

**BOSSIER PARISH COMMUNITY COLLEGE
FOUNDATION, INC.
BOSSIER CITY, LOUISIANA
JUNE 30, 2020 AND 2019**

BOSSIER PARISH COMMUNITY COLLEGE FOUNDATION, INC.

BOSSIER CITY, LOUISIANA

TABLE OF CONTENTS

AUDITED FINANCIAL STATEMENTS

| | <u>Page</u> |
|----------------------------------|-------------|
| Independent Auditor's Report | 1-2 |
| Financial Statements | |
| Statements of Financial Position | 3 |
| Statements of Activities | 4-5 |
| Statements of Cash Flows | 6 |
| Notes to Financial Statements | 7-15 |

SUPPLEMENTARY INFORMATION

| | |
|---|----|
| Schedule of Compensation, Benefits, and Other Payments to Agency Head | 16 |
|---|----|

OTHER REPORTS

| | |
|---|-------|
| 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 <i>Government Auditing Standards</i> | 17-18 |
| Schedule of Findings and Questioned Costs | 19 |
| Schedule of Prior Year Audit Findings | 20 |

HEARD, McELROY, & VESTAL

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November 19, 2020

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

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of Bossier Parish Community College Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

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, 2020 and 2019, 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.

Other Matter

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The information required in accordance with Louisiana Revised Statute 24:513(A)(3) on page 16 is presented for purposes of additional analysis and is not a required part of the basic 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. Such information has been subjected to the auditing procedures applied in the audit of the financial statements or the financial statements themselves, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2020, on our consideration of Bossier Parish Community College Foundation, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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, 2020 AND 2019

| <u>A S S E T S</u> | <u>2020</u> | <u>2019</u> |
|-------------------------------|------------------|------------------|
| Cash and cash equivalents | 374,658 | 682,152 |
| Restricted cash | 403,486 | 622,021 |
| Investments - Note 3 | 2,948,888 | 2,816,544 |
| Accounts receivable - Note 13 | 140,000 | - |
| Pledges receivable - Note 12 | | |
| Without donor restrictions | 11,135 | 12,898 |
| With donor restrictions | <u>189,000</u> | <u>260,400</u> |
| Total assets | <u>4,067,167</u> | <u>4,394,015</u> |

LIABILITIES AND NET ASSETS

Liabilities:

| | | |
|---|------------------|----------------|
| Accounts payable | 29,354 | 38,781 |
| Due to Bossier Parish Community College - Note 14 | <u>1,123,754</u> | <u>983,754</u> |
| Total liabilities | 1,153,108 | 1,022,535 |

Net assets:

| | | |
|----------------------------------|------------------|------------------|
| Without donor restrictions: | | |
| Undesignated | 438,504 | 388,183 |
| Board designated | 211,520 | 287,126 |
| With donor restrictions: | | |
| Restricted for specific purposes | 893,717 | 1,372,210 |
| Restricted in perpetuity | <u>1,370,318</u> | <u>1,323,961</u> |
| Total net assets | <u>2,914,059</u> | <u>3,371,480</u> |
| Total liabilities and net assets | <u>4,067,167</u> | <u>4,394,015</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, 2020

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---|---------------------------------------|------------------------------------|------------------|
| <u>Revenue and other support:</u> | | | |
| Contributions | 55,750 | 404,040 | 459,790 |
| Net investment return | (11,824) | (18,777) | (30,601) |
| Other income | - | - | - |
| Total revenue and other support | <u>43,926</u> | <u>385,263</u> | <u>429,189</u> |
| Net assets released from restriction | 817,399 | (817,399) | - |
| <u>Expenses:</u> | | | |
| Program services: | | | |
| Scholarships and professorships | 137,604 | - | 137,604 |
| Support projects | 681,795 | - | 681,795 |
| Faculty and staff development | <u>10,559</u> | <u>-</u> | <u>10,559</u> |
| Total program services | 829,958 | - | 829,958 |
| Supporting services: | | | |
| Fundraising and development | 17,892 | - | 17,892 |
| General and administrative | <u>38,760</u> | <u>-</u> | <u>38,760</u> |
| Total supporting services | <u>56,652</u> | <u>-</u> | <u>56,652</u> |
| Total expenses | <u>886,610</u> | <u>-</u> | <u>886,610</u> |
| Change in net assets | (25,285) | (432,136) | (457,421) |
| <u>Net assets at beginning of year</u> | <u>675,309</u> | <u>2,696,171</u> | <u>3,371,480</u> |
| <u>Net assets at end of year</u> | <u>650,024</u> | <u>2,264,035</u> | <u>2,914,059</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, 2019

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---|---------------------------------------|------------------------------------|------------------|
| <u>Revenue and other support:</u> | | | |
| Contributions | 87,172 | 451,681 | 538,853 |
| Net investment return | 12,540 | 50,785 | 63,325 |
| Other income | - | - | - |
| Total revenue and other support | <u>99,712</u> | <u>502,466</u> | <u>602,178</u> |
| Net assets released from restriction | 553,354 | (553,354) | - |
| <u>Expenses:</u> | | | |
| Program services: | | | |
| Scholarships and professorships | 152,446 | - | 152,446 |
| Support projects | 405,658 | - | 405,658 |
| Faculty and staff development | <u>17,992</u> | <u>-</u> | <u>17,992</u> |
| Total program services | 576,096 | - | 576,096 |
| Supporting services: | | | |
| Fundraising and development | 40,206 | - | 40,206 |
| General and administrative | <u>47,963</u> | <u>-</u> | <u>47,963</u> |
| Total supporting services | <u>88,169</u> | <u>-</u> | <u>88,169</u> |
| Total expenses | <u>664,265</u> | <u>-</u> | <u>664,265</u> |
| Change in net assets | (11,199) | (50,888) | (62,087) |
| <u>Net assets at beginning of year</u> | <u>686,508</u> | <u>2,747,059</u> | <u>3,433,567</u> |
| <u>Net assets at end of year</u> | <u>675,309</u> | <u>2,696,171</u> | <u>3,371,480</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, 2020 AND 2019

| | <u>2020</u> | <u>2019</u> |
|--|------------------|------------------|
| <u>Cash flows from operating activities:</u> | | |
| Change in net assets | (457,421) | (62,087) |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: | | |
| Realized and unrealized loss on investments | 118,115 | 25,569 |
| Changes in operating assets and liabilities: | | |
| Decrease in pledges receivable | 73,163 | 382,790 |
| (Increase) in accounts receivable | (140,000) | - |
| (Decrease) in accounts payable | (9,427) | (38,056) |
| Increase in due to BPCC | 140,000 | 110,000 |
| Total adjustments | <u>181,851</u> | <u>480,303</u> |
| Net cash provided (used) by operating activities | (275,570) | 418,216 |
| <u>Cash flows from investing activities:</u> | | |
| Change in restricted cash and cash equivalents | 218,535 | 400,447 |
| Purchase of investments | <u>(250,459)</u> | <u>(619,662)</u> |
| Net cash (used) by investing activities | <u>(31,924)</u> | <u>(219,215)</u> |
| <u>Net increase (decrease) in cash and cash equivalents</u> | (307,494) | 199,001 |
| <u>Cash and cash equivalents at beginning of year</u> | <u>682,152</u> | <u>483,151</u> |
| <u>Cash and cash equivalents at end of year</u> | <u>374,658</u> | <u>682,152</u> |

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

BOSSIER PARISH COMMUNITY COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

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.

During fiscal year 2016, the Cavalier Athletic Foundation (CAF) was absorbed into the Bossier Parish Community College Foundation. The Foundation accepted contributions for the purposes of supporting and improving athletics at Bossier Parish Community College. All assets relating to CAF were transferred to the newly formed Cavalier Athletic Association (CAA) in November 2017.

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 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.

2. Summary of Significant Accounting Policies (Continued)

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 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

2. Summary of Significant Accounting Policies (Continued)

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, 2020 and 2019 were \$475 and \$759, 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.

Recently Adopted Accounting Pronouncements:

On August 18, 2016, the FASB issued Accounting Standards Update ("ASU") 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The ASU provides for a variety of changes to the presentation of the financial statements of not-for-profit entities, including changing from three classes of net assets to two classes of net assets, enhancing disclosure requirements related to liquidity concerns and endowment management, a requirement to present expenses classified by both their nature and their function and other changes to presentation and disclosure. This standard is effective for fiscal years beginning after December 15, 2017, and the Foundation adopted ASU 2016-14 in fiscal year 2019.

2. Summary of Significant Accounting Policies (Continued)

On May 28, 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*. The standard's core principle is that an entity will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This standard also includes expanded disclosure requirements that result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The scope of the guidance explicitly excludes investment income and contributions as well as many other revenues for financial assets and liabilities including loans, leases, and derivatives. Accordingly, the Foundation's revenues were not affected. This standard was adopted for the fiscal year ending June 30, 2020, and did not have an impact on the Foundation's financial statements.

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, 2020 and 2019, the investments of all funds consisted of investments held by Plancorp and Capital One, respectively, and investments held by Citizens National Bank, which are recorded at market value, as detailed below:

| | <u>2020</u> | | <u>2019</u> | |
|----------------------------|---------------------|------------------|---------------------|------------------|
| | <u>Market Value</u> | <u>Cost</u> | <u>Market Value</u> | <u>Cost</u> |
| <u>Investments-pooled:</u> | | | | |
| Bond funds | 1,008,469 | 983,307 | 979,281 | 962,459 |
| Equity funds | <u>1,940,419</u> | <u>2,104,699</u> | <u>1,837,263</u> | <u>1,875,545</u> |
| | <u>2,948,888</u> | <u>3,088,006</u> | <u>2,816,544</u> | <u>2,838,004</u> |

Return on investments is as follows:

| | <u>2020</u> | <u>2019</u> |
|--|-----------------|-----------------|
| Interest and dividend income | 102,351 | 101,718 |
| Realized and unrealized gains (losses) | (118,115) | (25,569) |
| Investment fees | <u>(14,837)</u> | <u>(12,824)</u> |
| Net investment return | <u>(30,601)</u> | <u>63,325</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.
- 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, 2020 and 2019 are summarized in the table below:

| | <i>Assets at Fair Value as of June 30, 2020</i> | | | |
|--------------------|---|----------------|----------------|------------------|
| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
| Mutual Funds: | | | | |
| Blended | 1,099,725 | - | - | 1,099,725 |
| Bond | 1,008,469 | - | - | 1,008,469 |
| International | 396,719 | - | - | 396,719 |
| Value | <u>443,975</u> | <u>-</u> | <u>-</u> | <u>443,975</u> |
| Total Mutual Funds | <u>2,948,888</u> | <u>-</u> | <u>-</u> | <u>2,948,888</u> |
| | <u>2,948,888</u> | <u>-</u> | <u>-</u> | <u>2,948,888</u> |

| | <i>Assets at Fair Value as of June 30, 2019</i> | | | |
|--------------------|---|----------------|----------------|------------------|
| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
| Mutual Funds: | | | | |
| Blended | 1,066,275 | - | - | 1,066,275 |
| Bond | 979,281 | - | - | 979,281 |
| International | 378,109 | - | - | 378,109 |
| Value | <u>392,879</u> | <u>-</u> | <u>-</u> | <u>392,879</u> |
| Total Mutual Funds | <u>2,816,544</u> | <u>-</u> | <u>-</u> | <u>2,816,544</u> |
| | <u>2,816,544</u> | <u>-</u> | <u>-</u> | <u>2,816,544</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 \$817,399 and \$553,354 were released from restrictions during the years ended June 30, 2020 and 2019, and were used primarily for scholarships, special projects, and general purposes.

5. Net Assets with Donor Restrictions (Continued)

Increases and decreases are reported on the statement of activities. Net assets with donor restrictions at June 30, 2020 and 2019 were \$2,264,035 and \$2,696,171, which are restricted for the following purposes:

| | <u>2020</u> | <u>2019</u> |
|--|------------------|------------------|
| Perpetual in nature – endowment | 1,370,318 | 1,323,961 |
| Purpose restricted: | | |
| Scholarships, projects and other | <u>893,717</u> | <u>1,372,210</u> |
| Total net assets with donor restrictions | <u>2,264,035</u> | <u>2,696,171</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, 2020 and June 30, 2019:

| | <u>2020</u> | | |
|-------------------------------------|---------------------------------------|------------------------------------|------------------|
| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
| Endowment net assets, June 30, 2019 | - | 1,323,961 | 1,323,961 |
| Net investment income | - | (19,216) | (19,216) |
| Net reclassifications | <u>-</u> | <u>65,573</u> | <u>65,573</u> |
| Endowment net assets, June 30, 2020 | <u>-</u> | <u>1,370,318</u> | <u>1,370,318</u> |
| Board-designated endowment | <u>211,520</u> | <u>-</u> | <u>211,520</u> |
| Total | <u>211,520</u> | <u>1,370,318</u> | <u>1,581,838</u> |

7. **Endowed Net Assets** (Continued)

| | 2019 | | |
|-------------------------------------|---------------------------------------|------------------------------------|------------------|
| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
| Endowment net assets, June 30, 2018 | - | 994,356 | 994,356 |
| Contributions | - | 110,000 | 110,000 |
| Net investment income | - | 56,744 | 56,744 |
| Net reclassifications | - | 162,861 | 162,861 |
| Endowment net assets, June 30, 2019 | <u>-</u> | <u>1,323,961</u> | <u>1,323,961</u> |
| Board-designated endowment | <u>287,126</u> | <u>-</u> | <u>287,126</u> |
| Total | <u>287,126</u> | <u>1,323,961</u> | <u>1,611,087</u> |

8. **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.

*Functional Expenses
For the Year Ended June 30, 2020*

| | <u>Program Services</u> | | | <u>Supporting Services</u> | | <u>Total</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 | - | 681,795 | 10,559 | - | - | 692,354 |
| Scholarships and awards for the College | 137,604 | - | - | - | - | 137,604 |
| Donor cultivation/stewardship | - | - | - | 17,892 | - | 17,892 |
| Office operations | - | - | - | - | 29,088 | 29,088 |
| Professional services | - | - | - | - | 9,672 | 9,672 |
| Total expenses | <u>137,604</u> | <u>681,795</u> | <u>10,559</u> | <u>17,892</u> | <u>38,760</u> | <u>886,610</u> |

*Functional Expenses
For the Year Ended June 30, 2019*

| | <u>Program Services</u> | | | <u>Supporting Services</u> | | <u>Total</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 | - | 405,658 | 17,992 | - | - | 423,650 |
| Scholarships and awards for the College | 152,446 | - | - | - | - | 152,446 |
| Donor cultivation/stewardship | - | - | - | 40,206 | - | 40,206 |
| Office expenses | - | - | - | - | 37,963 | 37,963 |
| Professional services | - | - | - | - | 10,000 | 10,000 |
| Total expenses | <u>152,446</u> | <u>405,658</u> | <u>17,992</u> | <u>40,206</u> | <u>47,963</u> | <u>664,265</u> |

9. 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 \$288,074 and \$773,223 at June 30, 2020 and 2019, respectively. Nondeposit investment products, including mutual funds, are not guaranteed and are subject to investment risk, including possible loss of principal.

10. 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 \$385,793 and \$695,050 at June 30, 2020 and 2019, 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.

11. 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.

12. Pledges Receivable

Pledges receivable at June 30, 2020 and 2019 are as follows:

Pledges expected to be collected in:

| | <u>2020</u> | <u>2019</u> |
|--------------------------|-----------------------|-----------------------|
| Less than one year | 145,335 | 169,298 |
| One to five years | <u>54,800</u> | <u>104,000</u> |
| Total pledges receivable | <u><u>200,135</u></u> | <u><u>273,298</u></u> |

13. Accounts Receivable

Accounts receivable at June 30, 2020 is \$140,000. This balance consists of Board of Regents matches received subsequent to year-end.

14. 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, 2020 and 2019:

| | <u>2020</u> | <u>2019</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 |

14. Due to Bossier Parish Community College (Continued)

| | <u>2020</u> | <u>2019</u> |
|--|------------------|----------------|
| 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/SWEPKO 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 | - |
| John & Joanna Magale Endowed Scholarship 2 | 20,000 | - |
| John & Joanna Magale Endowed Scholarship 3 | 20,000 | - |
| Jayma LeeAnn Ware Memorial Endowed Scholarship | 10,000 | - |
| BPCC Foundation Workforce Scholarship in Engineering | 20,000 | - |
| Bossier Volunteer Guiled Endowed Workforce Scholarship | 10,000 | - |
| WoodmenLife Chaper 54 of LA Scholarship in Allied Health | 30,000 | - |
| WoodmenLife Chaper 54 of LA Scholarship in Business | 10,000 | - |
| | <u>1,000,000</u> | <u>860,000</u> |

Also included in the Due to Bossier Parish Community College balance is an additional \$123,754 relating to the Contractor's Trust Endowment, which was transferred to the Foundation from Bossier Parish Community College during 2017.

15. 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 November 19, 2020, and noted the following subsequent events.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Foundation operates. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, while the Foundation anticipates this could negatively affect its operating results, the related financial impact and duration cannot be reasonably estimated at this time.

SUPPLEMENTARY INFORMATION

BOSSIER PARISH COMMUNITY COLLEGE FOUNDATION, INC.

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

FOR THE YEAR ENDED JUNE 30, 2020

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

HEARD, McELROY, & VESTAL

LLC

CERTIFIED PUBLIC ACCOUNTANTS

333 TEXAS STREET, SUITE 1525
SHREVEPORT, LOUISIANA 71101
318-429-1525 PHONE • 318-429-2070 FAX

November 19, 2020

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, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 19, 2020.

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, 2020

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, 2020.

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, 2020

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