Consolidated Statements of Activities and Changes in Net Assets and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses.

In accordance with Accounting Standards Update (ASU) No. 2015-07, Fair Value Measurement (Topic 820), the Foundation does not categorize, within the fair value hierarchy, any investments for which fair value is measured using the net asset value per share practical expedient.

The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, held-to-maturity debt securities, and some off-balance sheet credit exposures. Financial assets measured at amortized cost will be presented at the net amount expected to be collected by using an allowance for credit losses. In addition, CECL made changes to the accounting for available-for-sale debt securities. One such change is to require credit losses to be presented as an allowance rather than as a write-down on available-for-sale debt securities if management does not intend to sell and does not believe that it is more likely than not, they be required to sell. The Foundation adopted CECL effective January 1, 2023, using the prospective transition approach for debt securities for which other-than-temporary impairment had been recognized prior to January 1, 2023. As of December 31, 2022, the Foundation did not have any other-than-temporarily impaired investment securities. Therefore, upon adoption of ASC 326, the Foundation determined that an allowance for credit losses on available-for-sale securities was not deemed necessary.

(f) *Art Collections*

In accordance with ASC 958-360-25-3, the Foundation has chosen to not capitalize collections and works of art. Due to the Foundation's policy on not capitalizing art collections, the Foundation has not recorded an amount for the art in the consolidated financial statements.

UNIVERSITY OF NEW ORLEANS FOUNDATION

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(1) Summary of Significant Accounting Policies (continued)

(g) *Real Estate*

Real estate is recorded at cost or fair market value on the date acquired. Depreciation of real estate (excluding land) is calculated on the straight-line basis ranging from 5 years to 20 years for improvements and equipment, and ranging from 20 years to 40 years for buildings.

(h) *Property and Equipment*

Assets acquired are stated at cost, net of accumulated depreciation. Assets donated are carried at fair market value on the date of donation, net of accumulated depreciation. Depreciation of property, furnishings, and equipment is provided over the estimated useful lives of the respective assets on the straight-line basis ranging from 3 years to 7 years for vehicles and equipment. As of December 31, 2023 and 2022, property and equipment consisted of furniture and equipment that was fully depreciated and had a net value of \$0.

Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. When items of property or equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts, and any gain or loss is included in income.

(i) *Impairment of Long-Lived Assets*

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended December 31, 2023 or 2022.

(j) *Amounts Invested for Others and Amounts Held for Others*

Amounts invested for others are not owned by the Foundation (see Note 8). The Foundation considers unexpended income from these funds as amounts invested for others. In addition, the Foundation administers the financial assets and maintains the financial records of other entities affiliated with the University, which are amounts held for others and not owned by the Foundation (see Note 9).

(k) *Split-Interest Agreements*

The Foundation is the irrevocable beneficiary of various split-interest agreements. Split-interest agreements are arrangements in which donors contribute assets to the organization in exchange for a promise by the organization designated by the donor. The assets are held and administered by third parties where they are invested in publicly traded securities which approximates fair value and are reported as assets held in split-interest agreements on the statement of financial position.

UNIVERSITY OF NEW ORLEANS FOUNDATION

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(1) Summary of Significant Accounting Policies (continued)

(l) Revenue Recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Service fee revenue primarily relates to fees earned by the Foundation for managing the endowments. Service fee revenue is calculated on a quarterly basis as a percentage of the endowment balances and recognized when earned. Special events and program revenue relates to activities, events, and programmatic offerings including seminars, lectures, career fairs, and events.

Rental income from operating leases is recognized over the terms of the related leases as the rent becomes due. Tenant rent charges for the current month are generally due on the first of the month. Rental payments received in advance are deferred until earned. All leases between the Foundation and the tenants of the property are operating leases. In accordance with Accounting Standard Update (ASU) No. 2016-02, *Leases*, the Foundation recognizes assets and liabilities related to lease arrangements longer than 12 months on the statement of financial position as well as additional disclosures.

(m) Fundraising Expenses

All expenses associated with fundraising activities are expensed as incurred.

(n) Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets. All expenses have been specifically identified with a program or supporting service and have been charged to their program. The Statements of Functional Expense present a reconciliation of expense by natural classification to expenses by function.

(o) Income Taxes

The Foundation is exempt from income tax under Internal Revenue Code Section 501(c)(3), though it is subject to tax on income unrelated to its purpose, unless that income is otherwise excluded by the Code. The Foundation has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Foundation has determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements.

(p) Use of Estimates

The preparation of consolidated financial statements in conformity with US GAAP 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the useful lives of fixed assets, the valuation of fixed assets, and investments.

UNIVERSITY OF NEW ORLEANS FOUNDATION

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(1) Summary of Significant Accounting Policies (continued)

(q) Recent Accounting Pronouncements

On January 1, 2023, the Foundation adopted ASU 2016-13 Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASC 326). This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (“CECL”) methodology. This standard changes the impairment model for most financial instruments including receivables and investments from an incurred loss method to a new forward-looking approach, based on expected losses. The estimate of credit losses requires entities to incorporate considerations of historical information, current information and reasonable supportable forecasts. The updated standard was effective for years beginning after December 15, 2022. The Foundation adopted ASU 2016-13 as of January 1, 2023, which did not have a material impact on its financial statements.

(2) Liquidity and Availability

The Foundation regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

The Foundation receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund programs. In addition, the Foundation receives support without donor restrictions. Such support is augmented by investment income without donor restrictions, appropriated earnings from gifts with donor restrictions, and management fees to support the annual program funding needs.

The Board of Directors authorized the establishment of designated funds for an investment portfolio with the objective to seek growth of income and capital appreciation consistent with long term objectives to support the programs of the Foundation. The purpose of the investments will be to provide scholarships to support the University and its students.

The Foundation considers investment income without donor restrictions, appropriated earnings from donor-restricted contributions, and contributions without donor restrictions to be available to meet cash needs for general expenditures. The Foundation considers contributions with donor restrictions available for use in current programs which are ongoing, major, and central to its annual operations based on the donor’s restrictions. General expenditures include programmatic expenses, administrative and general expenses, and fundraising expenses expected to be paid in the subsequent year.

The Foundation manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability;
- Maintaining adequate liquid assets; and
- Maintaining sufficient reserves to provide reasonable assurance that long term commitments and obligations under endowments with donor restrictions and quasi-endowments that support mission fulfillment will continue to be met, ensuring the sustainability of the Foundation.

UNIVERSITY OF NEW ORLEANS FOUNDATION

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(2) Liquidity and Availability (continued)

The table below presents financial assets available for general expenditures within one year at December 31:

	2023	2022
Total assets	<u>\$ 124,238,448</u>	<u>\$ 113,324,315</u>
Less: non-current and non-financial assets		
Deferred charges and prepaid expenses	119,452	146,575
Noncurrent unconditional promises to give	5,683,047	5,738,139
Investments-other	98,333	98,988
Split-interest agreements	1,697,602	-
Real estate	6,688,361	7,451,940
Other noncurrent assets	<u>228,217</u>	<u>211,244</u>
Total financial assets at year end	109,723,436	99,677,429
Less: financial asset designations and restrictions		
Amounts invested for others	26,575,203	24,343,192
Amount held in custody for others	470,171	471,999
Board designated endowments	357,230	317,677
Liquid assets with donor restrictions	<u>78,183,370</u>	<u>70,961,850</u>
Financial assets available for general expenditures over the next 12 months	<u>\$ 4,137,462</u>	<u>\$ 3,582,711</u>
Financial assets available for general expenditures over the next 12 months	\$ 4,137,462	\$ 3,582,711
Less: current liabilities at year end	<u>1,570,835</u>	<u>966,248</u>
Net financial assets available for general expenditures over the next 12 months	<u>\$ 2,566,627</u>	<u>\$ 2,616,463</u>

(3) Investments

The composition of investments at December 31, was as follows:

	2023	2022
Domestic equity securities	\$ 15,640,112	\$ 14,639,625
International equity securities	212,428	98,920
Mutual funds	72,773,352	69,740,421
Private equity	8,191,944	5,521,592
Hedge fund of funds	<u>5,882,650</u>	<u>3,758,308</u>
	102,700,486	93,758,866
Investments - other	98,333	98,988
Total investments	<u>\$ 102,798,819</u>	<u>\$ 93,857,854</u>

UNIVERSITY OF NEW ORLEANS FOUNDATION

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(4) Unconditional Promises to Give

As of December 31, unconditional promises to give were expected to be realized in the following periods:

	2023	2022
In one year or less- current	\$ 2,322,781	\$ 1,452,295
Between one year and five years	2,673,144	2,693,722
In five years or more	5,224,319	5,373,095
Less: Present value discount (5%)	(2,068,697)	(2,144,308)
Less: Allowances for uncollectible pledges (2.5%)	(203,789)	(184,370)
Unconditional promises to give, net	<u>\$ 7,947,758</u>	<u>\$ 7,190,434</u>

Unconditional promises to give have the following restrictions:

	2023	2022
Without donor restriction	\$ 27,501	\$ 31,868
With donor restriction – purpose and time	7,920,257	7,158,566
	<u>\$ 7,947,758</u>	<u>\$ 7,190,434</u>

(5) Split-Interest Agreements

During 2023 the Foundation was the recipient of two donated split-interest agreements where the Foundation shares the benefits of the assets with another party for the duration of the named individual's lifetime. The other party has the lead interest, and the Foundation has the remainder interest in these agreements.

The split-interest agreements are valued at an undiscounted fair market value based on the value of the underlying investments. In 2023, contribution revenue of \$1,682,953 was recorded related to contributed split-interest agreements and is included in contributions on the statement of activities. The change in value of the split-interest agreements was \$14,649 in 2023 and is included in investment income on the statement of activities.

(6) Real Estate

In July 2001, the Foundation purchased from a private company a 108,000 square foot building in support of the University of New Orleans film program and designated the building as the Robert & Jeri Nims Center for Entertainment Arts and Multi-Media Technology (the "Nims Center") in honor of its primary benefactor.

During fiscal year 2016, the Foundation purchased a property for the UNO President's official residence for \$692,597. The residence is being leased to the University for \$1 per year for 30 years. The building and improvements are being depreciated over 40 years. The purchase of the property was internally financed through a Board approved loan from the Foundation's general endowment funds to the unrestricted fund, which bears interest at a fixed rate of 4% and is being paid in monthly installments of principal and interest totaling \$2,960 over a thirty year period. Fifty percent of the annual cost of the principal and interest of approximately \$35,000 is received from University of New Orleans Research and Technology Foundation, Inc. (R&T), an affiliated entity. Put on the market in 2023, this property is currently held for sale and is no longer being depreciated.

UNIVERSITY OF NEW ORLEANS FOUNDATION

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(6) Real Estate (continued)

Real estate of the Foundation consisted of the following at December 31:

	2023	2022
Official Residence:		
Land	\$ -	\$ 217,194
Building and improvements	-	537,444
Nims Center Complex:		
Land	1,661,540	1,661,540
Building and improvements	9,802,384	9,802,384
Work in progress	281,008	-
Lee Circle Properties:		
Taylor Library land	100,000	100,000
	11,844,932	12,318,562
Less: accumulated depreciation	(5,156,571)	(4,866,622)
Total	\$ 6,688,361	\$ 7,451,940

(7) Net Assets

Net assets with donor restrictions - purpose are restricted to the following at December 31:

	2023	2022
Building fund	\$ 1,100,017	\$ 1,149,983
Scholarships and awards	19,171,442	14,875,531
Chairs and professorships	35,284,318	32,614,719
Faculty support	1,539,503	1,424,404
Research	2,444,308	2,322,904
Educational studies program	4,444,249	4,383,073
Departmental development	21,729,429	20,176,927
Total net assets with donor restrictions	\$ 85,713,266	\$ 76,947,541

(8) The Louisiana Endowment Trust Fund for Endowed Chairs and Professorships

One of the Foundation's primary objectives is to raise and manage funds to provide endowed professorships and chairs to the University. The Louisiana Endowment Trust Fund for Endowed Chairs and Professorships was created by the Louisiana legislature in 1983 to provide state funds to eligible public and private institutions which would be responsible for providing matching funds obtained from gifts.

Endowed professorships are established at \$100,000 and endowed chairs at \$1,000,000. For endowments submitted for matching prior to July 1, 2017, the Board of Regents will provide 40% of the funding once the Foundation has acquired 60% of the principal through private gifts. Endowed professorships submitted for matching after July 1, 2017, will be matched at \$20,000 for every \$80,000 of private funding acquired while endowed chairs remain unchanged.

UNIVERSITY OF NEW ORLEANS FOUNDATION

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(8) The Louisiana Endowment Trust Fund for Endowed Chairs and Professorships (continued)

The University is allowed to apply for the match while maintaining the private gift in the Foundation. Funds are pooled for investment purposes in the Foundation, but the Board of Regents' match is recognized as a liability to the University under the caption "Amounts invested for others." The amount invested for others in noncurrent liabilities at December 31, 2023 and 2022 that was attributable to the Endowed Chairs and Professorships was \$26,147,322 and \$22,867,051, respectively.

(9) Related Party/Affiliate Transactions

The Foundation administers the financial assets and maintains the financial records of the UNO International Alumni Association. Amounts held in custody for others included in current liabilities amounted to \$470,171 and \$471,999 at December 31, 2023 and 2022, respectively. These amounts represent funds collected by the Foundation for this affiliate in excess of expenditures made on behalf of this affiliate.

University of New Orleans

In the normal course of business, the Foundation reimburses the University for certain expenses as well as provides certain services and support to the University. Support paid to the University included in expenses in 2023 and 2022 were \$5,119,180 and \$3,652,180, respectively. Additionally, the Foundation reimbursed the University for salaries of employees shared with the Foundation in 2023 and 2022 of \$1,501,033 and \$1,454,520, respectively. At December 31, 2023 and 2022, funds due to the University totaled \$1,125,901 and \$686,384, respectively.

R&T Foundation

The Foundation recorded a subsidy for expenses from R&T Foundation of \$21,928 and \$52,762 which were passed through to the University in 2023 and 2022, respectively. Additionally in 2023, the Foundation donated \$47,766 to R&T Foundation for improvements to the art gallery which is leased to the University. At December 31, 2023 and 2022, funds due from R&T totaled \$0 and \$789, respectively.

(10) Fair Value Measurements

The Financial Accounting Standard Board ("FASB") authoritative guidance for fair value measurements defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The guidance also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs when measuring fair value. The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of the fair value hierarchy under the guidance are described below:

UNIVERSITY OF NEW ORLEANS FOUNDATION

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(10) Fair Value Measurements (continued)

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodologies used for assets measured at fair value. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values.

Domestic and international equity securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the closing price reported on the active market on which the individual securities are traded.

Hedge funds: Valued at the net asset value (“NAV”) of shares held at year end.

Private equity funds: Valued at the net asset value (“NAV”) of shares held at year end.

Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Foundation’s investment assets at fair value as of December 31, 2023. There have been no changes in the methodologies used at December 31, 2023.

	Level 1	Level 2	Level 3	Total
Domestic equity securities	\$ 15,640,112	\$ -	\$ -	\$ 15,640,112
International equity securities	212,428	-	-	212,428
Mutual funds	72,773,352	-	-	72,773,352
Other investments	-	-	98,333	98,333
Subtotal	<u>88,625,892</u>	<u>-</u>	<u>98,333</u>	<u>88,724,225</u>
Hedge fund of funds at NAV	-	-	-	5,882,650
Private equity funds at NAV	-	-	-	8,191,944
Total investments at fair value	<u>\$ 88,625,892</u>	<u>\$ -</u>	<u>\$ 98,333</u>	<u>\$ 102,798,819</u>
Split Interest Agreements			<u>\$ 1,697,602</u>	<u>\$ 1,697,602</u>

As of December 31, 2023, there were no assets measured at fair value on a nonrecurring basis.

UNIVERSITY OF NEW ORLEANS FOUNDATION

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(10) Fair Value Measurements (continued)

The Foundation's investment in the hedge fund of funds at December 31, 2023, represents 0.94% ownership of all ownership interests in the fund. The hedge fund invests in directional, relative value, and event-driven hedge fund managed accounts. The fair value of the investments in this class has been estimated using the net asset value per share of the investments.

The Foundation's investment in private equity funds at December 31, 2023, represents a weighted average of 0.93% of all ownership interests in the fund. The private equity funds invest in venture capital, buyout, and other private equity oriented portfolio funds. Private equity investments are generally in funds with no specific redemption period. Investment proceeds, if any, from private equity investments are distributed to investors throughout the life of the private equity investment fund, as stipulated in the funds' offering documents. The fair value of the investments in this class has been estimated using the net asset value of the investments.

The following table summarizes investments measured at fair value based on net asset value (NAV) per share as of December 31, 2023.

Instrument	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge fund of funds	\$ 5,882,650	Not applicable	Quarterly	60 days
Private equity	\$ 8,191,944	\$ 5,079,501	None	Not applicable

The following table presents the changes in fair value in Level 3 instruments that are measured at fair value on a recurring basis for the year ended December 31, 2023

Balance – December 31, 2022	\$ -
Contributions	1,682,953
Unrealized Gain	14,649
Balance – December 31, 2023	<u>\$ 1,697,602</u>

The following table sets forth by level, within the fair value hierarchy, the Foundation's investment assets at fair value as of December 31, 2022. There have been no changes in the methodologies used at December 31, 2022.

	Level 1	Level 2	Level 3	Total
Domestic equity securities	\$ 14,639,625	\$ -	\$ -	\$ 14,639,625
International equity securities	98,920	-	-	98,920
Mutual funds	69,740,421	-	-	69,740,421
Other investments	-	-	98,988	98,988
Subtotal	<u>84,478,966</u>	<u>-</u>	<u>98,988</u>	<u>84,577,954</u>
Hedge fund of funds at NAV	-	-	-	3,758,308
Private equity funds at NAV	-	-	-	5,521,592
Total investments at fair value	<u>\$ 84,478,966</u>	<u>\$ -</u>	<u>\$ 98,988</u>	<u>\$ 93,857,854</u>

As of December 31, 2022, there were no assets measured at fair value on a nonrecurring basis.

UNIVERSITY OF NEW ORLEANS FOUNDATION

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(10) Fair Value Measurements (continued)

The Foundation's investment in the hedge fund of funds at December 31, 2022, represents 0.57% ownership of all ownership interests in the fund. The hedge fund invests in directional, relative value, and event-driven hedge fund managed accounts. The fair value of the investments in this class has been estimated using the net asset value per share of the investments.

The Foundation's investment in private equity funds at December 31, 2022, represents a weighted average of 0.91% of all ownership interests in the fund. The private equity funds invest in venture capital, buyout, and other private equity oriented portfolio funds. Private equity investments are generally in funds with no specific redemption period. Investment proceeds, if any, from private equity investments are distributed to investors throughout the life of the private equity investment fund, as stipulated in the funds' offering documents. The fair value of the investments in this class has been estimated using the net asset value of the investments.

The following table summarizes investments measured at fair value based on net asset value (NAV) per share as of December 31, 2022.

Instrument	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge fund of funds	\$ 3,758,308	Not applicable	Quarterly	60 days
Private equity	\$ 5,521,592	\$ 5,555,783	None	Not applicable

(11) Endowment Net Assets

The Foundation's Board of Directors (the Board) is of the belief that they have a strong fiduciary duty to manage the assets of the Foundation's endowments in the most prudent manner possible. The Board recognizes its responsibility to fulfill the donor's intent with respect to expenditures from endowments. If this intent is clearly expressed by the donor whether the intent is in a written gift instrument or not, the intent of the donor is followed. If the intent is not expressed, the Board ensures the assets of the endowment are spent in a prudent manner which considers the purpose of the fund, current economic conditions and preservation of the fund.

In accordance with the Foundation's policy, the Foundation generally allocates annually 4% of the latest 12 quarter fair market value average for all endowments as of December 31 of each calendar year, subject to certain limitations. The Board of Regents matched endowments do not receive spending allocations until the Board of Regents matches the private donation.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the Uniform Prudent Management of Institutional Funds Act (UPMIFA) requires the Foundation to retain as a fund of perpetual duration. As of December 31, 2023, deficiencies of this nature exist in 9 donor-restricted endowment funds, which together have an original gift value of \$2,128,656, a fair value of \$2,045,075, and a deficiency of \$83,581. As of December 31, 2022, deficiencies of this nature exist in 30 donor-restricted endowment funds, which together have an original gift value of \$4,772,390, a fair value of \$4,308,928, and a deficiency of \$463,462. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions for donor-restricted endowment funds. The Foundation generally does not permit spending from underwater endowments.

UNIVERSITY OF NEW ORLEANS FOUNDATION

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(11) Endowment Net Assets (continued)

The goals and objectives of the Foundation's investment policy are to 1) provide investment earnings adequate to fulfill the desires of donors as stated in the gift instruments, 2) achieve a total return adequate to fund the spending rate plus corpus growth to ensure future benefits to later generations, and 3) invest in a variety of diversified categories so that the diversity of the performance characteristics will reduce the volatility of returns from year to year.

The strategies employed to achieve these objectives for the Board of Regents matching endowment is to follow the Board of Regents guidelines on investing the funds. The general endowments follow a strategy of guidelines of asset benchmarks and setting investment guidelines for allowed and prohibited investments and transactions.

The amount invested for others in noncurrent liabilities at December 31, 2023 of \$26,575,203 is not included in the table below. The composition of the Foundation's endowments by net asset class at December 31, 2023 is:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	\$ 317,677	\$ 65,471,014	\$ 65,788,691
Investment income	44,367	7,855,948	7,900,315
Contributions	-	2,860,457	2,860,457
Appropriated for expenditure:			
Program expenses	249	(1,807,324)	(1,807,075)
Management expenses	(5,063)	(950,261)	(955,324)
Other Changes	-	(900)	(900)
Endowment net assets, end of year	<u>\$ 357,230</u>	<u>\$ 73,428,934</u>	<u>\$ 73,786,164</u>

The amount invested for others in noncurrent liabilities at December 31, 2022 of \$24,343,192 is not included in the table below. The composition of the Foundation's endowments by net asset class at December 31, 2022 is:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	\$ 373,498	\$ 75,603,011	\$ 75,976,509
Investment income	(50,232)	(9,026,668)	(9,076,900)
Contributions	-	1,150,558	1,150,558
Appropriated for expenditure:			
Program expenses	(743)	(1,621,073)	(1,621,816)
Management expenses	(4,846)	(900,469)	(905,315)
Other Changes	-	265,655	265,655
Endowment net assets, end of year	<u>\$ 317,677</u>	<u>\$ 65,471,014</u>	<u>\$ 65,788,691</u>

UNIVERSITY OF NEW ORLEANS FOUNDATION

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(12) Concentrations of Risk and Contingencies

The Foundation has concentrated its credit risk for cash by maintaining deposits in financial institutions in New Orleans, Louisiana, which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The Foundation has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

Investments are made by diversified investment managers whose performance is monitored by management and the investment committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the investment committee believes that the investment policies and guidelines are prudent for the long-term welfare of the Foundation. The Foundation believes concentration risk in the portfolio as it relates to credit, geography, and industry is mitigated by the investment policies of the Foundation and the diversified approach taken by the investment managers.

The Foundation is involved in certain claims and legal actions arising in the normal course of activities. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Foundation's financial position.

(13) Subsequent Events

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, June 12, 2024, and determined the following subsequent event requires disclosure. In April 2024, the UNO President's official residence discussed in Note 6 was sold for \$780,000. No other subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

UNIVERSITY OF NEW ORLEANS FOUNDATION

Consolidating Statements

December 31, 2023

UNIVERSITY OF NEW ORLEANS FOUNDATION

Consolidating Statement of Financial Position

As of December 31, 2023

	<u>UNOF</u>	<u>UNOFREC</u>	<u>UNOFWI</u>	<u>UNOFRC</u>	<u>Eliminating Entries</u>	<u>Consolidated Total</u>
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 1,185,276	\$ -	\$ -	\$ -	\$ -	\$ 1,185,276
Investments	11,461,504	-	-	-	-	11,461,504
Accounts receivable	26,007	-	26,089	107,826	(133,915)	26,007
Contributions receivable	211,156	-	-	-	-	211,156
Real estate held for sale, net	661,684	-	-	-	-	661,684
Unconditional promises to give, net	2,264,711	-	-	-	-	2,264,711
Deferred charges and prepaid expenses	119,452	-	-	-	-	119,452
Total current assets	<u>15,929,790</u>	<u>-</u>	<u>26,089</u>	<u>107,826</u>	<u>(133,915)</u>	<u>15,929,790</u>
Noncurrent assets:						
Cash and cash equivalents - endowments	2,674,116	-	-	-	-	2,674,116
Investments - endowments	91,238,982	-	-	-	-	91,238,982
Unconditional promises to give, net	5,683,047	-	-	-	-	5,683,047
Split-interest agreements	1,697,602	-	-	-	-	1,697,602
Investments - other	-	-	-	-	98,333	98,333
Real estate, net	6,688,361	-	-	-	-	6,688,361
Property and equipment, net	-	-	61,058	-	(61,058)	-
Other noncurrent assets	228,217	-	-	35,107	(35,107)	228,217
Total noncurrent assets	<u>108,210,325</u>	<u>-</u>	<u>61,058</u>	<u>35,107</u>	<u>2,168</u>	<u>108,308,658</u>
Total assets	<u>\$ 124,140,115</u>	<u>\$ -</u>	<u>\$ 87,147</u>	<u>\$ 142,933</u>	<u>\$ (131,747)</u>	<u>\$ 124,238,448</u>
LIABILITIES AND NET ASSETS						
Current liabilities:						
Accounts payable and accrued liabilities	\$ 444,934	\$ 35	\$ 413	\$ -	\$ (448)	\$ 444,934
Amounts due to affiliates	131,299	-	-	-	(131,299)	-
Amounts held in custody for others	470,171	-	-	-	-	470,171
Other current liabilities - due to University	1,125,901	-	-	-	-	1,125,901
Total current liabilities	<u>2,172,305</u>	<u>35</u>	<u>413</u>	<u>-</u>	<u>(131,747)</u>	<u>2,041,006</u>
Noncurrent liabilities:						
Amounts invested for others	26,575,203	-	-	-	-	26,575,203
Total noncurrent liabilities	<u>26,575,203</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,575,203</u>
Total liabilities	<u>28,747,508</u>	<u>35</u>	<u>413</u>	<u>-</u>	<u>(131,747)</u>	<u>28,616,209</u>
Net assets:						
Without donor restrictions	9,679,341	(35)	86,734	142,933	-	9,908,973
With donor restrictions	85,713,266	-	-	-	-	85,713,266
Total net assets	<u>95,392,607</u>	<u>(35)</u>	<u>86,734</u>	<u>142,933</u>	<u>-</u>	<u>95,622,239</u>
Total liabilities and net assets	<u>\$ 124,140,115</u>	<u>\$ -</u>	<u>\$ 87,147</u>	<u>\$ 142,933</u>	<u>\$ (131,747)</u>	<u>\$ 124,238,448</u>

UNIVERSITY OF NEW ORLEANS FOUNDATION

Consolidating Statement of Financial Position

As of December 31, 2022

	<u>UNOF</u>	<u>UNOFREC</u>	<u>UNOFWI</u>	<u>UNOFRC</u>	<u>Eliminating Entries</u>	<u>Consolidated Total</u>
<u>ASSETS</u>						
Current assets:						
Cash and cash equivalents	\$ 782,952	\$ -	\$ -	\$ -	\$ -	\$ 782,952
Investments	11,605,816	-	-	-	-	11,605,816
Accounts receivable	51,560	-	11,965	70,769	(82,734)	51,560
Contributions receivable	847,608	-	-	-	-	847,608
Unconditional promises to give, net	1,415,988	-	-	-	-	1,415,988
Deferred charges and prepaid expenses	146,575	-	-	-	-	146,575
Total current assets	<u>14,850,499</u>	<u>-</u>	<u>11,965</u>	<u>70,769</u>	<u>(82,734)</u>	<u>14,850,499</u>
Noncurrent assets:						
Cash and cash equivalents - endowments	2,784,148	-	-	-	-	2,784,148
Investments - endowments	82,153,050	-	-	-	-	82,153,050
Unconditional promises to give, net	5,774,446	-	-	-	-	5,774,446
Investments - other	-	-	-	-	98,988	98,988
Real estate, net	7,451,940	-	-	-	-	7,451,940
Property and equipment, net	-	-	61,058	-	(61,058)	-
Other noncurrent assets	211,244	-	-	35,107	(35,107)	211,244
Total noncurrent assets	<u>98,374,828</u>	<u>-</u>	<u>61,058</u>	<u>35,107</u>	<u>2,823</u>	<u>98,473,816</u>
Total assets	<u>\$ 113,225,327</u>	<u>\$ -</u>	<u>\$ 73,023</u>	<u>\$ 105,876</u>	<u>\$ (79,911)</u>	<u>\$ 113,324,315</u>
<u>LIABILITIES AND NET ASSETS</u>						
Current liabilities:						
Accounts payable and accrued liabilities	\$ 279,864	\$ 12	\$ 169	\$ -	\$ (181)	\$ 279,864
Amounts due to affiliates	79,730	-	-	-	(79,730)	-
Amounts held in custody for others	471,999	-	-	-	-	471,999
Other current liabilities - due to University	686,384	-	-	-	-	686,384
Total current liabilities	<u>1,517,977</u>	<u>12</u>	<u>169</u>	<u>-</u>	<u>(79,911)</u>	<u>1,438,247</u>
Noncurrent liabilities:						
Amounts invested for others	24,343,192	-	-	-	-	24,343,192
Total noncurrent liabilities	<u>24,343,192</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,343,192</u>
Total liabilities	<u>25,861,169</u>	<u>12</u>	<u>169</u>	<u>-</u>	<u>(79,911)</u>	<u>25,781,439</u>
Net assets:						
Without donor restrictions	10,416,617	(12)	72,854	105,876	-	10,595,335
With donor restrictions	76,947,541	-	-	-	-	76,947,541
Total net assets	<u>87,364,158</u>	<u>(12)</u>	<u>72,854</u>	<u>105,876</u>	<u>-</u>	<u>87,542,876</u>
Total liabilities and net assets	<u>\$ 113,225,327</u>	<u>\$ -</u>	<u>\$ 73,023</u>	<u>\$ 105,876</u>	<u>\$ (79,911)</u>	<u>\$ 113,324,315</u>

UNIVERSITY OF NEW ORLEANS FOUNDATION

Consolidating Statement of Activities and Changes in Net Assets

For the year ended December 31, 2023

	<u>UNOF</u>	<u>UNOFREC</u>	<u>UNOFWI</u>	<u>UNOFRC</u>	<u>Eliminating Entries</u>	<u>Consolidated Total</u>
Changes in net assets without donor restrictions:						
Support and revenue without donor restrictions						
Contributions	\$ 272,156	\$ -	\$ -	\$ -	\$ -	\$ 272,156
Investment income (loss), net	1,267,073	-	-	-	50,914	1,317,987
Service fees, special events, and program revenue	1,292,854	-	-	-	-	1,292,854
Rental income	514,191	-	-	-	-	514,191
Other income	4,015	-	22,907	46,923	(69,830)	4,015
Total support and revenue without donor restrictions before net assets released from restrictions	<u>3,350,289</u>	<u>-</u>	<u>22,907</u>	<u>46,923</u>	<u>(18,916)</u>	<u>3,401,203</u>
Net assets released from restrictions						
Net assets released from restrictions	8,218,865	-	-	-	-	8,218,865
Total support and revenue without donor restrictions	<u>11,569,154</u>	<u>-</u>	<u>22,907</u>	<u>46,923</u>	<u>(18,916)</u>	<u>11,620,068</u>
Expenses						
Program support	9,856,280	23	9,027	9,866	(18,916)	9,856,280
Management and general	756,880	-	-	-	-	756,880
Fundraising	1,693,270	-	-	-	-	1,693,270
Total expenses	<u>12,306,430</u>	<u>23</u>	<u>9,027</u>	<u>9,866</u>	<u>(18,916)</u>	<u>12,306,430</u>
Change in net assets without donor restrictions	<u>(737,276)</u>	<u>(23)</u>	<u>13,880</u>	<u>37,057</u>	<u>-</u>	<u>(686,362)</u>
Changes in net assets with donor restrictions:						
Support and revenue with donor restrictions						
Contributions	8,560,928	-	-	-	-	8,560,928
Investment income (loss), net	7,699,924	-	-	-	-	7,699,924
Service fees, special events, and program revenue	723,738	-	-	-	-	723,738
Total support and revenue with donor restrictions before net assets released from restrictions	<u>16,984,590</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,984,590</u>
Net assets released from restrictions						
Net assets released from restrictions	<u>(8,218,865)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,218,865)</u>
Change in net assets with donor restrictions	<u>8,765,725</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,765,725</u>
Change in net assets	8,028,449	(23)	13,880	37,057	-	8,079,363
Owner contributions/(withdrawals)	-	-	-	-	-	-
Net assets, at beginning of year	87,364,158	(12)	72,854	105,876	-	87,542,876
Net assets, at end of year	<u>\$ 95,392,607</u>	<u>\$ (35)</u>	<u>\$ 86,734</u>	<u>\$ 142,933</u>	<u>\$ -</u>	<u>\$ 95,622,239</u>

See accompanying independent auditors' report.

UNIVERSITY OF NEW ORLEANS FOUNDATION

Consolidating Statement of Activities and Changes in Net Assets

For the year ended December 31, 2022

	<u>UNOF</u>	<u>UNOFREC</u>	<u>UNOFWI</u>	<u>UNOFRC</u>	<u>Eliminating Entries</u>	<u>Consolidated Total</u>
Changes in net assets without donor restrictions:						
Support and revenue without donor restrictions						
Contributions	\$ 354,628	\$ -	\$ -	\$ -	\$ -	\$ 354,628
Investment income (loss), net	(1,649,099)	-	-	-	151,223	(1,497,876)
Service fees, special events, and program revenue	1,191,614	-	-	-	-	1,191,614
Rental income	1,573,564	-	-	-	-	1,573,564
Other income	17,105	-	38,857	143,558	(182,415)	17,105
Total support and revenue without donor restrictions before net assets released from restrictions	<u>1,487,812</u>	<u>-</u>	<u>38,857</u>	<u>143,558</u>	<u>(31,192)</u>	<u>1,639,035</u>
Net assets released from restrictions						
Net assets released from restrictions	<u>6,461,513</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,461,513</u>
Total support and revenue without donor restrictions	<u>7,949,325</u>	<u>-</u>	<u>38,857</u>	<u>143,558</u>	<u>(31,192)</u>	<u>8,100,548</u>
Expenses						
Program support	8,143,158	12	7,746	23,434	(31,192)	8,143,158
Management and general	735,945	-	-	-	-	735,945
Fundraising	1,598,591	-	-	-	-	1,598,591
Total expenses	<u>10,477,694</u>	<u>12</u>	<u>7,746</u>	<u>23,434</u>	<u>(31,192)</u>	<u>10,477,694</u>
Change in net assets without donor restrictions	<u>(2,528,369)</u>	<u>(12)</u>	<u>31,111</u>	<u>120,124</u>	<u>-</u>	<u>(2,377,146)</u>
Changes in net assets with donor restrictions:						
Support and revenue with donor restrictions						
Contributions	4,351,279	-	-	-	-	4,351,279
Investment income (loss), net	(9,089,893)	-	-	-	-	(9,089,893)
Service fees, special events, and program revenue	745,788	-	-	-	-	745,788
Total support and revenue with donor restrictions before net assets released from restrictions	<u>(3,992,826)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,992,826)</u>
Net assets released from restrictions						
Net assets released from restrictions	<u>(6,461,513)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,461,513)</u>
Change in net assets with donor restrictions	<u>(10,454,339)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,454,339)</u>
Change in net assets	(12,982,708)	(12)	31,111	120,124	-	(12,831,485)
Owner contributions/(withdrawals)	191,733	(22,375)	(63,585)	(105,773)	-	-
Net assets, at beginning of year	100,155,133	22,375	105,328	91,525	-	100,374,361
Net assets, at end of year	<u>\$ 87,364,158</u>	<u>\$ (12)</u>	<u>\$ 72,854</u>	<u>\$ 105,876</u>	<u>\$ -</u>	<u>\$ 87,542,876</u>

UNIVERSITY OF NEW ORLEANS FOUNDATION

Supplemental Schedules 1 and 2

December 31, 2023

UNIVERSITY OF NEW ORLEANS FOUNDATION

Supplemental Schedule 1 - International Alumni Association

Schedule of Revenue, Support, and Expenses

For the years ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Revenue and support		
Contributions and bequests	\$ 127,487	\$ 81,619
Program revenues	94,042	106,770
Investment income	2,099	798
Total revenue and support	<u>223,628</u>	<u>189,187</u>
Expenses		
Program support	164,826	103,985
General and administrative	7,911	10,242
Total expenses	<u>172,737</u>	<u>114,227</u>
Excess of revenues over expenses	\$ <u>50,891</u>	\$ <u>74,960</u>

UNIVERSITY OF NEW ORLEANS FOUNDATION

Supplemental Schedule 2 - National Collegiate Athletic Association

Schedule of Revenue, Support, Expenses, and Capitalized Expenditures
Made to or on Behalf of the University's Intercollegiate Athletics Program

For the years ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Revenue and support		
Contributions	\$ 429,294	\$ 360,787
Endowment spending allocation	502	751
Program revenue	<u>394,913</u>	<u>351,482</u>
Total revenue and support	<u>824,709</u>	<u>713,020</u>
Expenses		
Program support	<u>897,764</u>	<u>695,698</u>
Total expenses	<u>897,764</u>	<u>695,698</u>
Excess of (expenses over revenues)/revenues over expenses	\$ <u><u>(73,055)</u></u>	\$ <u><u>17,322</u></u>

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

To the Board of Directors of
University of New Orleans Foundation
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of the University of New Orleans Foundation (a nonprofit organization) (the Foundation) and its subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 12, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Foundation'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

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.

EisnerAmper LLP

EISNERAMPER LLP
Metairie, Louisiana
June 12, 2024

