

SOUTH ARKANSAS COMMUNITY
COLLEGE FOUNDATION, INC.

For The Year Ended June 30, 2020

SOUTH ARKANSAS COMMUNITY COLLEGE FOUNDATION, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
South Arkansas Community College Foundation, Inc.
El Dorado, Arkansas

We have audited the accompanying financial statements of South Arkansas Community College Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses and cash flows for the year 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditors' 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of South Arkansas Community College Foundation, Inc. as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.


Emrich & Scroggins, LLP
Certified Public Accountants

El Dorado, Arkansas

December 2, 2020

SOUTH ARKANSAS COMMUNITY COLLEGE FOUNDATION

Statement of Financial Position

June 30, 2020

ASSETS

Current Assets

Cash and cash equivalents	\$ 154,595
Investments	3,048,001
Pledges receivable, current portion	50,000
Prepaid expenses	<u>6,189</u>

Total Current Assets 3,258,785

Fixed Assets, at cost

Property and equipment	<u>6,490</u>
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Less: accumulated depreciation and amortization 6,490

Total Fixed Assets -

\$ 3,258,785

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 2,397
Refundable advances	<u>10,800</u>

Total Current Liabilities 13,197

Net Assets

Without donor restrictions	2,350,514
With donor restrictions	<u>895,074</u>

Total Net Assets 3,245,588

\$ 3,258,785

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

SOUTH ARKANSAS COMMUNITY COLLEGE FOUNDATION

Statement of Activities

For the Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and			
Other Support			
General contributions	\$ 41,699	\$ 21,110	\$ 62,809
Endowed contributions	33,016	-	33,016
Special events	85,343	1,000	86,343
Investment income	(11,092)	(2,508)	(13,600)
Net assets released due to satisfaction of program restrictions	49,604	(49,604)	-
Total revenues, gains and other support	198,570	(30,002)	168,568
Expenses			
Program services			
Scholarships	81,827		81,827
Grants and awards	29,543		29,543
Total program services	111,370		111,370
Supporting services			
Management and general	65,880		65,880
Fundraising	50,288		50,288
Total supporting services	116,168		116,168
Total expenses	227,538		227,538
Change in Net Assets	(28,968)	(30,002)	(58,970)
Net Assets - Beginning of Year	2,379,482	925,076	3,304,558
Net Assets- End of Year	\$ 2,350,514	\$ 895,074	\$ 3,245,588

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

SOUTH ARKANSAS COMMUNITY COLLEGE FOUNDATION

Statement of Functional Expenses For the Year Ended June 30, 2020

	Program Services	Management and General	Fundraising	Total
Scholarship expense	\$ 81,827	\$ -	\$ -	\$ 81,827
Grants and awards	29,543	-	-	29,543
Administrative fees	22,177	-	-	22,177
General fundraising	-	-	50,288	50,288
Office supplies, printing	-	6,208	-	6,208
Salary	-	15,335	-	15,335
Accounting fees	-	8,625	-	8,625
Bank fees	-	405	-	405
Software expense	-	13,201	-	13,201
Meals	-	3,353	-	3,353
Public relations	-	2,067	-	2,067
Memberships	-	2,745	-	2,745
Equipment rental/maintenance	-	2,559	-	2,559
Miscellaneous	-	11,382	-	11,382
	133,547	65,880	50,288	249,715
Less expenses included with revenues on the statement of activities				
Administrative fees	(22,177)	-	-	(22,177)
Total expenses included in the expense section on the statement of activities	\$ 111,370	\$ 65,880	\$ 50,288	\$ 227,538

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

SOUTH ARKANSAS COMMUNITY COLLEGE FOUNDATION

Statement of Cash Flows

For the Year Ended June 30, 2020

Cash Flows from Operating Activities

Change in net assets	\$ (58,970)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Unrealized (gain) loss on investments	177,074
Amortization of discount on promises to give	(2,400)
(Increase) decrease in current assets:	
Accounts receivables	500
Pledge receivables	50,000
Prepaid expenses	(875)
Increase (decrease) in current liabilities:	
Accounts payable	(2,694)
Refundable advances	(16,380)
	<hr/>
Net cash provided by operating activities	146,255

Cash Flows from Investing Activities

Proceeds from sale of investments	221,029
Purchases of investments	(402,359)
	<hr/>
Net cash used in investing activities	(181,330)

Net Decrease in Cash (35,075)

Cash and Cash Equivalents at Beginning of Year 189,670

Cash and Cash Equivalents at End of Year \$ 154,595

Supplemental disclosures of cash flow information:

The Organization received in-kind contributions for their fundraising events during the year ended June 30, 2020 in the amount of \$11,857.

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

SOUTH ARKANSAS COMMUNITY COLLEGE FOUNDATION, INC.

Notes to Financial Statements

June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization - South Arkansas Community College Foundation, Inc. is incorporated under the laws of the State of Arkansas as a nonprofit corporation for the purpose of providing funds and assisting in the management of funds raised on behalf of South Arkansas Community College. Funds raised by the organization on behalf of the college are used to further the literary, scientific and educational purposes of South Arkansas Community College.

Basis of Accounting - The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

Net Assets – Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets are broken into the following sub-sections:

Without donor restrictions – Net assets that are for use in general operations and not subject to donor-imposed restrictions. The governing board has designated, from net assets without donor restrictions, net assets for scholarship purposes.

With donor restrictions – Net assets subject to donor-imposed restrictions that will be met either by actions of the Organization or the passage of time. Also included in this category are net assets subject to donor-imposed restrictions to be maintained permanently by the Organization. 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.

There are endowed funds held by the Organization and it has established an agreement with the donor that allows the Organization to have variance power. The agreement gives the Organization the authority to redirect the fund whenever any restriction or condition on the distribution of funds becomes, in effect, unnecessary or incapable of fulfillment to a purpose that in its judgment is necessary to serve more effectively the charitable, educational and scientific purposes of the Foundation. In addition, all donor funds are subject to an annual spending policy which may require the use of principal from time to time to regulate the flow of grant dollars to optimize total investment return on the fund assets and grants delivered to the college.

Cash and Cash Equivalents - Cash and cash equivalents consist of cash and highly liquid investments with a maturity date of three months or less, except that such instruments purchased with endowment assets or funds are classified as investments. Cash equivalents are classified in Level 1 of the fair value hierarchy.

Contributions of Cash and Other Assets - All public support and revenues are considered to be available for unrestricted use unless specifically restricted at the donor's discretion.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

SOUTH ARKANSAS COMMUNITY COLLEGE FOUNDATION, INC.

Notes to Financial Statements

June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Conditional promises to give cash or other assets are recognized as contribution revenue or contributions receivable only after the conditions are substantially met.

Contributed Services and In-kind Contributions - A substantial number of volunteers have donated significant amounts of their time in the Organization's program services and in its fundraising. These volunteer services are not recorded due to the lack of specialization of the labor, difficulty of placing a monetary value on them and the absence of control over them. Contributed goods are recorded at fair value at the date of donation.

Contributions Receivable and Uncollectible Contributions - Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in subsequent years are reported at the present value rate of 5% of their net realizable value, using the risk-free interest rate applicable to the year in which the promises are to be received.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. The Organization considers the pledge receivable at June 30, 2020 to be collectible; therefore, no allowance has been included in these financial statements.

Property, Equipment and Depreciation - Property and equipment purchased by the Organization are recorded at cost at the date of acquisition. Contributed assets are capitalized at their fair values at the date of contribution. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. Computer software is being amortized over the estimated useful life of three years on a straight-line basis. Tangible personal property is being depreciated between three and seven years.

Allocated Expenses - Expenses by function have been segregated between Program Services and Supporting Services based on direct identification or allocation based on related financial or nonfinancial data.

Investments - Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair market value in the statement of financial position. Net investment return/loss is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains/losses, less external and direct internal expenses. Investment income/loss is recorded as increases or decreases in net assets without donor restrictions unless their use has been restricted by explicit donor stipulations. Donated investments are reflected as contributions at their fair market value on the date of receipt.

Investment Pools - The Organization maintains an investment account for their funds. Realized and unrealized gains and losses and income for that account are allocated monthly to the individual funds based on their percentage of fund balance held in the investment pool.

SOUTH ARKANSAS COMMUNITY COLLEGE FOUNDATION, INC.

Notes to Financial Statements

June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Administrative and Management Fees – Custodian, investment and administrative fees are recognized in the fiscal year in which they occur. The Organization charges an administrative fee internally for donor funds under their management. These fees help fund the Organization’s operations and are recorded internally both to revenue and expense. These fees have been netted for financial statement presentation due to it being from internal and not external sources. For the year ended June 30, 2019 the netted administrative fee was \$22,177

Spending Policy - The Organization’s spending policy consists of annually distributing not more than 5% of a trailing three-year average of any endowment’s total asset value. The Finance Committee reviews the spending policy against actual returns in order to make adjustments necessary for the preservation of purchasing power of the endowments. The Board of Directors approves the spending rate annually.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Organization 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. Actual results could differ from those estimates.

Income Tax Status - The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. For the year ended June 30, 2020, the Organization has determined that no income taxes are due for its activities. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A).

The Organization follows the guidance of FASB ASC 740 – Accounting for Uncertainty in Income Taxes. As of June 30, 2020, management evaluated the Foundation’s tax positions and concluded that the Foundation had maintained its tax-exempt status and had taken no uncertain tax positions that require adjustments to the financial statements.

Subsequent Events – Management has evaluated events through December 2, 2020, the date the financial statements were available to be issued.

2. PLEDGES RECEIVABLE

The Organization had received a \$50,000 unconditional promise to give at June 30, 2020. The pledge receivable was classified as with donor restrictions for long-term purposes related to the Organization’s capital campaign. The carrying value of the promise to give approximates fair value due to the short-term nature and historical collectability.

3. LIQUIDITY AND AVAILABILITY

Scholarships and grants are provided through the investment pool. Endowed funds are held in the investment pool in long-term type investments in order to maximize the benefit to the fund. The investment pool is converted to cash on an as needed basis for the specific fund. Typically, it would be twice annually for scholarship funds. The various funds are monitored at least on a quarterly basis to ensure the spending rates and allocation of administrative fees are in compliance with the gift instrument under which the fund was established.

SOUTH ARKANSAS COMMUNITY COLLEGE FOUNDATION, INC.

Notes to Financial Statements

June 30, 2020

3. LIQUIDITY AND AVAILABILTY (Continued)

Operating liquidity comes from fees and donations. The administrative fee is assessed annually based on a three-year trailing average of the fund. The administrative fee and donations for the operating fund are placed in an interest-bearing checking account for general operation expenses.

The table below present the Organization's financial assets available for general expenditure within one year of the statement of financial position date:

Financial assets	
Cash	\$ 154,595
Investments	3,048,001
Accounts receivable	0
Pledges receivable (net)	<u>50,000</u>
 Total financial assets at June 30, 2020	 <u>3,252,596</u>
 Less amounts not available to be used within one year, due to:	
Net assets with donor restrictions	(895,074)
Endowed funds	(1,959,832)
Board designated reserves	<u>(59,497)</u>
	<u>(2,914,403)</u>
 Financial assets available to meet general expenditures within one year	 <u><u>\$ 338,193</u></u>

Although donor-endowed funds are not classified as net assets with donor restrictions based on a variance provision included in their fund agreements, those funds would not be considered as being available for general expenditures. And as such, those net assets are included in the \$1,959,832 listed as endowed funds above.

4. INVESTMENTS AND FAIR VALUE

Fair Value Measurements – FASB ASC related to Fair Value Measurements, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 Measurements) and the lowest priority to unobservable inputs (Level 3 Measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets and liabilities. Level 1 assets include fixed income mutual funds, equity mutual funds and money market funds. Valuations of these instruments do not require a high degree of judgment as the valuations are based on quoted prices in active markets that are readily available.

SOUTH ARKANSAS COMMUNITY COLLEGE FOUNDATION, INC.

Notes to Financial Statements

June 30, 2020

4. INVESTMENTS AND FAIR VALUE (Continued)

Level 2 – Inputs include (a) quoted prices for similar assets or liabilities in active markets; (b) quoted prices for identical or similar assets or liabilities in inactive markets; (c) inputs other than quoted prices that are observable for the asset or liability; or (d) inputs that are derived principally from or corroborated by observable market data by correlation or other means. Valuations in this category are inherently less reliable than quoted market prices due to the degree of subjectivity involved in determining appropriate methodologies and the applicable underlying assumptions.

Level 3 – Inputs are unobservable and significant to the fair value measurement. This level of assets or liabilities include investments for which there is little, if any, market activity and requires significant management judgment or estimation.

The Organization does not have Level 2 or 3 assets or liabilities and there were no changes to the Organization's valuation methodologies during the year.

All of the Organization's investments are considered available for sale; that is, the investments are not bought and held principally for the purpose of generating short-term profits (trading securities) or as held-to-maturity securities. A summary of the Organization's investments at June 30, 2020 was as follows:

Equity mutual funds	\$ 1,568,461
Fixed income mutual funds	1,474,021
Money market funds	<u>5,519</u>
	<u>\$ 3,048,001</u>

Investment income for the year ended June 30, 2020 consisted of the following

Net realized and unrealized gains	\$ (86,056)
Dividend income	90,323
Less: Investment fees	<u>(18,055)</u>
	(13,788)
Short-term investment interest income	<u>188</u>
	<u>\$ (13,600)</u>

A professional investment advisor manages the investments with periodic review by the Organization's management and the investment committee with approval by the board. Management of the Organization does not believe these investments pose unusual market or credit risks.

SOUTH ARKANSAS COMMUNITY COLLEGE FOUNDATION, INC.

Notes to Financial Statements

June 30, 2020

5. ENDOWMENTS

The Organization's endowments consist of individual endowment funds established for the benefit of the college and its student body.

The Organization's board has interpreted state law as requiring the preservation of the purchasing power (real value) of the endowment funds unless explicit donor stipulations specify how net appreciation must be used. To meet that objective, the Organization's investment policies require that the funds' original endowment amount never be invaded for distributions. State law allows the board to appropriate so much of net appreciation as is prudent considering the Organization's long- and short-term needs, present and anticipated financial requirements, expected total return on its investments, price level and general economic conditions. Under the Organization's endowment spending policy, 5% of the trailing three-year average of the endowment's total asset value is appropriated. This trailing three-year average is calculated using the previous three fiscal years ending on June 30.

In establishing this policy, the Organization considered the long-term expected investment return on its investments as well as the provisions of specific fund trust agreements. This is consistent with the Organization's objective to maintain the purchasing power of the assets as well as to provide additional real growth through investment return. To achieve that objective, the Organization has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5%, while growing the fund if possible.

Accordingly, the Organization expects its investments, over time, to produce an average rate of return equal to or greater than the amount of the Consumer Price Index plus 5% generated over a 5-year period. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total investment base; investment assets and allocation between asset classes and strategies are managed to avoid exposure of any fund to unacceptable levels of risk.

Endowment net asset composition by type of fund as of June 30, 2020 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Endowment Net Assets</u>
Donor-restricted endowments	\$ 1,959,832	\$ 228,525	\$ 2,188,357
Board-designated endowments	32,962	-	32,962
Total Endowment Funds	<u>\$ 1,992,794</u>	<u>\$ 228,525</u>	<u>\$ 2,221,319</u>

SOUTH ARKANSAS COMMUNITY COLLEGE FOUNDATION, INC.

Notes to Financial Statements June 30, 2020

5. ENDOWMENTS (continued)

A reconciliation of the beginning and ending balances of endowment investments in total and by net asset class for the year ended June 30, 2019 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Endowments, beginning of year	\$ 2,021,416	\$ 235,835	\$ 2,257,251
Contributions	33,017	-	33,017
Interfund Transfers	2,700		2,700
Dividend and interest income	58,680	6,896	65,576
Unrealized gains (losses), net	(53,973)	(6,250)	(60,223)
Fiduciary fees	(11,876)	(1,386)	(13,262)
Bank fees	(8)	-	(8)
Administrative fees	(17,210)	(2,320)	(19,530)
Distributions	(39,952)	(4,250)	(44,202)
Endowments, end of year	1,992,794	228,525	2,221,319
Non-endowed funds	357,720	666,549	1,024,269
Total funds, end of year	\$ 2,350,514	\$ 895,074	\$ 3,245,588

6. NET ASSETS WITH AND WITHOUT DONOR RESTRICTIONS

The Organization has \$895,074 in net assets with donor restrictions which were received in the form of direct donations and special fundraising events. These net assets are restricted by the donors for use within various services of the Organization.

Net assets with donor restrictions were comprised of the following at June 30, 2020:

Scholarship funds	\$ 497,137
Building construction/maintenance	336,433
Other	61,504
	\$ 895,074

All other donations received by the Organization from donors and the income earned on the principal balances are to be used in accordance with donor's stipulations. However, each fund established with the Organization has been structured to allow the organization variance power over the net assets contained within the fund. Therefore, the Organization's Board of Directors has the ability to redirect the use of these assets if the restrictions placed by the donor effectively become unnecessary, incapable of fulfillment, or inconsistent with charitable needs of the community or area served. Accordingly, the remaining net assets of the Organization are reported as net assets without donor restrictions.

At June 30, 2020, the board had designated \$59,497 for future scholarship awards and athletic equipment.

SOUTH ARKANSAS COMMUNITY COLLEGE FOUNDATION, INC.

Notes to Financial Statements

June 30, 2020

7. RELATED PARTY TRANSACTIONS

South Arkansas Community College Foundation, Inc. (SACCFI) and the South Arkansas Community College (SACC) have some common directors and officers. SACCFI received from SACC during the year ended June 30, 2020 contributions from SACC employees in the amount of \$15,722. Also, SACCFI awarded a total of \$81,327 in scholarships to SACC students during the same fiscal year. During the year ended June 30, 2020, SACCFI paid SACC administrative expenses of \$33,861. The accounts payable balance at June 30, 2020 included \$2,136 due to the college.

Also, during the year ended June 30, 2020, the Organization received a total of \$6,575 in contributions from its various board members.

A member of the board is currently an officer of Simmons Bank. At June 30, 2019 the Organization had \$157,629 in operational funds held at Simmons Bank.

8. CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of pledge receivables and temporary cash investments. The pledge receivable from a donor is not collateralized. At June 30, 2020, the Organization's cash balance did not exceed federally insured limits.

9. UNCERTAINTIES

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The Organization is closely monitoring its investment portfolio and its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Organization's financial assets, which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Organization's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION

To the Board of Directors
South Arkansas Community College Foundation, Inc.
El Dorado, Arkansas

We have audited the financial statements of South Arkansas Community College Foundation, Inc. (a non-profit organization) as of and for the year ended June 30, 2020, and have issued our report thereon dated December 2, 2020, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole.

The statement of financial position-by fund type is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Emrich & Scroggins, LLP
Certified Public Accountants

El Dorado, Arkansas

December 2, 2020

SOUTH ARKANSAS COMMUNITY COLLEGE FOUNDATION, INC.

Statement of Financial Position - by fund type
June 30, 2020

	Operating Fund	Library Endowed Fund	Arboretum Fund	Student Services Activities Fund	Fiscal Affairs Discretionary Fund	El Dorado Jaycees Endowed Scholarship	Reach Endowed Scholarship	PBL Travel Fund	Skills USA Travel Fund	Melba Tatom Nursing Endowed Scholarship	ProMed Scholarship	Vision Care Fund	MSCA/Betty White Endowed Scholarship
ASSETS													
Current Assets													
Cash	\$ 10,966	\$ 2,975	\$ 4,215	\$ 668	\$ 2,079	\$ 746	\$ 2	\$ 677	\$ 25	\$ 75	\$ 10	\$ 10	\$ 217
Investments	274,816	28,793	22,152			21,625	120,811			34,533			22,536
Accounts receivable	0												
Pledges receivable													
Prepaid expenses	6,189												
Total Current Assets	<u>291,971</u>	<u>31,768</u>	<u>26,367</u>	<u>668</u>	<u>2,079</u>	<u>22,371</u>	<u>120,813</u>	<u>677</u>	<u>25</u>	<u>34,608</u>	<u>10</u>	<u>10</u>	<u>22,753</u>
Fixed Assets													
Furniture and equipment, less accumulated depreciation	6,490												
	(6,490)												
	0												
Other Assets -Pledges Non-Current													
	\$ 291,971	\$ 31,768	\$ 26,367	\$ 668	\$ 2,079	\$ 22,371	\$ 120,813	\$ 677	\$ 25	\$ 34,608	\$ 10	\$ 10	\$ 22,753
LIABILITIES & NET ASSETS													
Current Liabilities													
Accounts payable	\$ 2,397	\$	\$	\$ 0	\$	\$	\$	\$	\$	\$	\$	\$	\$
Refundable advances	10,800												
Total Current Liabilities	<u>13,197</u>			<u>0</u>									
Net Assets													
Without donor restrictions	278,774	31,768	26,367	668	2,079	22,371	120,813	677	25	34,608	10	10	22,753
With donor restrictions													
Total Net Assets	<u>278,774</u>	<u>31,768</u>	<u>26,367</u>	<u>668</u>	<u>2,079</u>	<u>22,371</u>	<u>120,813</u>	<u>677</u>	<u>25</u>	<u>34,608</u>	<u>10</u>	<u>10</u>	<u>22,753</u>
	\$ 291,971	\$ 31,768	\$ 26,367	\$ 668	\$ 2,079	\$ 22,371	\$ 120,813	\$ 677	\$ 25	\$ 34,608	\$ 10	\$ 10	\$ 22,753

(Continued)

SOUTH ARKANSAS COMMUNITY COLLEGE FOUNDATION, INC.

Statement of Financial Position - by fund type

June 30, 2020

	Simmons First Bank Endowed Scholarship	ACAP Fund	Michael F. Mahony/ BancorpSouth End. Sch. Fund	El Dorado Civitan Golden Door End. Sch.	Dr. Ben T. Whitfield Endowed Scholarship	Cornerstone General Endowed Scholarship Fund	Mabel Stratton Powell Endowed Scholarship	Thomas Administration Building Fund	Innovation Minigrant Endowed Fund	Student Emergency Fund	Langston Endowed Scholarship	Lucy Ring Fine Arts Endowed Scholarship	Lucy Ring Academic Endowed Scholarship
ASSETS													
Current Assets													
Cash	\$ 5	\$ 145	\$	\$ 4	\$ 6	\$ 10	\$ 105	\$ (78)	\$ 667	\$ 50	\$ 5	\$ 128	\$ 2
Investments	19,643		37,443	26,131	26,756	131,028	19,297	30,336	15,560	0	100,525	54,383	147,589
Accounts receivable													
Pledges receivable													
Prepaid expenses													
Total Current Assets	<u>19,648</u>	<u>145</u>	<u>37,443</u>	<u>26,135</u>	<u>26,762</u>	<u>131,038</u>	<u>19,402</u>	<u>30,258</u>	<u>16,227</u>	<u>50</u>	<u>100,530</u>	<u>54,511</u>	<u>147,591</u>
Fixed Assets													
Furniture and equipment, less accumulated depreciation													
Other Assets -Pledges Non-Current													
	\$ 19,648	\$ 145	\$ 37,443	\$ 26,135	\$ 26,762	\$ 131,038	\$ 19,402	\$ 30,258	\$ 16,227	\$ 50	\$ 100,530	\$ 54,511	\$ 147,591
LIABILITIES & NET ASSETS													
Current Liabilities													
Accounts payable	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Refundable advances													
Total Current Liabilities													
Net Assets													
Without donor restrictions	19,648		37,443	26,135	26,762		19,402	30,258	16,227		100,530	54,511	147,591
With donor restrictions		145				131,038				50			
Total Net Assets	<u>19,648</u>	<u>145</u>	<u>37,443</u>	<u>26,135</u>	<u>26,762</u>	<u>131,038</u>	<u>19,402</u>	<u>30,258</u>	<u>16,227</u>	<u>50</u>	<u>100,530</u>	<u>54,511</u>	<u>147,591</u>
	\$ 19,648	\$ 145	\$ 37,443	\$ 26,135	\$ 26,762	\$ 131,038	\$ 19,402	\$ 30,258	\$ 16,227	\$ 50	\$ 100,530	\$ 54,511	\$ 147,591

(Continued)

SOUTH ARKANSAS COMMUNITY COLLEGE FOUNDATION, INC.

Statement of Financial Position - by fund type

June 30, 2020

	James M. Moore, Jr. Endowed Scholarship	James Family Endowed Scholarship	E.W. Pickering Endowed Scholarship	Health Sciences Endowed Scholarship	Alpha Xi Endowed Scholarship	Jonathan M. Warren Memorial Scholarship	Robert R. Brown, Jr. Scholarship	Jodie Mahony Endowed Scholarship	Mabel & Emon Mahony Endowed Scholarship	Evening with the Stars	Island Memorial Scholarship	Omazel Lawson Endowed Scholarship	Neely Endowed Scholarship
ASSETS													
Current Assets													
Cash	\$ 3	\$ 4	\$ 3	\$ 69	\$ 13	\$ 31	\$ 501	\$ 2	\$ 10	\$ 288	\$ 576	\$ 30	\$ 3
Investments	19,296	166,049	26,421	96,815	20,897	4,812	1,534	207,190	203,943	12,230	4,255	98,988	17,711
Accounts receivable													
Pledges receivable													
Prepaid expenses													
Total Current Assets	<u>19,299</u>	<u>166,053</u>	<u>26,424</u>	<u>96,884</u>	<u>20,910</u>	<u>4,843</u>	<u>2,035</u>	<u>207,192</u>	<u>203,953</u>	<u>12,518</u>	<u>4,831</u>	<u>99,018</u>	<u>17,714</u>
Fixed Assets													
Furniture and equipment, less accumulated depreciation													
Other Assets -Pledges Non-Current													
	<u>\$ 19,299</u>	<u>\$ 166,053</u>	<u>\$ 26,424</u>	<u>\$ 96,884</u>	<u>\$ 20,910</u>	<u>\$ 4,843</u>	<u>\$ 2,035</u>	<u>\$ 207,192</u>	<u>\$ 203,953</u>	<u>\$ 12,518</u>	<u>\$ 4,831</u>	<u>\$ 99,018</u>	<u>\$ 17,714</u>
LIABILITIES & NET ASSETS													
Current Liabilities													
Accounts payable	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Refundable advances													
Total Current Liabilities													
Net Assets													
Without donor restrictions	19,299	166,053	26,424	96,884	20,910	4,843	2,035	207,192	203,953	12,518	4,831	99,018	17,714
With donor restrictions													
Total Net Assets	<u>19,299</u>	<u>166,053</u>	<u>26,424</u>	<u>96,884</u>	<u>20,910</u>	<u>4,843</u>	<u>2,035</u>	<u>207,192</u>	<u>203,953</u>	<u>12,518</u>	<u>4,831</u>	<u>99,018</u>	<u>17,714</u>
	<u>\$ 19,299</u>	<u>\$ 166,053</u>	<u>\$ 26,424</u>	<u>\$ 96,884</u>	<u>\$ 20,910</u>	<u>\$ 4,843</u>	<u>\$ 2,035</u>	<u>\$ 207,192</u>	<u>\$ 203,953</u>	<u>\$ 12,518</u>	<u>\$ 4,831</u>	<u>\$ 99,018</u>	<u>\$ 17,714</u>

(Continued)

SOUTH ARKANSAS COMMUNITY COLLEGE FOUNDATION, INC.

Statement of Financial Position - by fund type

June 30, 2020

	Charles E. Cowger Endowed Scholarship	G. Thomas Baumgardner Student's Choice Faculty Award Endowed	Jo An & Charles T. Skinner Endowed Scholarship	Health & Natural Sciences Bldg	Capital Campaign Heritage Plaza	Dr. Kermit M. Parks Public Service Endowed Scholarship	President's Circle	SouthArk Athletic Fund	Pay It Forward Fund	Employee Club Endowed Scholarship	Cultural Activity Fund	Perf/ Media Arts Fund
ASSETS												
Current Assets												
Cash	\$ 3	\$ (50)	\$ 31	\$ 1,300	\$ 0	\$ 8	\$ 5	\$ 14,240	\$ 200	\$ 603	\$ 49	\$ 22
Investments	36,177	37,065	21,745	157,861		68,892	1,773		2,411	16,652		2,136
Accounts receivable												
Pledges receivable												
Prepaid expenses												
Total Current Assets	<u>36,180</u>	<u>37,015</u>	<u>21,776</u>	<u>159,161</u>	<u>0</u>	<u>68,900</u>	<u>1,778</u>	<u>14,240</u>	<u>2,611</u>	<u>17,255</u>	<u>49</u>	<u>2,158</u>
Fixed Assets												
Furniture and equipment, less accumulated depreciation												
Other Assets -Pledges Non-Current												
	<u>\$ 36,180</u>	<u>\$ 37,015</u>	<u>\$ 21,776</u>	<u>\$ 159,161</u>	<u>\$ 0</u>	<u>\$ 68,900</u>	<u>\$ 1,778</u>	<u>\$ 14,240</u>	<u>\$ 2,611</u>	<u>\$ 17,255</u>	<u>\$ 49</u>	<u>\$ 2,158</u>
LIABILITIES & NET ASSETS												
Current Liabilities												
Accounts payable	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Refundable advances												
Total Current Liabilities												
Net Assets												
Without donor restrictions	36,180	37,015	21,776	159,161	0	68,900	1,778	14,240	2,611	17,255	49	2,158
With donor restrictions												
Total Net Assets	<u>36,180</u>	<u>37,015</u>	<u>21,776</u>	<u>159,161</u>	<u>0</u>	<u>68,900</u>	<u>1,778</u>	<u>14,240</u>	<u>2,611</u>	<u>17,255</u>	<u>49</u>	<u>2,158</u>
	<u>\$ 36,180</u>	<u>\$ 37,015</u>	<u>\$ 21,776</u>	<u>\$ 159,161</u>	<u>\$ 0</u>	<u>\$ 68,900</u>	<u>\$ 1,778</u>	<u>\$ 14,240</u>	<u>\$ 2,611</u>	<u>\$ 17,255</u>	<u>\$ 49</u>	<u>\$ 2,158</u>

(Continued)

SOUTH ARKANSAS COMMUNITY COLLEGE FOUNDATION, INC.

Statement of Financial Position - by fund type

June 30, 2020

	Living the Dream Scholarship	Dora J. & John G. Ragsdale, Jr. Endowed Scholarship	Steve Cameron Endowed Scholarship	William R. & Cecilia Howard Endowed Scholarship	Shirley J. Hicks Russell AAFFD Fund	Advanced Manufacturing Training Fund	Jennifer Baine Endowed Scholarship		Karen Boykin Endowed Nursing Scholarship	Roper Rad Tech Fund	Student Success Fund	Total
ASSETS												
Current Assets												
Cash	\$ 19	\$ 272	\$ 39	\$ 120	\$ 736	\$ 97,015	\$ 3,351	\$	\$ 155	\$ 6,492	\$ 3,775	\$ 154,595
Investments	10,136	16,091	108,961	318,597	19,903		28,060		15,771	8,491	5,910	3,048,001
Accounts receivable												0
Pledges receivable						50,000						50,000
Prepaid expenses												6,189
Total Current Assets	<u>10,155</u>	<u>16,363</u>	<u>109,000</u>	<u>318,717</u>	<u>20,639</u>	<u>147,015</u>	<u>31,411</u>	<u>0</u>	<u>15,926</u>	<u>14,983</u>	<u>9,685</u>	<u>3,258,785</u>
Fixed Assets												
Furniture and equipment, less accumulated depreciation												6,490
												(6,490)
												0
Other Assets -Pledges Non-Current												
						0						0
	<u>\$ 10,155</u>	<u>\$ 16,363</u>	<u>\$ 109,000</u>	<u>\$ 318,717</u>	<u>\$ 20,639</u>	<u>\$ 147,015</u>	<u>\$ 31,411</u>	<u>\$ 0</u>	<u>\$ 15,926</u>	<u>\$ 14,983</u>	<u>\$ 9,685</u>	<u>\$ 3,258,785</u>
LIABILITIES & NET ASSETS												
Current Liabilities												
Accounts payable	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 2,397
Refundable advances												10,800
Total Current Liabilities												<u>13,197</u>
Net Assets												
Without donor restrictions		16,363	109,000	318,717	20,639		31,411		15,926		9,685	2,350,509
With donor restrictions	10,155					147,015				14,983		895,079
Total Net Assets	<u>10,155</u>	<u>16,363</u>	<u>109,000</u>	<u>318,717</u>	<u>20,639</u>	<u>147,015</u>	<u>31,411</u>	<u>0</u>	<u>15,926</u>	<u>14,983</u>	<u>9,685</u>	<u>3,245,588</u>
	<u>\$ 10,155</u>	<u>\$ 16,363</u>	<u>\$ 109,000</u>	<u>\$ 318,717</u>	<u>\$ 20,639</u>	<u>\$ 147,015</u>	<u>\$ 31,411</u>	<u>\$ 0</u>	<u>\$ 15,926</u>	<u>\$ 14,983</u>	<u>\$ 9,685</u>	<u>\$ 3,258,785</u>