

**BOSSIER PARISH COMMUNITY COLLEGE
FOUNDATION, INC.
BOSSIER CITY, LOUISIANA
JUNE 30, 2022 AND 2021**

BOSSIER PARISH COMMUNITY COLLEGE FOUNDATION, INC.

BOSSIER CITY, LOUISIANA

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December 27, 2022

To the Board Members
Bossier Parish Community College Foundation, Inc.
Bossier City, Louisiana

Independent Auditor's Report

Opinion

We have audited the accompanying financial statements of Bossier Parish Community College Foundation, Inc. (a non-profit organization), which comprise the statement of financial position as of June 30, 2022 and 2021, and the related statements of activities and cash flows for the years then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bossier Parish Community College Foundation, Inc. as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bossier Parish Community College Foundation, 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 Bossier Parish Community College Foundation, Inc.'s ability to continue as a going concern within 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 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 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 Bossier Parish Community College Foundation, 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 evaluated 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 Bossier Parish Community College Foundation, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits, and Other Payments to Agency Head is presented in accordance with Act 706 of the Louisiana Revised Statutes (LRS) 24:513(A)(3) on page 18 for the 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 and *Government Auditing Standards*. In our opinion, the Schedule of Compensation, Benefits and Other Payments to Agency Head is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2022, on our consideration of the organization'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bossier Parish Community College Foundation, Inc.'s internal control over financial reporting and compliance.

HEARD, McELROY & VESTAL, L.L.C.

Shreveport, Louisiana

AUDITED FINANCIAL STATEMENTS

BOSSIER PARISH COMMUNITY COLLEGE FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2022 AND 2021

<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	920,434	456,590
Restricted cash and cash equivalents	1,701,993	539,654
Investments - Note 3	3,761,221	3,976,291
Pledges receivable - Note 11		
Without donor restrictions	5,617	12,615
With donor restrictions	<u>550,900</u>	<u>1,728,100</u>
Total assets	<u><u>6,940,165</u></u>	<u><u>6,713,250</u></u>

LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable	467,128	1,600
Due to Bossier Parish Community College - Note 12	<u>1,430,000</u>	<u>1,220,000</u>
Total liabilities	1,897,128	1,221,600

Net assets:

Without donor restrictions:		
Undesignated	568,321	557,137
Board designated	232,283	300,353
With donor restrictions:		
Restricted for specific purposes	2,147,229	2,261,665
Restricted in perpetuity	<u>2,095,204</u>	<u>2,372,495</u>
Total net assets	<u><u>5,043,037</u></u>	<u><u>5,491,650</u></u>
Total liabilities and net assets	<u><u>6,940,165</u></u>	<u><u>6,713,250</u></u>

The accompanying notes are an integral part of the financial statements.

BOSSIER PARISH COMMUNITY COLLEGE FOUNDATION, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Revenue and other support:</u>			
Contributions	125,654	945,922	1,071,576
Management fees	105,958	-	105,958
Net investment return	<u>(75,624)</u>	<u>(381,477)</u>	<u>(457,101)</u>
Total revenue and other support	155,988	564,445	720,433
Net assets released from restriction	956,172	(956,172)	-
<u>Expenses:</u>			
Program services:			
Scholarships and professorships	180,210	-	180,210
Support projects	793,962	-	793,962
Faculty and staff development	<u>24,863</u>	<u>-</u>	<u>24,863</u>
Total program services	999,035	-	999,035
Supporting services:			
Fundraising and development	5,905	-	5,905
General and administrative	<u>164,106</u>	<u>-</u>	<u>164,106</u>
Total supporting services	<u>170,011</u>	<u>-</u>	<u>170,011</u>
Total expenses	<u>1,169,046</u>	<u>-</u>	<u>1,169,046</u>
Change in net assets	(56,886)	(391,727)	(448,613)
<u>Net assets at beginning of year</u>	<u>857,490</u>	<u>4,634,160</u>	<u>5,491,650</u>
<u>Net assets at end of year</u>	<u><u>800,604</u></u>	<u><u>4,242,433</u></u>	<u><u>5,043,037</u></u>

The accompanying notes are an integral part of the financial statements.

BOSSIER PARISH COMMUNITY COLLEGE FOUNDATION, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Revenue and other support:</u>			
Contributions	96,977	1,911,838	2,008,815
Net investment return	<u>190,998</u>	<u>696,261</u>	<u>887,259</u>
Total revenue and other support	287,975	2,608,099	2,896,074
Net assets released from restriction	237,974	(237,974)	-
<u>Expenses:</u>			
Program services:			
Scholarships and professorships	135,412	-	135,412
Support projects	113,562	-	113,562
Faculty and staff development	<u>10,832</u>	-	<u>10,832</u>
Total program services	259,806	-	259,806
Supporting services:			
Fundraising and development	6,402	-	6,402
General and administrative	<u>52,275</u>	-	<u>52,275</u>
Total supporting services	<u>58,677</u>	-	<u>58,677</u>
Total expenses	<u>318,483</u>	-	<u>318,483</u>
Change in net assets	207,466	2,370,125	2,577,591
<u>Net assets at beginning of year</u>	<u>650,024</u>	<u>2,264,035</u>	<u>2,914,059</u>
<u>Net assets at end of year</u>	<u><u>857,490</u></u>	<u><u>4,634,160</u></u>	<u><u>5,491,650</u></u>

The accompanying notes are an integral part of the financial statements.

BOSSIER PARISH COMMUNITY COLLEGE FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>Cash flows from operating activities:</u>		
Change in net assets	(448,613)	2,577,591
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Realized and unrealized (gain) loss on investments	545,856	(847,180)
Changes in operating assets and liabilities:		
(Increase) decrease in pledges receivable	1,184,198	(1,540,580)
Decrease in accounts receivable	-	140,000
Increase (decrease) in accounts payable	465,528	(27,754)
Increase in due to BPCC	210,000	96,246
Total adjustments	<u>2,405,582</u>	<u>(2,179,268)</u>
Net cash provided by operating activities	1,956,969	398,323
<u>Cash flows from investing activities:</u>		
(Increase) decrease in restricted cash and cash equivalents	(1,162,339)	(136,168)
(Purchase) of investments	<u>(330,786)</u>	<u>(180,223)</u>
Net cash (used) by investing activities	<u>(1,493,125)</u>	<u>(316,391)</u>
<u>Net increase in cash and cash equivalents</u>	463,844	81,932
<u>Cash and cash equivalents at beginning of year</u>	<u>456,590</u>	<u>374,658</u>
<u>Cash and cash equivalents at end of year</u>	<u><u>920,434</u></u>	<u><u>456,590</u></u>

The accompanying notes are an integral part of the financial statements.

BOSSIER PARISH COMMUNITY COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

1. Organization

The Bossier Parish Community College Foundation, Inc. (the Organization) is a Louisiana nonprofit corporation, which was incorporated on September 24, 1997. The activities provided by the Organization include education scholarships for students of Bossier Parish Community College and financial support to the college's faculty and staff.

2. Summary of Significant Accounting Policies

The significant accounting policies followed by the Organization and the methods of applying those policies which materially affect the determination of financial position, changes in financial position, or changes in net assets are summarized below:

Financial Statement Presentation:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The financial Accounting Standards Board ("FASB") has established the Accounting Standards Codification ("ASC") as the source of authoritative accounting principles to be applied in the preparation of financial statements in accordance with GAAP. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations. This includes funds that are designated for discretionary use by the Foundation and board-designated funds functioning as endowments.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time. This includes annuity and life income funds, term endowments, the present value of contributions receivable, and earnings on investments. Some net assets with donor restrictions are required by donors to be held in perpetuity. The donors of substantially all net assets to be held in perpetuity permit the Foundation to use a portion of the income earned on the related investments for specified purposes.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by

2. Summary of Significant Accounting Policies (Continued)

explicit donor stipulation or by law. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as released between the applicable classes of net assets. Revenues with donor restrictions that are used in the year of receipt are classified as net assets with donor restrictions and released from restriction.

Contributions:

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Income and realized and unrealized net gains or losses on investments are reported as follows:

Without Donor Restrictions – As increases or decreases in this class of net assets if the terms of the gift are not considered to have donor restrictions.

With Donor Restrictions – As increases or decreases in this class of net assets if the terms of the gift require that they be added to the principal of a permanent endowment fund or if the terms of the gift impose restrictions on the timing or the use of the income or by law.

Promises to Give:

Pledges that are not restricted by the donor are recognized when the contribution is received. All other donor-restricted pledges are reported as increases in with donor restriction net assets. When a restriction expires, donor restricted net assets are reclassified to without donor restricted net assets.

Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents:

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The carrying value of cash and cash equivalents is stated at cost, which approximates fair value.

Investments:

Investments in marketable securities with readily determinable fair values are stated at fair value. Realized gains or losses on sales of investment securities are based upon the cost of the specific security sold. Unrealized gains and losses are included in the change in net assets.

Investment income, net of external and internal management expenses and fees, and gains and losses arising from the sale or other disposition of investments and other noncash assets is distributed to

2. Summary of Significant Accounting Policies (Continued)

the various endowments using a pooled income approach. This approach distributes income following the fair value unit method, which is based on the number of units each endowment owns in the managed investment pool.

Endowment and board-designated funds are invested on the basis of a total return policy to provide income and to realize appreciation in investment values. Under this policy, earnings, not to exceed a specified percentage, could be used to support the intended purposes. An appropriation from the endowment for expenditures that support the intended purpose may be made to the extent it is deemed prudent, unless otherwise restricted by the donor in the gift instrument.

The Foundation's investments include various types of investment securities and investment vehicles. Investment securities are exposed to several risks, such as interest rate, currency, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Foundation's financial statements.

Bad Debts:

Bad debts are expensed when deemed uncollectible. Bad debts during the years ended June 30, 2022 and 2021 were \$1,842 and \$1,714, respectively.

Income Taxes:

The Foundation is exempt from income taxes as an organization described in Section 501(c)(3) of the Internal Revenue Code. The Foundation has been classified as an organization that is not a private foundation under Section 509(a). Accordingly, there is no provision for income taxes in these financial statements; however, the Foundation is required to file an annual information tax return.

The Foundation is required to review various tax positions it has taken with respect to its exempt status and determine whether in fact it continues to qualify as a tax-exempt entity. It must also consider whether it has nexus in jurisdictions in which it has income and whether a tax return is required in those jurisdictions. In addition, as a tax-exempt entity, the Foundation must assess whether it has any tax positions associated with unrelated business income subject to income tax. The Foundation does not expect any of these tax positions to change significantly over the next twelve months. Any penalties related to late filing or other requirements would be recognized as penalties expense in the Foundation's accounting records.

The Foundation is required to file U.S. federal Form 990 for informational purposes. Its federal income tax returns for generally the last three years remain subject to examination by the Internal Revenue Service.

Funds Functioning as Endowment:

The Foundation has designated funds for which the income earned is designated for specific uses. Because there is no donor-imposed restriction, these funds are classified as net assets without donor restriction; however, the Foundation restricts the use of the funds in the same manner as a donor would by creating an endowment.

2. Summary of Significant Accounting Policies (Continued)

Recently Issued Accounting Pronouncements:

In February 2016, the FASB issued ASU 2016-02, *Leases*. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the statement of financial position at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the statement of activities. This standard will be effective for the fiscal year ending June 30, 2023. The Foundation is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

3. Investments

As of June 30, 2022 and 2021, the investments of all funds consisted of investments held by Plancorp and Citizens National Bank, which are recorded at market value, as detailed below:

	<u>2022</u>		<u>2021</u>	
	<u>Market</u>		<u>Market</u>	
	<u>Value</u>	<u>Cost</u>	<u>Value</u>	<u>Cost</u>
<u>Investments-pooled:</u>				
Bond funds	1,377,438	1,468,578	1,308,768	1,282,615
Equity funds	<u>2,383,783</u>	<u>2,531,592</u>	<u>2,667,523</u>	<u>2,395,613</u>
	<u>3,761,221</u>	<u>4,000,170</u>	<u>3,976,291</u>	<u>3,678,228</u>

Return on investments is as follows:

	<u>2022</u>	<u>2021</u>
Interest and dividend income	109,833	57,259
Realized and unrealized gains (losses)	(545,856)	847,180
Investment fees	<u>(21,078)</u>	<u>(17,180)</u>
Net investment return	<u>(457,101)</u>	<u>887,259</u>

4. Fair Value Measurements

Generally accepted accounting principles define 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 at the measurement date. Under generally accepted accounting principles, a three-level fair value hierarchy was established that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Observable inputs other than the quoted prices included in level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

4. Fair Value Measurements (Continued)

- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The Organization's mutual funds are valued at the net asset value of shares held at year end. The fair values of investments as of June 30, 2022 and 2021 are summarized in the table below:

	<i>Assets at Fair Value as of June 30, 2022</i>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Exchange traded funds:				
Equity funds	669,115	-	-	669,115
Mutual funds:				
Bond funds	1,377,438	-	-	1,377,438
Equity funds	<u>1,714,668</u>	<u>-</u>	<u>-</u>	<u>1,714,668</u>
Total funds	<u>3,761,221</u>	<u>-</u>	<u>-</u>	<u>3,761,221</u>
	<u>3,761,221</u>	<u>-</u>	<u>-</u>	<u>3,761,221</u>

	<i>Assets at Fair Value as of June 30, 2021</i>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Exchange traded funds:				
Equity funds	362,601	-	-	362,601
Mutual funds:				
Bond funds	1,308,768	-	-	1,308,768
Equity funds	<u>2,304,922</u>	<u>-</u>	<u>-</u>	<u>2,304,922</u>
Total funds	<u>3,976,291</u>	<u>-</u>	<u>-</u>	<u>3,976,291</u>
	<u>3,976,291</u>	<u>-</u>	<u>-</u>	<u>3,976,291</u>

5. Net Assets with Donor Restrictions

Net assets are released from donor restrictions by incurring expenses satisfying the purpose specified by the donors. Net assets totaling \$956,172 and \$237,974 were released from restrictions during the years ended June 30, 2022 and 2021, and were used primarily for scholarships, special projects, and general purposes.

Increases and decreases are reported on the statement of activities. Net assets with donor restrictions at June 30, 2022 and 2021 were \$4,242,433 and \$4,634,160, which are restricted for the following purposes:

	<u>2022</u>	<u>2021</u>
Perpetual in nature – endowment	2,095,204	2,372,495
Purpose restricted:		
Scholarships, projects and other	<u>2,147,229</u>	<u>2,261,665</u>
Total net assets with donor restrictions	<u>4,242,433</u>	<u>4,634,160</u>

6. Endowed Net Assets

Private endowed contributions received for professorships and scholarships are included in endowed net assets. Certain endowed funds are managed under an agreement with the College for the College's benefit. These endowed assets are further subject to the investment and spending policies established by the Louisiana Board of Regents (BOR), which has statutory authority to administer the matching funds program.

Effective July 1, 2010, the Louisiana legislature enacted Act No. 168 ("Act") to implement the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as the standard for the management and investment of institutional funds in Louisiana. The Act permits an institution to appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund was established, subject to the intent of the donor as expressed in the gift instrument.

Investments:

Investments are held pursuant to the Board of Regents Endowed Chair and Endowed Professorship Program. To achieve the long-term investment objective, the Program Assets are invested in accordance with the UPMIFA and appropriately diversified across such categories as asset class geography, and market capitalization. Permissible investments are publicly traded debt securities, publicly traded equity securities and alternative investments managed by an external investment manager such as Real Estate Investment Trusts (REITs), Hedge Funds and Private Equity and Private Debt.

Endowment fund net asset composition as of June 30, 2022 and June 30, 2021:

	<u>2022</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, June 30, 2021	-	2,372,495	2,372,495
Contributions	-	310,655	310,655
Net investment income	-	(381,477)	(381,477)
Net reclassifications	-	-	-
Expenses	-	(206,469)	(206,469)
Endowment net assets, June 30, 2022	<u>-</u>	<u>2,095,204</u>	<u>2,095,204</u>
Board-designated endowment	<u>232,283</u>	<u>-</u>	<u>232,283</u>
Total	<u>232,283</u>	<u>2,095,204</u>	<u>2,327,487</u>

6. Endowed Net Assets (Continued)

	<u>2021</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, June 30, 2020	-	1,370,318	1,370,318
Contributions	-	301,916	301,916
Net investment income	-	696,261	696,261
Net reclassifications	-	50,000	50,000
Expenses	-	(46,000)	(46,000)
Endowment net assets, June 30, 2021	<u>-</u>	<u>2,372,495</u>	<u>2,372,495</u>
Board-designated endowment	<u>300,353</u>	<u>-</u>	<u>300,353</u>
Total	<u>300,353</u>	<u>2,372,495</u>	<u>2,672,848</u>

7. Functional Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, certain expenses require allocation on a reasonable basis that is consistently applied. The expenses allocated include support on behalf of the College, which is allocated on the basis of estimates of time and effort.

	<i>Functional Expenses</i>					<u>Total</u>
	<i>For the Year Ended June 30, 2022</i>					
	<u>Program Services</u>			<u>Supporting Services</u>		
	<u>Scholarships & Professorships</u>	<u>Support Projects</u>	<u>Faculty & Staff Development</u>	<u>Fundraising</u>	<u>General & Administrative</u>	
Support on behalf of the College	-	793,962	24,863	-	-	818,825
Scholarships and awards for the College	180,210	-	-	-	-	180,210
Management fees	-	-	-	-	105,958	105,958
Donor cultivation/stewardship	-	-	-	5,905	-	5,905
Office operations	-	-	-	-	38,973	38,973
Professional services	-	-	-	-	19,175	19,175
Total expenses	<u>180,210</u>	<u>793,962</u>	<u>24,863</u>	<u>5,905</u>	<u>164,106</u>	<u>1,169,046</u>

7. Functional Expenses (Continued)

<i>Functional Expenses</i>						
<i>For the Year Ended June 30, 2021</i>						
	<i>Program Services</i>			<i>Supporting Services</i>		
	Scholarships & Professorships	Support Projects	Faculty & Staff Development	Fundraising	General & Administrative	Total
Support on behalf of the College	-	113,562	10,832	-	-	124,394
Scholarships and awards for the College	135,412	-	-	-	-	135,412
Donor cultivation/stewardship	-	-	-	6,402	-	6,402
Office expenses	-	-	-	-	34,628	34,628
Professional services	-	-	-	-	17,647	17,647
Total expenses	<u>135,412</u>	<u>113,562</u>	<u>10,832</u>	<u>6,402</u>	<u>52,275</u>	<u>318,483</u>

8. Concentration of Credit Risk

The Organization maintains cash in bank deposits which, at times, may exceed federally insured limits. Cash accounts at each financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Amounts in excess of the insured limited were \$2,043,604 and \$235,644 at June 30, 2022 and 2021, respectively. Nondeposit investment products, including mutual funds, are not guaranteed and are subject to investment risk, including possible loss of principal.

9. Liquidity and Availability

Financial assets, consisting of cash and pledges receivable that are available for general expenditure, that is, without donor or other restrictions limiting their use, amounted to approximately \$926,051 and \$469,205 at June 30, 2022 and 2021, respectively. Management has a general goal of maintaining sufficient financial resources on hand to meet a minimum of two to three months of operating expenses.

The investment portfolio is subject to an annual board-established spending rate. At times it may be necessary to liquidate certain investments, which can be accomplished in two to three days, for operating needs.

10. Donated Services

The Organization receives donated services from unpaid volunteers who assist in fund raising. No amounts have been recognized in the statements of activities because the criteria for recognition under generally accepted accounting principles have not been satisfied.

11. Pledges Receivable

Pledges receivable at June 30, 2022 and 2021 are as follows:

Pledges expected to be collected in:

	<u>2022</u>	<u>2021</u>
Less than one year	530,917	1,688,715
One to five years	<u>25,600</u>	<u>52,000</u>
Total pledges receivable	<u>556,517</u>	<u>1,740,715</u>

12. Due to Bossier Parish Community College

The amount due to Bossier Parish Community College represents the State of Louisiana matched funds which are being held and invested for the College by Bossier Parish Community College Foundation for the following professorships and scholarships as of June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
<u>Professorships and Scholarships:</u>		
Nursing Professorship	40,000	40,000
Mike Woods First Gen Scholarship 1	20,000	20,000
Mike Woods First Gen Scholarship 2	20,000	20,000
Mike Woods First Gen Scholarship 3	20,000	20,000
Mike Woods First Gen Scholarship 4	20,000	20,000
Mike Woods First Gen Scholarship 5	20,000	20,000
Capital One First Gen Scholarship 1	20,000	20,000
Capital One First Gen Scholarship 2	20,000	20,000
Association of App Science in Cyber Tech Scholarship	10,000	10,000
Association of App Science in Computer Tech Scholarship	10,000	10,000
BPCC's LCTCS Assoc of App Sci in Nursing	10,000	10,000
BPCC's Associate of App Science in Nursing	140,000	140,000
Dr. Douglas Peterson First Gen Scholarship	20,000	20,000
Curt Eysink Memorial	60,000	60,000
NWLTC Endowment	20,000	20,000
BREMCO/SWEPCO Endowed Scholarship in Nursing	300,000	300,000
Citizens National Bank Professorship in Business	40,000	40,000
Citizens National Bank Scholarship in Business	30,000	30,000
Bossier Healthcare Professorship in Allied Health	40,000	40,000
John & Joanna Magale Endowed Scholarship 1	20,000	20,000
John & Joanna Magale Endowed Scholarship 2	20,000	20,000
John & Joanna Magale Endowed Scholarship 3	20,000	20,000
Jayma LeeAnn Ware Memorial Endowed Scholarship	10,000	10,000
BPCC Foundation Workforce Scholarship in Engineering	20,000	20,000
Bossier Volunteer Guild Endowed Workforce Scholarship	10,000	10,000
Woodmen Life Chapter 54 of LA Scholarship in Allied Health	30,000	30,000
Woodmen Life Chapter 54 of LA Scholarship in Business	10,000	10,000
Contractor's Trust	40,000	40,000
John & Joanna Magale Endowed Scholarship 4	20,000	20,000
Red Ball Oxygen Endowed Scholarship in Welding/Industrial	40,000	40,000
Albert Earl Lyons Endowed Scholarship in Nursing	40,000	40,000
LCEF Endowed Scholarship in Construction Pathway Training	40,000	40,000
Brookshires Endowed Scholarship in CIS	20,000	20,000
Brookshires Endowed Scholarship in Industrial Implementation	20,000	20,000
AEP Foundation Endowed Professorship in Engineering	40,000	-
AEP Foundation Endowed Professorship in Mathematics	40,000	-

12. Due to Bossier Parish Community College (Continued)

	<u>2022</u>	<u>2021</u>
AEP Foundation Endowed Scholarship in STEM Transfer	80,000	-
John & Joanna Magale Endowed Scholarship in Allied Health	20,000	-
Woodmen Life Chapter 54 Endowed Scholarship in Business	20,000	-
Michael H. Woods Endowed Scholarship in Nursing	<u>10,000</u>	<u>-</u>
	<u>1,430,000</u>	<u>1,220,000</u>

13. Subsequent Events

In accordance with FASB Accounting Standards Codification Topic 740, "Subsequent Events," the Foundation evaluated events and transactions that occurred after the statement of financial position date, but before the financial statements were made available for issuance for potential recognition or disclosure in the financial statements. The Foundation evaluated such events through December 27, 2022, noting none.

SUPPLEMENTARY INFORMATION

BOSSIER PARISH COMMUNITY COLLEGE FOUNDATION, INC.

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD

FOR THE YEAR ENDED JUNE 30, 2022

This schedule is not applicable to Bossier Parish Community College Foundation as no such payments were made; however, it is included to comply with Louisiana Revised Statute 24:513(A)(3) (ACT 706 of 2014).

OTHER REPORTS



REGIONS TOWER
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December 27, 2022

To the Board Members
Bossier Parish Community College Foundation, Inc.
Bossier City, Louisiana

**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**

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 Bossier Parish Community College Foundation, Inc., which comprise the statement of financial position as of June 30, 2022, 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 December 27, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bossier Parish Community College Foundation, Inc.'s internal control over financial reporting (internal control) as a basis for designing 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 Bossier Parish Community College Foundation, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Bossier Parish Community College Foundation, 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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bossier Parish Community College Foundation, 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

HEARD, McELROY & VESTAL, L.L.C.

Shreveport, Louisiana

BOSSIER PARISH COMMUNITY COLLEGE FOUNDATION, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2022

A. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the basic financial statements of Bossier Parish Community College Foundation, Inc.
2. No material weaknesses relating to the audit of the basic financial statements are reported.
3. No instances of noncompliance material to the basic financial statements of Bossier Parish Community College Foundation, Inc. were disclosed during the audit.
4. Bossier Parish Community College Foundation, Inc. was not subject to a Federal Single Audit for the year ended June 30, 2022.

B. Findings - Financial Statement Audit

None

C. Findings and Questioned Costs - Major Federal Award Programs

Not applicable.

BOSSIER PARISH COMMUNITY COLLEGE FOUNDATION, INC.

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2022

There were no findings and questioned costs from the prior year.