

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

Audits of Financial Statements

June 30, 2023 and 2022



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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, 2023 and 2022, 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, 2023 and 2022, 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 Foundation 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 held in custody on pages 23 - 25 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 statements of financial position as a whole.



A Professional Accounting Corporation

Metairie, LA
July 29, 2024

NICHOLLS STATE UNIVERSITY FOUNDATION, INC.
Thibodaux, Louisiana
Statements of Financial Position
June 30, 2023 and 2022

	2023	2022
Assets		
Cash and Cash Equivalents	\$ 4,248,255	\$ 4,073,540
Invested Cash	2,438,665	1,964,584
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Total Cash and Cash Equivalents	6,686,920	6,038,124
Restricted Cash - Endowed		
Chairs and Professorships	320,558	1,152,137
Investments	23,605,885	21,586,577
Promises to Give, Net	2,347,496	1,707,421
Other Assets	685,658	214,593
Antique Collection	75,830	75,830
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Total Assets	\$ 33,722,347	\$ 30,774,682
Liabilities and Net Assets		
Liabilities		
Accounts Payable	\$ 22,031	\$ 148,095
Demand Note Payable	663,673	813,701
Note Payable - Line of Credit	2,513,704	2,500,000
Funds Held in Custody		
State Funds	3,616,602	3,496,891
University Funds	6,160,054	6,037,379
	<hr/>	<hr/>
Total Liabilities	12,976,064	12,996,066
Net Assets		
Without Donor Restrictions	(1,437,806)	(1,112,191)
With Donor Restrictions	22,184,089	18,890,807
	<hr/>	<hr/>
Total Net Assets	20,746,283	17,778,616
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Total Liabilities and Net Assets	\$ 33,722,347	\$ 30,774,682

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, 2023 and 2022

	2023	2022
Changes in Net Assets Without Donor Restrictions		
Revenue		
Contributions	\$ 397,244	\$ 1,494,652
Investment Return, Net	227,724	(111,312)
Other Revenues	107,440	72,323
Total Revenues	732,408	1,455,663
Net Assets Released from Restrictions	2,605,140	2,646,893
Total Revenue and Net Assets Release From Restrictions	3,337,548	4,102,556
Expenses		
Program Services	4,393,531	3,688,170
Supporting Services	719,809	521,414
Total Expenses	5,113,340	4,209,584
(Decrease) in Net Assets Without Donor Restrictions	(1,775,792)	(107,028)
Changes in Net Assets With Donor Restrictions		
Contributions	6,436,308	3,951,221
Investment Return, Net	912,291	(2,044,242)
Net Assets Released from Restrictions Satisfied by Payment	(2,605,140)	(2,646,893)
Increase (Decrease) in Net Assets With Donor Restrictions	4,743,459	(739,914)
Increase (Decrease) in Net Assets	2,967,667	(846,942)
Net Assets, Beginning of Year	17,778,616	18,625,558
Net Assets, End of Year	\$ 20,746,283	\$ 17,778,616

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, 2023

	Program Services				Supporting Services				
	Endowed Chairs, Professorships, and 1st Generation Scholarships	Colonel's Brigade Support	Scholarships	Other Program Services	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Grants to University	\$ 871,249	\$ 1,781,589	\$ 240,804	\$ 1,499,889	\$ 4,393,531	\$ -	\$ -	\$ -	\$ 4,393,531
Bank and Credit Card Fees	-	-	-	-	-	17,166	-	17,166	17,166
Dues, Subscriptions, and Membership	-	-	-	-	-	620	5,632	6,252	6,252
Insurance	-	-	-	-	-	4,639	-	4,639	4,639
Interest	-	-	-	-	-	188,448	500	188,948	188,948
Meals and Entertainment	-	-	-	-	-	27,406	-	27,406	27,406
Miscellaneous Expense	-	-	-	-	-	33,797	-	33,797	33,797
Office Expense	-	-	-	-	-	65,896	2,866	68,762	68,762
Payroll Taxes	-	-	-	-	-	10,771	-	10,771	10,771
Postage	-	-	-	-	-	1,001	55,069	56,070	56,070
Professional Services	-	-	-	-	-	121,871	-	121,871	121,871
Rent	-	-	-	-	-	-	-	-	-
Salaries and Benefits	-	-	-	-	-	169,175	-	169,175	169,175
Supplies and Equipment	-	-	-	-	-	84	14,703	14,787	14,787
Travel	-	-	-	-	-	165	-	165	165
Total	\$ 871,249	\$ 1,781,589	\$ 240,804	\$ 1,499,889	\$ 4,393,531	\$ 641,039	\$ 78,770	\$ 719,809	\$ 5,113,340

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				Total
	Endowed Chairs, Professorships, and 1st Generation Scholarships	Colonel's Brigade Support	Scholarships	Other Program Services	Total Program Services	Management and General	Fundraising	Total Supporting Services	
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
Statements of Cash Flows
For the Year Ended June 30, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities		
Increase (Decrease) in Net Assets	\$ 2,967,667	\$ (846,942)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by (Used in) Operating Activities		
Proceeds of Contributions Restricted for Endowment Purposes	1,693,694	(2,007,857)
Net (Gain) Loss from Investments	(1,140,015)	2,344,375
(Increase) Decrease in:		
Other Assets	(471,065)	(90,699)
Promises to Give	(640,075)	(109,844)
Increase (Decrease) in:		
Accounts Payable	(126,064)	31,613
Funds Held in Custody	242,386	(2,072,888)
Net Cash Provided by (Used in) Operating Activities	2,526,528	(2,752,242)
Cash Flows from Investing Activities		
Proceeds from Sales of Investments	7,917,563	2,793,667
Purchase of Investments	(8,796,856)	(1,976,966)
Net Cash (Used in) Provided by Investing Activities	(879,293)	816,701
Cash Flows from Financing Activities		
Repayment of Notes Payable	(136,324)	(125,405)
Endowment Fund Contributions	(1,693,694)	2,007,857
Net Cash (Used in) Provided by Financing Activities	(1,830,018)	1,882,452
Net Decrease in Cash, Cash Equivalents, and Restricted Cash	(182,783)	(53,089)
Cash, Cash Equivalents, and Restricted Cash		
Beginning of Year	7,190,261	7,243,350
End of Year	\$ 7,007,478	\$ 7,190,261
Supplemental Disclosure of Cash Flow Information		
Cash Paid for Interest	\$ 148,261	\$ 145,160

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

The 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.

Promises to Give and Contributions

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. After adoption of FASB ASC 326-20 *Financial Instruments - Credit Losses* on July 1, 2023, management determines the allowance using an estimate of expected credit losses, applied to donor groupings with similar risk characteristics, based on historical experience, current economic conditions and certain forward-looking information. Account balances are written-off against the established allowance when management determines it is probable promises to give will not be collected. At June 30, 2023 and 2022, no allowance was deemed necessary.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Promises to Give and Contributions (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.

Other Assets

Other assets include amounts primarily related to the reimbursement of certain expenses by a local government, accrued interest, and miscellaneous other receivables expected to be received from third-party entities do not meet the definition of promises to give.

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.

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, 2023 or 2022.

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.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

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

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.

Reclassifications

Certain balances from the prior year financial statement classifications have been reclassified to conform to the current year financial statement presentation. Such reclassifications had no effect on the previously reported change in net assets.

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

On July 1, 2022, the Foundation implemented Accounting Standards Update (ASU) 2016-13 and all subsequent ASU's that modified ASU 2016-13, which have been codified under ASC 326, *Financial Instruments - Credit Losses*. This standard modified guidance related to estimating allowance for credit losses for amortized assets, such as trade receivables and debt securities. The Foundation implemented this guidance using the modified retrospective approach, as required, and has not adjusted prior period comparative information and will continue to disclose prior period financial information in accordance with previous accounting guidance. Adoption of ASC 326 to the estimate of the allowance for credit losses was insignificant.

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 13 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 statements of financial position date, comprise the following:

	2023	2022
Financial Assets		
Cash and Invested Cash	\$ 6,686,920	\$ 6,038,124
Restricted Cash	320,558	1,152,137
Investments	23,605,885	21,586,577
Promises to Give, Net	2,347,496	1,707,421
Other Assests	685,658	214,593
	<hr/>	<hr/>
Financial Assets at Year End	33,646,517	30,698,852
Less Those Unavailable for General Expenditure Within One Year Due to:		
Promises to Give, Restricted by Donor for Purpose or Use Beyond One Year	(1,583,069)	(987,421)
Funds Held in Custody for Others	(9,776,656)	(9,534,270)
Investments Held in Perpetuity for Endowments	(12,358,612)	(12,213,612)
	<hr/>	<hr/>
Financial Assets at Year End Available to Meet Cash Needs for General Expenditures Within One Year	\$ 9,928,180	\$ 7,963,549

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 \$6,355,971 and \$3,935,045 at June 30, 2023 and 2022. Money market mutual funds included in cash equivalents totaled \$1,358,635 and \$1,693,922 at June 30, 2023 and 2022, respectively. These amounts were uninsured. Restricted cash, which consists of money market mutual funds invested for the Endowed Chairs and Professorships Program totaled \$320,558 and \$1,152,137 at June 30, 2023 and 2022, 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, 2023 and 2022:

	2023	2022
Cash and Cash Equivalents	\$ 4,248,255	\$ 4,073,540
Invested Cash	2,438,665	1,964,584
Restricted Cash - Endowed Chairs and Professorships	320,558	1,152,137
Total Cash, Cash Equivalents, and Restricted Cash	\$ 7,007,478	\$ 7,190,261

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, 2023 and 2022, is as follows:

	2023	2022
Equity Securities		
Corporate Securities	\$ 7,634,091	\$ 7,464,010
Mutual Funds and Exchange Traded Funds	7,634,671	5,592,801
Real Estate Investment Trusts	320,614	252,163
Debt Securities		
Corporate Bonds	2,698,685	3,361,640
Obligations of States and Municipal Governments	435,239	603,186
United States Treasury Obligations	2,460,308	1,756,070
Mortgage-Backed Securities	1,461,194	801,868
United States Government Sponsored Entities	52,194	55,739
Alternative Investments	908,889	1,699,100
Total	\$ 23,605,885	\$ 21,586,577

NICHOLLS STATE UNIVERSITY FOUNDATION, INC.
Thibodaux, Louisiana

Notes to Financial Statements

Note 4. Investments (Continued)

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.

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, various donors made unconditional promises to contribute.

Promises to give for the years ended June 30, 2023 and 2022 are expected to be realized as follows, based on the terms of the underlying agreements:

	2023	2022
In One Year or Less	\$ 793,000	\$ 720,000
Between One Year and Five Years	1,415,000	1,080,000
Beyond Five Years	400,000	-
	2,608,000	1,800,000
Less: Discount to Present Value at 3.43%	(260,504)	(92,579)
Promises to Give, Net	\$ 2,347,496	\$ 1,707,421

Promises to give for the years ended June 30, 2023 and 2022 have restrictions as follows:

	2023	2022
Facility Construction	\$ 971,127	\$ 1,707,421
Total Promises to Give, Net	\$ 971,127	\$ 1,707,421

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, 2023 and 2022:

June 30, 2023	Total	Level 1	Level 2	Level 3
Equity Securities				
Corporate Securities	\$ 7,634,091	\$ 7,634,091	\$ -	\$ -
Mutual Funds and Exchange Traded Funds	7,634,671	7,634,671	-	-
Real Estate Investment Trusts	320,614	320,614	-	-
Debt Securities				
Corporate Bonds	2,698,685	2,698,685	-	-
Obligations of States and Municipal Governments	435,239	-	435,239	-
United States Treasury Obligations	1,461,194	-	1,461,194	-
Mortgage-Backed Securities	2,460,308	2,373,478	86,830	-
United States Government Sponsored Entites	52,194	52,194	-	-
Hedge Fund and Futures Fund Measured at NAV ^(a)	908,889	-	-	-
Total	\$ 23,605,885	\$ 20,713,733	\$ 1,983,263	\$ -
<hr/>				
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	\$ -

(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)

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 \$908,889 and \$1,699,100 at June 30, 2023 and 2022, 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. Other Assets

On December 31 other assets consisted of the following amounts:

	2023	2022
Expense Reimbursement Contracts	\$ 480,000	\$ -
Accrued Interest	46,069	43,582
Other Receivables	159,589	171,011
Total Other Assets	\$ 685,658	\$ 214,593

Note 8. 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, 2023 and 2022, the funds held in custody are as follows:

	2023	2022
State Funds Held in Custody	\$ 3,616,602	\$ 3,496,891
University Endowments Held in Custody	6,160,054	6,037,379
Total Funds Held in Custody	\$ 9,776,656	\$ 9,534,270

NICHOLLS STATE UNIVERSITY FOUNDATION, INC.
Thibodaux, Louisiana

Notes to Financial Statements

Note 9. Demand Note Payable

The demand note payable consists of one note payable to United Community Bank bearing interest at 6% and 5.75% as of June 30, 2023 and 2022, respectively. Payments of principal and interest totaling \$46,665 are due quarterly with a final payment for the remaining outstanding balance due at maturity on May 23, 2027. 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, 2023 and 2022, the outstanding balances were \$663,673 and \$813,701, respectively.

Note 10. Note Payable - Line of Credit

Note Payable - Line of Credit consists of a line of credit in the amount of \$2,500,000 payable to UBS Bank USA. Upon maturity of the line of credit agreement on September 26, 2022, the agreement was continued on a month-by-month basis. The interest rate was fixed at 2.8% through the maturity date and was changed to a variable interest rate thereafter. The Variable interest rate is based on at the Standard Overnight Finance Rate (SOFR) plus 5.5%, which resulted in a total interest rate of 7.675% as of June 30, 2023. Payments of interest are due monthly. The note is secured by certain investment securities held by UBS. As of June 30, 2023 and 2022, the outstanding balance was \$2,513,704 and \$2,500,000 respectively.

Note 11. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2023 and 2022:

	2023	2022
Buildings and Athletic Facilities	\$ 1,659,976	\$ 1,939,821
Business Capstone Funds	475,347	475,346
Institutional Advancement	365,319	341,994
Other University Departments and Projects	4,366,401	4,149,663
Endowed Chairs, Professorships, and 1 st Generation Scholarships	7,380,959	5,294,757
Scholarships	7,936,087	6,689,226
Total Net Assets With Donor Restrictions	<u>\$ 22,184,089</u>	<u>\$ 18,890,807</u>

Note 12. 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 \$2,605,140 and \$2,646,893 for the years ended June 30, 2023 and 2022, respectively.

Notes to Financial Statements

Note 13. 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 13. 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, 2023 and 2022 are as follows:

June 30, 2023	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowments			
Endowed Scholarships	\$ -	\$ 6,652,479	\$ 6,652,479
Endowed Chairs, Endowed Professorships, and Endowed 1st Generation Scholarships	-	7,380,959	7,380,959
Board-Designated Endowments			
Mary Danos Theater Maintenance	-	1,042,604	1,042,604
Institutional Advancement	-	365,319	365,319
Other University Programs	-	948,866	948,866
Total	\$ -	\$ 16,390,227	\$ 16,390,227
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

NICHOLLS STATE UNIVERSITY FOUNDATION, INC.
Thibodaux, Louisiana

Notes to Financial Statements

Note 13. Endowments (Continued)

The changes in donor-restricted endowments funds for the years ended June 30, 2023 and 2022 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, July 1, 2022	\$ -	\$ 14,077,335	\$ 14,077,335
Investment Return, Net	-	955,931	955,931
Contributions	-	1,693,694	1,693,694
Appropriated for Expenditure	-	(336,733)	(336,733)
Endowment Net Assets, June 30, 2023	\$ -	\$ 16,390,227	\$ 16,390,227
	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	-	(630,374)	(630,374)
Endowment Net Assets, June 30, 2022	\$ -	\$ 14,077,336	\$ 14,077,336

Note 14. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, July 29 2024, and determined that the following event occurred that requires disclosure:

On November 1, 2023 the Foundation fully paid the outstanding line of credit balance and entered into a new line of credit agreement with a financial institution.

No further subsequent events occurring after July 29, 2024 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, 2023 and 2022

Schedule 1

	2023	2022
State Funds Held in Custody		
American Association of Drilling Engineers Professorship	\$ 42,746	\$ 42,100
Agnes H. Candies Professorship	42,737	43,428
Bell South Culinary Professorship	42,733	42,247
Bell South/Brady, Miller, Theriot, Callais Professorship	42,760	42,013
Bell South/Picou Professorship	44,275	41,834
Bell South/Picou Professorship #2	44,233	43,602
Bonnie Bourg Professorship	215,365	43,562
Jimmy and Glenny Lee Buquet Professorship	107,396	44,902
Otto Candies Maritime Professorship	107,391	220,708
Otto Candies Family Business Professorship	42,904	111,015
Otto Candies 500 Business Professorship	43,819	111,335
Capital One Professorship	42,104	46,380
Cenac Towing Chair	42,715	429,546
CETFE Geomatic/Surveying Professorship	42,861	42,141
Minor J. Cheramie Professorship	44,511	44,971
Durel Martin Professorship	48,265	42,510
Maxine Giardina Professorship	44,418	42,066
Morris and Sandy Hebert Professorship	43,368	42,531
J Maselli Professorship	42,731	41,621
McIlhenny Professorship	44,823	41,539
R E Miller Professorship	43,297	41,960
Harvey Peltier, Sr. Professorship	43,004	42,576
Orleans A. Pitre Professorship	437,708	46,319
B Raziano Professorship	225,178	41,560
Clarence J. Riviere Professorship	113,635	42,554
T. Shepard Endowed Professorship	113,294	42,369
T. Baker Smith Professorship	43,319	42,237
Harold Callais Professorship	46,057	211,499
Paul Callais Professorship	42,577	105,476
Peter Callais Professorship	43,344	105,480
Gueydan Professorship	45,846	43,090
Goldring Foundation Professorship	58,606	42,235
Nolen Professorship	43,031	41,297
Danos Family Nursing Scholarship	43,147	39,514
Gloria Callais Professorship	43,192	41,756
John Brady Jr. Professorship	43,670	41,420
Alfred Delahaye Professorship	42,683	40,830

See independent auditor's report.

NICHOLLS STATE UNIVERSITY FOUNDATION, INC.
Thibodaux, Louisiana
Schedules of Funds Held in Custody (Continued)
For the Years Ended June 30, 2023 and 2022

Schedule 1

	2023	2022
State Funds Held in Custody (Continued)		
Wayne Patten Endowed Professorship #1	48,016	47,173
Wayne Patten Endowed Professorship #2	44,461	43,649
Sister Mary Bienvue	23,054	19,553
1st Generation Scholarship	55,942	52,231
Henry & Kim Lafont 1st Generation Scholarship	54,824	51,835
George Picou Professorship	49,420	50,192
Swanner 1st Generation Scholarship	45,920	52,390
Danos 1st Generation Scholarship	47,719	51,044
B & J Bollinger Scholarship	41,630	55,002
R & C Cheramie Scholarship	43,006	52,689
Jack Cenac Scholarship	43,915	41,792
Jock Cenac Scholarship	54,842	43,244
Stephen & Rebecca Hulbert Scholarship	52,082	42,625
R & J Bartels 1st Generation Scholarship	42,685	44,773
Harold Callais 1st Generation Scholarship	43,742	45,626
Burguieres 1st Generation Scholarship	53,789	43,599
Michael & Christine Bourgeois 1st Generation Scholarship #1	54,033	51,469
J & T Sanford 1st Generation Scholarship	51,108	45,957
Michael & Christine Bourgeois 1st Generation Scholarship #2	47,356	47,965
Mitch Hebert 1st Generation Scholarship	54,055	41,860
Abdon Callais Scholarship	21,266	-
Total State Funds Held in Custody	3,616,605	3,496,891
University Funds Held in Custody		
Argent Bank Endowed Professorship in Business Administration	109,071	107,545
Andie Bollinger Endowed Professorship in Business	265,836	261,211
Charlotte Bollinger Endowed Professorship in Business	265,641	258,303
Boysie Bollinger Super Endowed Professorship in Business	531,411	518,520
Belle & Leonard Toups Chair in English	281,463	1,108,567
Betsy Ayo Endowed Professorship in Accounting and Business	108,324	106,841
Gerald Gaston Endowed Professorship in the College of Business Administration	113,500	111,724
Entergy Endowed Professorship in Computer Science	181,218	170,921
Thibodaux Hospital and Health Center Endowed Professorship in Nursing	114,686	112,840
Entergy Endowed Professorship in Information Systems	112,976	111,233
John C. Daigle Endowed Professorship in Free Enterprise	115,098	113,233

See independent auditor's report.

NICHOLLS STATE UNIVERSITY FOUNDATION, INC.
Thibodaux, Louisiana
Schedules of Funds Held in Custody (Continued)
For the Years Ended June 30, 2023 and 2022

Schedule 1

	2023	2022
University Funds Held in Custody (Continued)		
Jerry Ledet Foundation Endowed Professorship in Environmental Biology	106,241	103,090
John Brady, Sr. and Pat Brady Endowed Professorship in Computer Science	536,619	529,496
Lorio Foundation Endowed Professorship in Fine Arts	105,389	99,390
Lorio Foundation Endowed Professorship in Language and Literature	105,613	99,601
Lorio Foundation Endowed Professorship in Nursing	107,189	105,779
Lorio Foundation Endowed Professorship in Physical Science	105,732	99,713
Donald Peltier Endowed Professorship	106,625	105,239
Terrebonne General Medical Center Founding Physicians Endowed Professorship in Nursing and Allied Health	271,240	267,517
Contractor's Educational Trust Fund Endowed Professorship in Manufacturing Technology	220,177	217,006
John Brady, Sr. and John Brady Jr. Endowed Professorship in Biological Sciences	539,075	531,808
Peltier Foundation Endowed Professorship in College of Business Administration	109,178	107,655
Terrebonne General Medical Center Devoted Volunteers Endowed Professorship in Nursing and Allied Health	271,613	261,469
Terrebonne General Medical Center Compassionate Staff Endowed Professorship in Nursing and Allied Health	265,853	267,863
Terrebonne General Medical Center Faithful Sisters Endowed Professorship in Nursing and Allied Health	265,810	260,815
Belle & Leonard Toups Literary Study	281,492	-
Belle & Leonard Toups Language Study	281,492	-
Belle & Leonard Toups Cultural Study	281,492	-
Total University Funds Held in Custody	6,160,054	6,037,379
Total Funds Held in Custody	\$ 9,776,660	\$ 9,534,270

See independent auditor's report.

**NICHOLLS STATE
UNIVERSITY FOUNDATION, INC.**

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Year Ended June 30, 2023



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, 2023. 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

Metairie, LA
August 9, 2024