

**NICHOLLS STATE
UNIVERSITY FOUNDATION, INC.
THIBODAUX, LOUISIANA**

Audits of Financial Statements

June 30, 2022 and 2021



Contents	Schedule	Pages
Independent Auditor's Report		1 - 2
<hr/>		
Basic Financial Statements		
Statements of Financial Position		3
Statements of Activities		4
Statements of Functional Expenses		5 - 6
Statements of Cash Flows		7
Notes to Financial Statements		8 - 21
<hr/>		
Supplementary Information		
Schedules of Funds Held in Custody	1	23 - 24

Independent Auditor's Report

To the Board of Directors
Nicholls State University Foundation
Thibodaux, Louisiana

Opinion

We have audited the accompanying financial statements of Nicholls State University Foundation, Inc. (the Foundation) which comprise the statements of financial position as of June 30, 2022 and 2021, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements (collectively, the financial statements).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2022 and 2021, and the changes in its net assets and 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 the 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 Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 Foundation'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 Foundation'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 audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of funds in custody on pages 23 and 24 are presented for purposes of additional analysis and 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 GAAS. In our opinion, the information is fairly stated in all material respects in relation to the balance sheet as a whole.



A Professional Accounting Corporation

Houma, LA
February 15, 2023

NICHOLLS STATE UNIVERSITY FOUNDATION, INC.
Thibodaux, Louisiana
Statements of Financial Position
June 30, 2022 and 2021

	2022	2021
Assets		
Cash and Cash Equivalents	\$ 4,073,540	\$ 4,645,599
Invested Cash	1,964,584	1,280,320
Total Cash and Cash Equivalents	6,038,124	5,925,919
Restricted Cash - Endowed		
Chairs and Professorships	1,152,137	1,317,431
Investments	21,586,577	24,747,653
Accrued Interest	43,582	46,365
Accounts Receivable	171,011	77,529
Promises to Give, Net	1,707,421	1,597,577
Antique Collection	75,830	75,830
Total Assets	\$ 30,774,682	\$ 33,788,304
Liabilities and Net Assets		
Liabilities		
Accounts Payable	\$ 148,095	\$ 116,482
Demand Note Payable	813,701	939,106
Note Payable - Line of Credit	2,500,000	2,500,000
Funds Held in Custody		
State Funds	3,496,891	4,244,017
University Funds	6,037,379	7,363,141
Total Liabilities	12,996,066	15,162,746
Net Assets		
Without Donor Restrictions	(1,112,191)	(1,005,163)
With Donor Restrictions	18,890,807	19,630,721
Total Net Assets	17,778,616	18,625,558
Total Liabilities and Net Assets	\$ 30,774,682	\$ 33,788,304

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

NICHOLLS STATE UNIVERSITY FOUNDATION, INC.
Thibodaux, Louisiana
Statements of Activities
For the Years Ended June 30, 2022 and 2021

	2022	2021
Changes in Net Assets Without Donor Restrictions		
Revenue		
Contributions	\$ 1,494,652	\$ 1,714,144
Investment Return, Net	(111,312)	88,133
Other Revenues	72,323	120,780
Total Revenues	1,455,663	1,923,057
Net Assets Released from Restrictions Satisfied by Payment	2,646,893	2,416,475
Total Revenue and Support Without Donor Restrictions	4,102,556	4,339,532
Expenses		
Program Services	3,688,170	3,506,493
Supporting Services	521,414	430,484
Total Expenses	4,209,584	3,936,977
(Decrease) Increase in Net Assets Without Donor Restrictions	(107,028)	402,555
Changes in Net Assets With Donor Restrictions		
Contributions	3,951,221	2,147,033
Investment Return, Net	(2,044,242)	2,222,666
Net Assets Released from Restrictions Satisfied by Payment	(2,646,893)	(2,416,475)
(Decrease) Increase in Net Assets With Donor Restrictions	(739,914)	1,953,224
(Decrease) Increase in Net Assets	(846,942)	2,355,779
Net Assets, Beginning of Year	18,625,558	16,269,779
Net Assets, End of Year	\$ 17,778,616	\$ 18,625,558

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

NICHOLLS STATE UNIVERSITY FOUNDATION, INC.
Thibodaux, Louisiana
Statement of Functional Expenses
For the Year Ended June 30, 2022

	Program Services				Supporting Services				
	Endowed Chairs, Professorships, and 1 st Generation Scholarships	Colonel's Brigade Support	Scholarships	Other Program Services	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Grants to University	\$ 697,460	\$ 1,245,933	\$ 224,572	\$ 1,520,205	\$ 3,688,170	\$ -	\$ -	\$ -	\$ 3,688,170
Bank and Credit Card Fees	-	-	-	-	-	36,603	-	36,603	36,603
Dues, Subscriptions, and Membership	-	-	-	-	-	6,693	-	6,693	6,693
Insurance	-	-	-	-	-	4,355	-	4,355	4,355
Interest	-	-	-	-	-	138,743	-	138,743	138,743
Meals and Entertainment	-	-	-	-	-	1,006	-	1,006	1,006
Miscellaneous Expense	-	-	-	-	-	2,314	-	2,314	2,314
Office Expense	-	-	-	-	-	33,359	-	33,359	33,359
Payroll Taxes	-	-	-	-	-	7,390	-	7,390	7,390
Postage	-	-	-	-	-	1,884	4,050	5,934	5,934
Professional Services	-	-	-	-	-	113,888	-	113,888	113,888
Rent	-	-	-	-	-	2,250	-	2,250	2,250
Salaries and Benefits	-	-	-	-	-	157,941	-	157,941	157,941
Supplies and Equipment	-	-	-	-	-	2,650	5,912	8,562	8,562
Travel	-	-	-	-	-	2,376	-	2,376	2,376
Total	\$ 697,460	\$ 1,245,933	\$ 224,572	\$ 1,520,205	\$ 3,688,170	\$ 511,452	\$ 9,962	\$ 521,414	\$ 4,209,584

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

NICHOLLS STATE UNIVERSITY FOUNDATION, INC.
Thibodaux, Louisiana
Statement of Functional Expenses
For the Year Ended June 30, 2021

	Program Services				Supporting Services				Total
	Endowed Chairs, Professorships, and 1 st Generation Scholarships	Colonel's Brigade Support	Scholarships	Other Program Services	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Grants to University	\$ 275,598	\$ 1,352,411	\$ 135,455	\$ 1,743,029	\$ 3,506,493	\$ -	\$ -	\$ -	\$ 3,506,493
Bank and Credit Card Fees	-	-	-	-	-	21,360	-	21,360	21,360
Dues, Subscriptions, and Membership	-	-	-	-	-	2,329	-	2,329	2,329
Insurance	-	-	-	-	-	4,813	-	4,813	4,813
Interest	-	-	-	-	-	141,506	-	141,506	141,506
Meals and Entertainment	-	-	-	-	-	9,943	-	9,943	9,943
Meetings and Conferences	-	-	-	-	-	501	-	501	501
Miscellaneous Expense	-	-	-	-	-	3,645	-	3,645	3,645
Payroll Taxes	-	-	-	-	-	8,425	-	8,425	8,425
Postage	-	-	-	-	-	419	6,400	6,819	6,819
Professional Services	-	-	-	-	-	88,600	-	88,600	88,600
Rent	-	-	-	-	-	12,195	-	12,195	12,195
Salaries	-	-	-	-	-	105,500	-	105,500	105,500
Supplies and Equipment	-	-	-	-	-	5,707	19,028	24,735	24,735
Travel	-	-	-	-	-	113	-	113	113
Total	\$ 275,598	\$ 1,352,411	\$ 135,455	\$ 1,743,029	\$ 3,506,493	\$ 405,056	\$ 25,428	\$ 430,484	\$ 3,936,977

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

NICHOLLS STATE UNIVERSITY FOUNDATION, INC.
Thibodaux, Louisiana
Statements of Cash Flows
For the Year Ended June 30, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities		
(Decrease) Increase in Net Assets	\$ (846,942)	\$ 2,355,779
Adjustments to Reconcile (Decrease) Increase in Net Assets to Net Cash (Used in) Provided by Operating Activities		
Proceeds of Contributions Restricted for Endowment Purposes	(2,007,857)	(786,492)
Net Loss (Gain) from Investments	2,344,375	(1,824,529)
(Increase) Decrease in:		
Accrued Interest	2,783	1,944
Accounts Receivable	(93,482)	70,782
Promises to Give	(109,844)	272,353
Increase (Decrease) in:		
Accounts Payable	31,613	(26,347)
Funds Held in Custody	(2,072,888)	1,417,588
Net Cash (Used in) Provided by Operating Activities	(2,752,242)	1,481,078
Cash Flows from Investing Activities		
Proceeds from Sales of Investments	2,793,667	9,573,740
Purchase of Investments	(1,976,966)	(13,051,843)
Net Cash Provided by (Used in) Investing Activities	816,701	(3,478,103)
Cash Flows from Financing Activities		
Repayment of Notes Payable	(125,405)	(127,209)
Endowment Fund Contributions	2,007,857	786,492
Net Cash Provided by Financing Activities	1,882,452	659,283
Net Decrease in Cash, Cash Equivalents, and Restricted Cash	(53,089)	(1,337,742)
Cash, Cash Equivalents, and Restricted Cash		
Beginning of Year	7,243,350	8,581,092
End of Year	\$ 7,190,261	\$ 7,243,350
Supplemental Disclosure of Cash Flow Information		
Cash Paid for Interest	\$ 145,160	\$ 135,089

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

NICHOLLS STATE UNIVERSITY FOUNDATION, INC.
Thibodaux, Louisiana

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Organization

The Nicholls State University Foundation, Inc. (the Foundation) was incorporated under Title 12, Section 101 et seq. of the State of Louisiana laws as a non-profit organization on June 25, 1964.

The objects and purposes of this corporation are to promote, stimulate, and improve the educational, cultural, moral, and material welfare of Nicholls State University (the University); to promote, improve and encourage closer cultural, moral, and intellectual intercourse therewith between the members of this corporation and the University; to give financial aid to needy and deserving students; to promote and encourage research and scholastic excellence among the faculty members of the University; to buy, sell, lease, erect, or otherwise acquire lands and all necessary buildings and appurtenances to further such ends, to hold, maintain and operate same, to sell, lease, or dispose thereof and generally to do all things necessary or proper to achieve such ends. This corporation is organized and shall be operated exclusively for educational, scientific, and literary purposes.

Basis of Presentation

Financial statements are presented in accordance with the *Not-for-Profit Entities* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC).

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking accounts and other highly liquid, unrestricted investments with an initial maturity of three months or less.

Revenues and Revenue Recognition

Contributions are recognized as revenues when cash, securities, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional contributions are recognized as revenue when the conditions are substantially met.

The Foundation records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts are included in contribution revenue in the statements of activities. The Foundation determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At June 30, 2022 and 2021, no allowance was deemed necessary.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Revenues and Revenue Recognition (Continued)

The Foundation accounts for a contract with a customer when it has written approval, the contract is committed, the rights of the parties, including payment terms, are identified, the contract has commercial substance and consideration is probable of collection. Revenue is recognized when, or as, control of a promised service transfers to a customer, in an amount that reflects the consideration to which the Foundation expects to be entitled in exchange for transferring those services.

The Foundation earns revenues from customers for exchange transactions for services provided by various special fundraising events and memberships.

Contracts typically require the completion of a defined service and billing for completed services are based on actual amounts. The Foundation satisfies the performance obligation and recognizes revenue at a point in time. Revenues obtained through such arrangements are typically billed and recognized when the service has been delivered. This results in revenue recognition that corresponds with the value to the client of the services transferred to date. The Foundation historically collects revenues before or at the time when the transaction is entered into. Revenues received in advance of providing the services are deferred and recognized as revenue as the services are provided.

Investments

Investments primarily include equity and debt securities and alternative investments, a portion of which are without donor restriction but designated and controlled by the board, with the remainder with donor restrictions, for providing financial support to the University when needed. The Foundation records investments in accordance with the *Not-for-Profit Entities* Topic of the FASB ASC which establishes standards for the recognition of fair value of investments in certain equity and debt securities with gains and losses included in the statements of activities. Investment return, net (including realized and unrealized gains and losses on investments, interest, dividends, and expenses) is included in the change in net assets with donor restrictions if there are donor imposed restrictions on the use of the income, or without donor restrictions in the absence of such restrictions.

Funds Held in Custody

The Foundation has received various matching grants from the State of Louisiana under the Eminent Scholars Endowed Chairs, Endowed Professorships, and Endowed 1st Generation Scholarships programs which are only approved after certain levels of private funding have been raised. The Foundation must comply with certain policies, procedures, and regulations regarding the administration of these programs.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Net Assets

Net assets, revenues, 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 available for use in general operations and not subject to donor restrictions. Investment earnings appropriated for expenditure in accordance with the Foundation's endowment policy are included in net assets without donor restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or that can be fulfilled or removed by actions of the Foundation pursuant to those stipulations such as completion of construction projects. Other donor-imposed restrictions are perpetual in nature (also referred to as an endowment fund), where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. As restrictions are met or until released in accordance with the Foundation's spending policy, assets are reclassified to net assets without donor restrictions.

Collections

Donations of collections are recorded as support at their estimated fair value at the date of their donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as increases in net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

The Foundation holds an antique collection which consists of antique furniture, dinnerware, paintings, and other household items donated to the Foundation.

Functional Allocation of Expenses

Expenses are charged directly to program, management and general, or fundraising based on specific identification.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and is classified as a public charity.

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. The Foundation believes that it has appropriate support for any tax positions taken, and management has determined that there are no uncertain tax positions that are material to the financial statements.

Penalties and interest assessed by income taxing authorities, if any, would be included in income tax expense.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Recent Accounting Pronouncements - Not Yet Adopted

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. ASU 2016-02 requires that a lessee recognize the assets and liabilities that arise from leases classified as financing or operating leases. A lessee should recognize in the balance sheet a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. In June 2020, the FASB issued ASU 2020-05, *Leases (Topic 842): Effective Dates for Certain Entities*, which defers the effective date of ASU 2016-02 one year, making it effective for annual reporting periods beginning after December 15, 2021. The Foundation does not expect ASU 2016-02 to have a significant impact on its financial statements.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This standard increases the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. ASU 2020-07 will be effective for annual financial statements issued for fiscal years beginning after June 15, 2021, and for interim periods within fiscal years beginning after June 15, 2022. Early adoption is permitted.

NICHOLLS STATE UNIVERSITY FOUNDATION, INC.
Thibodaux, Louisiana

Notes to Financial Statements

Note 2. Liquidity and Availability

The Foundation receives significant contributions to establish endowments that will exist in perpetuity; the investment income generated from such endowments is used to support the facilities, programs, and other activities managed by the University. Investment income from endowments also covers investment expenses incurred by the Foundation. Note 12 discusses the endowments and spending policy of the Foundation.

The Foundation manages its investments in order for the investment income generated to be available to cover investment and other expenses and cover the grant to support the facilities, programs, and other activities managed by the University.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheets date, comprise the following:

	2022	2021
Financial Assets		
Cash and Invested Cash	\$ 6,038,124	\$ 5,925,919
Restricted Cash	1,152,137	1,317,431
Accounts and Accrued Interest Receivable	214,593	123,894
Promises to Give, Net	1,707,421	1,597,577
Investments	21,586,577	24,747,653
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Financial Assets at Year End	30,698,852	33,712,474
Less Those Unavailable for General Expenditure Within One Year Due to:		
Promises to Give, Restricted by Donor for Purpose or Use Beyond One Year	(987,421)	(1,237,577)
Funds Held in Custody for Others	(9,534,270)	(11,607,158)
Investments Held in Perpetuity for Endowments	(12,213,612)	(10,205,755)
	<hr/>	<hr/>
Financial Assets at Year End Available to Meet Cash Needs for General Expenditures Within One Year	\$ 7,963,549	\$ 10,661,984
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NICHOLLS STATE UNIVERSITY FOUNDATION, INC.
Thibodaux, Louisiana

Notes to Financial Statements

Note 3. Cash, Cash Equivalents, and Restricted Cash

The Foundation maintains several bank accounts at Capital One Bank. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash at this institution exceeded federally insured limits by \$3,935,045 and \$4,522,801 at June 30, 2022 and 2021. Money market mutual funds included in cash equivalents totaled \$1,693,922 and \$1,030,320 at June 30, 2022 and 2021, respectively. These amounts were uninsured. Restricted cash, which consists of money market mutual funds invested for the Endowed Chairs and Professorships Program totaled \$1,152,137 and \$1,317,431 at June 30, 2022 and 2021, respectively. These amounts were also uninsured.

Amounts reported in the statements of cash flows as cash, cash equivalents, and restricted cash consisted of the following at June 30, 2022 and 2021:

	2022	2021
Cash and Cash Equivalents	\$ 4,073,540	\$ 4,645,599
Invested Cash	1,964,584	1,280,320
Restricted Cash - Endowed Chairs and Professorships	1,152,137	1,317,431
Total Cash, Cash Equivalents, and Restricted Cash	\$ 7,190,261	\$ 7,243,350

Note 4. Investments

In accordance with the *NFP Entities* Topic of the FASB ASC, the Foundation reports certain equity and all debt securities at fair value. The composition of investment securities at June 30, 2022 and 2021, is as follows:

	2022	2021
Equity Securities		
Corporate Securities	\$ 7,464,010	\$ 8,449,927
Mutual Funds and Exchange Traded Funds	5,592,801	6,696,170
Real Estate Investment Trusts	252,163	355,792
Debt Securities		
Corporate Bonds	3,361,640	4,227,785
Obligations of States and Municipal Governments	603,186	701,530
United States Treasury Obligations	1,756,070	1,143,445
Mortgage-Backed Securities	801,868	955,816
United States Government Sponsored Entities	55,739	21,723
Alternative Investments	1,699,100	2,195,465
Total	\$ 21,586,577	\$ 24,747,653

Alternative investments include hedge funds, which are sophisticated, multi-strategy investments managed by external advisors. Such investments are not readily marketable and are reported at net asset value per ownership share, which approximates fair value.

NICHOLLS STATE UNIVERSITY FOUNDATION, INC.
Thibodaux, Louisiana

Notes to Financial Statements

Note 5. Promises to Give

Unconditional promises of donors to make contributions to the Foundation are included in the financial statements as promises to give and revenue with donor restrictions net asset class. During the year ended June 30, 2019, a donor made an unconditional promise to contribute \$360,000 per year for seven years beginning on December 31, 2019 for the construction of athletic facilities for the University.

On September 16, 2022, the terms of the promise to give were amended in a written agreement changing the timing of the payments due to the Foundation.

Promises to give for the years ended June 30, 2022 and 2021 are expected to be realized as follows, based on the amended agreement:

	2022	2021
In One Year or Less	\$ 720,000	\$ 360,000
Between One Year and Five Years	1,080,000	1,440,000
Beyond Five Years	-	-
	1,800,000	1,800,000
Less: Discount to Present Value at 5%	(92,579)	(202,423)
Less: Allowance for Uncollectible Promises to Give	-	-
Promises to Give, Net	\$ 1,707,421	\$ 1,597,577

Promises to give for the years ended June 30, 2022 and 2021 have restrictions as follows:

	2022	2021
Facility Construction	\$ 1,707,421	\$ 1,597,577
Total Promises to Give, Net	\$ 1,707,421	\$ 1,597,577

Note 6. Fair Values of Financial Instruments

The Foundation follows the provisions of the *Fair Value Measurement* Topic of the FASB ASC. Accordingly, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Notes to Financial Statements

Note 6. Fair Values of Financial Instruments (Continued)

The *Fair Value Measurement* Topic of the FASB ASC establishes a fair value hierarchy for inputs used in measuring fair market value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The inputs in the three levels of this hierarchy are described as follows:

- Level 1 Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities as of the reporting date. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.
- Level 2 Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly, as of the reporting date.
- Level 3 Valuations based on inputs that are unobservable and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such instances, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Recurring Fair Value Measurements

The Foundation's measurements of fair value are made on a recurring basis, and its valuation techniques for assets and liabilities recorded at fair value are as described in the preceding section.

NICHOLLS STATE UNIVERSITY FOUNDATION, INC.
Thibodaux, Louisiana

Notes to Financial Statements

Note 6. Fair Values of Financial Instruments (Continued)

The following tables set forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of June 30, 2022 and 2021:

June 30, 2022	Total	Level 1	Level 2	Level 3
Equity Securities				
Corporate Securities	\$ 7,464,010	\$ 7,464,010	\$ -	\$ -
Mutual Funds and Exchange Traded Funds	5,592,801	5,592,801	-	-
Real Estate Investment Trusts	252,163	252,163	-	-
Debt Securities				
Corporate Bonds	3,361,640	3,274,695	86,945	-
Obligations of States and Municipal Governments	603,186	52,294	550,892	-
United States Treasury Obligations	1,756,070	1,659,424	96,646	-
Mortgage-Backed Securities	801,868	-	801,868	-
United States Government Sponsored Entites	55,739	55,739	-	-
Hedge Fund and Futures Fund Measured at NAV ^(a)	1,699,100	-	-	-
Total	\$ 21,586,577	\$ 18,351,126	\$ 1,536,351	\$ -
June 30, 2021	Total	Level 1	Level 2	Level 3
Equity Securities				
Corporate Securities	\$ 8,449,927	\$ 8,449,927	\$ -	\$ -
Mutual Funds and Exchange Traded Funds	6,696,170	6,696,170	-	-
Real Estate Investment Trusts	355,792	355,792	-	-
Debt Securities				
Corporate Bonds	4,227,785	4,227,785	-	-
Obligations of States and Municipal Governments	701,530	-	701,530	-
United States Treasury Obligations	1,143,445	1,041,278	102,167	-
Mortgage-Backed Securities	955,816	-	955,816	-
United States Government Sponsored Entites	21,723	21,723	-	-
Hedge Fund and Futures Fund Measured at NAV ^(a)	2,195,465	-	-	-
Total	\$ 24,747,653	\$ 20,792,675	\$ 1,759,513	\$ -

- (a) Certain investments measured at fair value using the net asset value (NAV) per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

NICHOLLS STATE UNIVERSITY FOUNDATION, INC.
Thibodaux, Louisiana

Notes to Financial Statements

Note 6. Fair Values of Financial Instruments (Continued)

Changes in the amounts of Level 3 investments reported in the statements of financial position are as follows for the years ended June 30, 2022 and 2021:

	2022	2021
Corporate Bonds, Beginning of Year	\$ -	\$ 1,489,610
Net Purchases and Sales	-	(1,489,610)
Transfers to Level 2	-	-
Unrealized Loss	-	-
Corporate Bonds, End of Year	\$ -	\$ -

Investments in Certain Entities that are Measured at NAV Per Share as a Practical Expedient

The FASB issued a standards update pertaining to *Fair Value Measurements and Disclosures for Investments in Certain Entities that Calculate NAV per Share*. Fair values of certain investments are determined by the use of calculated NAV per ownership share.

The Foundation's investments that feature NAV per share consists of hedge funds with carrying values of \$1,699,100 and \$2,195,465 at June 30, 2022 and 2021, respectively. The funds are multi-strategy funds which combine hedged funds with private investments. There are no unfunded commitments. Redemption requests can be made quarterly with ninety (90) days written notice, but approvals are at the sole discretion of the fund's Board of Directors, and are limited to twenty percent (20%) of the ownership units per quarter.

Note 7. Funds Held in Custody

Under agreements with the University, the Foundation holds and manages funds received by the University as state matching funds for the accounts of the Endowed Chair, Endowed Professorship, and Endowed Scholarship Programs. Also, under an agreement with the University, the Foundation holds and manages the donated and state matching funds for the University.

As of June 30, 2022 and 2021, the funds held in custody are as follows:

	2022	2021
State Funds Held in Custody	\$ 3,496,891	\$ 4,244,017
University Endowments Held in Custody	6,037,379	7,363,141
Total Funds Held in Custody	\$ 9,534,270	\$ 11,607,158

NICHOLLS STATE UNIVERSITY FOUNDATION, INC.
Thibodaux, Louisiana

Notes to Financial Statements

Note 8. Demand Note Payable

Demand note payable consist of a note payable to United Community Bank bearing interest at 5.75%. Payments of principal and interest totaling \$46,665 are due quarterly with a final payment of \$708,163 due at maturity on May 1, 2023. The note is secured by a continuing security interest in any and all funds on deposit or certificates of deposit held at the Lender, and certain investment securities. As of June 30, 2022 and 2021, the outstanding balances were \$813,701 and \$939,106 respectively.

Note 9. Note Payable - Line of Credit

Note Payable - Line of Credit consist of a line of credit in the amount of \$2,500,000 payable to UBS Bank USA bearing interest at 2.8%. Payments of interest are due monthly with the principal due at maturity on September 26, 2022. The note is secured by certain investment securities held by UBS. As of June 30, 2022 and 2021, the outstanding balance was \$2,500,000.

Note 10. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2022 and 2021:

	2022	2021
Buildings and Athletic Facilities	\$ 1,939,821	\$ 1,597,577
Business Capstone Funds	475,346	475,346
Institutional Advancement	341,994	397,720
Other University Departments and Projects	4,149,663	5,536,676
Endowed Chairs, Professorships, and 1 st Generation Scholarships	5,294,757	6,423,479
Scholarships	6,689,226	5,199,923
Total Net Assets With Donor Restrictions	\$ 18,890,807	\$ 19,630,721

Note 11. Net Assets Released from Restrictions

Net assets are released from restrictions by incurring expenses that satisfy the restricted purpose or by the expiration of time. Net assets were released from restrictions by incurring expenses that satisfied the restricted purpose in the amounts of \$2,646,893 and \$2,416,475 for the years ended June 30, 2022 and 2021, respectively.

Notes to Financial Statements

Note 12. Endowments

Endowments consist of individual funds established by donors to provide annual funding for scholarships and other activities.

Interpretation of Relevant Law

The Foundation accounts for donor-restricted funds consistent with the provisions of Uniform Prudent Management of Institutional Funds Act (UPMIFA) as adopted by the state of Louisiana and the Endowed Chair, Endowed Professorship, and Endowed Scholarship Programs Statement of Investment Policy and Objectives established by the Louisiana Board of Regents. The Foundation seeks to preserve the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. Accordingly, the Foundation retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts) donated to the Endowment, and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditures by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund,
- 2) The purposes of the Foundation and the donor-restricted endowment fund,
- 3) General economic conditions,
- 4) The possible effect of inflation and deflation,
- 5) The expected total return from income and the appreciation of investments,
- 6) Other resources of the Foundation, and
- 7) The investment policies of the Foundation and the Board of Regents.

Investment and Spending Policies

The primary financial objective of the endowments is to be a source of funds provided through return on the invested capital for the current and future support of University programs. The long-term objective is to attain an annual return at or above the level of spending. Annual spending of up to five percent of the market value of program assets averaged on a consistent basis for the five most recent fiscal trust fund years is allowed, provided that the market value of program assets at the end of the most recent fiscal fund year exceeds the original corpus of the endowment by an amount at least equal to the amount to be spent in the next fiscal fund year for which a spending allocation is to be made. When the current market value of program assets is below the original corpus of the endowment, no spending is allowed.

NICHOLLS STATE UNIVERSITY FOUNDATION, INC.
Thibodaux, Louisiana

Notes to Financial Statements

Note 12. Endowments (Continued)

Strategies Employed for Achieving Objectives

To achieve the long-term investment objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized), and current yield (interest and dividends). The Foundation targets an appropriately diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

The endowment fund net asset composition by type of fund as of June 30, 2022 and 2021 are as follows:

June 30, 2022	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowments			
Endowed Scholarships	\$ -	\$ 6,395,179	\$ 6,395,179
Endowed Chairs, Endowed Professorships, and Endowed 1st Generation Scholarships	-	5,294,757	5,294,757
Board-Designated Endowments			
Mary Danos Theater Maintenance	-	1,000,000	1,000,000
Institutional Advancement	-	341,994	341,994
Other University Programs	-	1,045,406	1,045,406
Total	\$ -	\$ 14,077,336	\$ 14,077,336
June 30, 2021	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowments			
Endowed Scholarships	\$ -	\$ 6,199,923	\$ 6,199,923
Endowed Chairs, Endowed Professorships, and Endowed 1st Generation Scholarships	-	6,423,479	6,423,479
Board-Designated Endowments			
Mary Danos Theater Maintenance	-	1,177,084	1,177,084
Institutional Advancement	-	397,719	397,719
Other University Programs	-	381,522	381,522
Total	\$ -	\$ 14,579,727	\$ 14,579,727

NICHOLLS STATE UNIVERSITY FOUNDATION, INC.
Thibodaux, Louisiana

Notes to Financial Statements

Note 12. Endowments (Continued)

The changes in donor-restricted endowments funds for the years ended June 30, 2022 and 2021 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, July 1, 2021	\$ -	\$ 14,579,727	\$ 14,579,727
Investment Return, Net	-	(2,044,241)	(2,044,241)
Contributions	-	2,172,224	2,172,224
Appropriated for Expenditure	-	(630,375)	(630,375)
Endowment Net Assets, June 30, 2022	\$ -	\$ 14,077,335	\$ 14,077,335
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, July 1, 2020	\$ -	\$ 12,203,049	\$ 12,203,049
Investment Return, Net	-	2,222,666	2,222,666
Contributions	-	786,492	786,492
Appropriated for Expenditure	-	(632,480)	(632,480)
Endowment Net Assets, June 30, 2021	\$ -	\$ 14,579,727	\$ 14,579,727

Funds with Deficiencies

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 UPMIFA requires the Foundation to retain as a fund of perpetual duration (underwater). It is not customary for the Foundation to spend from underwater endowments unless otherwise directed by the donor. There were no such deficiencies as of June 30, 2022 or 2021.

Note 13. Reclassifications

Certain balances from the 2020 financial statements have been reclassified to conform to the 2021 financial statement presentation. Such reclassifications had no effect on the previously reported change in net assets for the year ended June 30, 2020.

Note 14. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, February 15, 2023, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

NICHOLLS STATE UNIVERSITY FOUNDATION, INC.
Thibodaux, Louisiana
Schedules of Funds Held in Custody
For the Years Ended June 30, 2022 and 2021

Schedule 1

	2022	2021
State Funds Held in Custody		
American Association of Drilling Engineers Professorship	\$ 42,100	\$ 51,561
Agnes H. Candies Professorship	43,428	53,657
Bell South Culinary Professorship	42,247	51,792
Bell South/Brady, Miller, Theriot, Callais Professorship	42,013	51,425
Bell South/Picou Professorship	41,834	51,141
Bell South/Picou Professorship #2	43,602	53,936
Bonnie Bourg Professorship	43,562	53,870
Jimmy and Glenny Lee Buquet Professorship	44,902	50,131
Otto Candies Maritime Professorship	220,708	273,848
Otto Candies Family Business Professorship	111,015	137,963
Otto Candies 500 Business Professorship	111,335	138,467
Capital One Professorship	46,380	53,419
Cenac Towing Chair	429,546	529,038
CETFE Geomatic/Surveying Professorship	42,141	51,626
Minor J. Cheramie Professorship	44,971	54,690
Durel Martin Professorship	42,510	53,073
Maxine Giardina Professorship	42,066	51,508
Morris and Sandy Hebert Professorship	42,531	52,238
J Maselli Professorship	41,621	50,804
McIlhenny Professorship	41,539	50,674
R E Miller Professorship	41,960	51,340
Harvey Peltier, Sr. Professorship	42,576	52,309
Orleans A. Pitre Professorship	46,319	58,187
B Raziano Professorship	41,560	50,707
Clarence J. Riviere Professorship	42,554	52,274
T. Shepard Endowed Professorship	42,369	51,984
T. Baker Smith Professorship	42,237	51,776
Harold Callais Professorship	211,499	259,373
Paul Callais Professorship	105,476	129,254
Peter Callais Professorship	105,480	129,265
Gueydan Professorship	43,090	52,844
Goldring Foundation Professorship	42,235	51,773
Nolen Professorship	41,297	50,291
Danos Family Nursing Scholarship	39,514	47,473
Gloria Callais Professorship	41,756	51,017
John Brady Jr. Professorship	41,420	50,487
Alfred Delahaye Professorship	40,830	49,554
Wayne Patten Endowed Professorship #1	47,173	56,198
Wayne Patten Endowed Professorship #2	43,649	54,006
Sister Mary Bienvue	19,553	22,672
1st Generation Scholarship	52,231	61,922
Henry & Kim Lafont 1st Generation Scholarship	51,835	61,078
George Picou Professorship	50,192	59,415
Swanner 1st Generation Scholarship	52,390	62,176
Danos 1st Generation Scholarship	51,044	59,708
B & J Bollinger Scholarship	55,002	63,349
R & C Cheramie Scholarship	52,689	61,144
Jack Cenac Scholarship	41,792	50,427
Jock Cenac Scholarship	43,244	51,964

NICHOLLS STATE UNIVERSITY FOUNDATION, INC.
Thibodaux, Louisiana
Schedules of Funds Held in Custody (Continued)
For the Years Ended June 30, 2022 and 2021

Schedule 1

	2022	2021
State Funds Held in Custody (Continued)		
Stephen & Rebecca Hulbert Scholarship	42,625	50,519
R & J Bartels 1st Generation Scholarship	44,773	52,944
Harold Callais 1st Generation Scholarship	45,626	52,780
Burquieres 1st Generation Scholarship	43,599	50,216
Michael & Christine Bourgeois 1st Generation Scholarship #1	51,469	59,280
J & T Sanford 1st Generation Scholarship	45,957	53,791
Michael & Christine Bourgeois 1st Generation Scholarship #2	47,965	55,244
Mitch Hebert 1st Generation Scholarship	41,860	50,415
Total State Funds Held in Custody	3,496,891	4,244,017
University Funds Held in Custody		
Argent Bank Endowed Professorship in Business Administration	107,545	135,052
Andie Bollinger Endowed Professorship in Business	261,211	323,793
Charotte Bollinger Endowed Professorship in Business	258,303	319,149
Boysie Bollinger Super Endowed Professorship in Business	518,520	641,364
Belle & Leonard Toups Chair in English	1,108,567	1,274,586
Betsy Ayo Endowed Professorship in Accounting and Business Law	106,841	133,268
Gerald Gaston Endowed Professorship in the College of Business Administration	111,724	132,404
Entergy Endowed Professorship in Computer Science	170,921	198,881
Thibodaux Hospital and Health Center Endowed Professorship in Nursing	112,840	141,357
Entergy Endowed Professorship in Information Systems	111,233	140,267
John C. Daigle Endowed Professorship in Free Enterprise	113,233	130,471
Jerry Ledet Foundation Endowed Professorship in Environmental Biology	103,090	127,290
John Brady, Sr. and Pat Brady Endowed Professorship in Computer Science	529,496	658,846
Lorio Foundation Endowed Professorship in Fine Arts	99,390	121,357
Lorio Foundation Endowed Professorship in Language and Literature	99,601	121,696
Lorio Foundation Endowed Professorship in Nursing	105,779	131,121
Lorio Foundation Endowed Professorship in Physical Science	99,713	121,875
Donald Peltier Endowed Professorship	105,239	130,619
Terrebonne General Medical Center Founding Physicians Endowed Professorship in Nursing and Allied Health	267,517	330,811
Contractor's Educational Trust Fund Endowed Professorship in Manufacturing Technology	217,006	271,829
John Brady, Sr. and John Brady Jr. Endowed Professorship in Biological Sciences	531,808	662,527
Peltier Foundation Endowed Professorship in College of Business Administration	107,655	132,830
Terrebonne General Medical Center Devoted Volunteers Endowed Professorship in Nursing and Allied Health	261,469	324,223
Terrebonne General Medical Center Compassionate Staff Endowed Professorship in Nursing and Allied Health	267,863	334,363
Terrebonne General Medical Center Faithful Sisters Endowed Professorship in Nursing and Allied Health	260,815	323,162
Total University Funds Held in Custody	6,037,379	7,363,141
Total Funds Held in Custody	\$ 9,534,270	\$ 11,607,158

**NICHOLLS STATE
UNIVERSITY FOUNDATION, INC.**

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Year Ended June 30, 2022



INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
Nicholls State University Foundation, Inc.
Thibodaux, Louisiana

We have performed the procedures enumerated below related to Nicholls State University Foundation Inc.'s (the Foundation) compliance with the Louisiana Board of Regents' Statement of Investment Policy and Objectives governing the Endowed Chair, Endowed Professorship, and Endowed Scholarship Programs for the year ended June 30, 2022. The Foundation is responsible for compliance with the Louisiana Board of Regents' Statement of Investment Policy and Objectives.

The Foundation's management has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to assist users in determining whether the entity complied with the specified requirements. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1. Verify that the Foundation's Endowed Chair, Endowed Professorship, and Endowed Scholarship Programs' assets have been managed in compliance with the provisions set forth in the Louisiana Board of Regents' Statement of Investment Policy and Objectives.

Results: No exceptions were found as a result of applying the procedure.

2. Verify that the annual financial reports for the Endowed Chair, Endowed Professorship, and Endowed Scholarship Programs submitted to the Louisiana Board of Regents were accurate and agreed to the accounting records of the Foundation.

Results: No exceptions were found as a result of applying the procedure.

3. Select a sample of disbursements from the Endowed Chair, Endowed Professorship, and Endowed Scholarship Programs and verify that the proceeds were used in accordance with program policies.

Results: No exceptions were found as a result of applying the procedure.

4. Verify that the investment earnings generated from pooled assets involving the Endowed Chair, Endowed Professorship, or Endowed Scholarship Programs have been properly allocated in accordance with the Louisiana Board of Regents' Statement of Investment Policy and Objectives.

Results: No exceptions were found as a result of applying the procedure.

We were engaged by the Foundation's management to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Foundation's compliance with the Louisiana Board of Regents' Statement of Investment Policy and Objectives. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Foundation's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Board of Directors and management of the Foundation and the Louisiana Board of Regents and is not intended to be, and should not be, used by anyone other than these specified parties.



A Professional Accounting Corporation

Houma, LA
March 9, 2023