

SOUTH ARKANSAS COMMUNITY
COLLEGE FOUNDATION, INC.

For The Year Ended June 30, 2021

SOUTH ARKANSAS COMMUNITY COLLEGE FOUNDATION, INC.

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of South Arkansas Community College Foundation, Inc., which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of South Arkansas Community College Foundation, Inc. as of June 30, 2021, 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.

Basis for Opinion

We conducted our audit 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 South Arkansas Community College Foundation, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 South Arkansas Community College Foundation, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS 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 South Arkansas Community College Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as 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 South Arkansas Community College Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.


Emrich & Scroggins, LLP
Certified Public Accountants

El Dorado, Arkansas

December 8, 2021

SOUTH ARKANSAS COMMUNITY COLLEGE FOUNDATION, INC.

Statement of Financial Position

June 30, 2021

ASSETS

Current Assets

Cash and cash equivalents	\$ 130,298
Investments	3,879,578
Prepaid expenses	4,774

Total Current Assets 4,014,650

Fixed Assets, at cost

Computer software	-
Property and equipment	6,490

Less: accumulated depreciation and amortization 6,490

Total Fixed Assets -

\$ 4,014,650

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ -
Refundable advances	30,021

Total Current Liabilities 30,021

Net Assets

Without donor restrictions	2,951,397
With donor restrictions	1,033,232

Total Net Assets 3,984,629

\$ 4,014,650

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

SOUTH ARKANSAS COMMUNITY COLLEGE FOUNDATION, INC.

Statement of Activities

For the Year Ended June 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, Gains and Other Support			
General contributions			
Cash and other financial assets	\$ 80,668	\$ 24,126	\$ 104,794
In-kind	8,100	-	8,100
Endowed contributions	126,440	-	126,440
Special events	13,050	11	13,061
Investment income	536,958	145,972	682,930
Net assets released due to satisfaction of program restrictions	31,951	(31,951)	-
Total revenues, gains and other support	<u>797,167</u>	<u>138,158</u>	<u>935,325</u>
Expenses			
Program services			
Scholarships	72,794		72,794
Grants and awards	46,982		46,982
In-kind contribution	8,100		8,100
Total program services	<u>127,876</u>		<u>127,876</u>
Supporting services			
Management and general	66,878		66,878
Fundraising	1,530		1,530
Total supporting services	<u>68,408</u>		<u>68,408</u>
Total expenses	<u>196,284</u>		<u>196,284</u>
Change in Net Assets	600,883	138,158	739,041
Net Assets - Beginning of Year	<u>2,350,514</u>	<u>895,074</u>	<u>3,245,588</u>
Net Assets- End of Year	<u>\$ 2,951,397</u>	<u>\$ 1,033,232</u>	<u>\$ 3,984,629</u>

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

SOUTH ARKANSAS COMMUNITY COLLEGE FOUNDATION, INC.

Statement of Functional Expenses For the Year Ended June 30, 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Scholarship expense	\$ 72,794	\$ -	\$ -	\$ 72,794
Grants and awards	46,982	-	-	46,982
Administrative fees	28,763	-	-	28,763
In-kind contribution	8,100	-	-	8,100
General fundraising	-	-	1,530	1,530
Office supplies, printing	-	4,108	-	4,108
Salary	-	14,200	-	14,200
Accounting fees	-	12,350	-	12,350
Bank fees	-	220	-	220
Software expense	-	17,957	-	17,957
Meals	-	1,639	-	1,639
Public relations	-	1,799	-	1,799
Memberships	-	3,092	-	3,092
Miscellaneous	-	11,513	-	11,513
	<u>156,639</u>	<u>66,878</u>	<u>1,530</u>	<u>225,047</u>
Less expenses included with revenues on the statement of activities				
Administrative fees	<u>(28,763)</u>	<u>-</u>	<u>-</u>	<u>(28,763)</u>
Total expenses included in the expense section on the statement of activities	<u>\$ 127,876</u>	<u>\$ 66,878</u>	<u>\$ 1,530</u>	<u>\$ 196,284</u>

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

SOUTH ARKANSAS COMMUNITY COLLEGE FOUNDATION, INC.

Statement of Cash Flows

June 30, 2021

Cash Flows from Operating Activities

Change in net assets	\$ 739,041
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Unrealized (gain) loss on investments	(487,418)
(Increase) decrease in current assets:	
Pledge receivables	50,000
Prepaid expenses	1,415
Increase (decrease) in current liabilities:	
Accounts payable	(2,396)
Refundable advances	19,221

Net cash provided by operating activities 319,863

Cash Flows from Investing Activities

Proceeds from sale of investments	244,367
Purchases of investments	<u>(588,527)</u>

Net cash used in investing activities (344,160)

Net Decrease in Cash (24,297)

Cash and Cash Equivalents at Beginning of Year

154,595

Cash and Cash Equivalents at End of Year

\$ 130,298

Supplemental disclosures of cash flow information:

Noncash transactions:	Contributed ambulance	\$ 8,100
	Contributed stock	\$ 100,178

SOUTH ARKANSAS COMMUNITY COLLEGE FOUNDATION, INC.

Notes to Financial Statements

June 30, 2021

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.

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.

SOUTH ARKANSAS COMMUNITY COLLEGE FOUNDATION, INC.

Notes to Financial Statements

June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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/Promises to Give - 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 does not have any promises to give at June 30, 2021.

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.

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, 2021, the netted administrative fee was \$28,763.

SOUTH ARKANSAS COMMUNITY COLLEGE FOUNDATION, INC.

Notes to Financial Statements

June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2021, 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, 2021, management evaluated the Organization's tax positions and concluded that the Organization had maintained its tax-exempt status and had taken no uncertain tax positions that require adjustments to the financial statements.

Revenue and Revenue Recognition – Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Organization recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. The contribution element of special event revenue is recognized immediately, unless there is a right of return if the special event does not take place. If a right of return exists, amounts received prior to the special event are reported as refundable advances in the statement of financial position.

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Subsequent Events – Management has evaluated events through December 8, 2021, the date the financial statement was available to be issued.

2. 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 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, 2021

2. LIQUIDITY AND AVAILABILITY (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	\$ 130,298
Investments	3,879,578
Total financial assets at June 30, 2021	<u>4,009,876</u>
Less amounts not available to be used within one year, due to:	
Net assets with donor restrictions	(1,033,232)
Endowed funds	(2,498,303)
Board designated reserves	(63,127)
	<u>(3,594,662)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 415,214</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 \$2,498,303 listed as endowed funds above.

3. 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.

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.

SOUTH ARKANSAS COMMUNITY COLLEGE FOUNDATION, INC.

Notes to Financial Statements

June 30, 2021

3. INVESTMENTS AND FAIR VALUE (Continued)

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, 2021 was as follows:

Equity mutual funds	\$ 2,026,351
Fixed income mutual funds	1,644,495
Money market funds	208,732
	<u>\$ 3,879,578</u>

Investment income for the year ended June 30, 2021 consisted of the following

Net realized and unrealized gains	\$ 623,437
Dividend income	78,678
Less: Investment fees	<u>(19,272)</u>
	682,843
Short-term investment interest income	87
	<u>\$ 682,930</u>

4. 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.

SOUTH ARKANSAS COMMUNITY COLLEGE FOUNDATION, INC.

Notes to Financial Statements

June 30, 2021

4. ENDOWMENTS (Continued)

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, 2021 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Donor-restricted endowments	\$ 2,498,303	\$ 270,747	\$ 2,769,050
Board-designated endowments	25,858	-	25,858
Total Endowment Funds	\$ 2,524,161	\$ 270,747	\$ 2,794,908

A reconciliation of the beginning and ending balances of endowment investments in total and by net asset class for the year ended June 30, 2021 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Endowments,			
beginning of year	\$ 1,992,794	\$ 228,525	\$ 2,221,319
Contributions	151,441	-	151,441
Interfund Transfers	-	-	-
Dividend and interest income	50,139	5,618	55,757
Unrealized gains (losses), net	398,422	44,564	442,986
Fiduciary fees	(12,423)	(1,383)	(13,806)
Bank fees	(10)	-	(10)
Fund transfers	-	-	-
Administrative fees	(19,429)	(2,327)	(21,756)
Distributions	(36,773)	(4,250)	(41,023)
Endowments, end of year	2,524,161	270,747	2,794,908
Non-endowed funds	427,236	762,485	1,189,721
Total funds, end of year	\$ 2,951,397	\$ 1,033,232	\$ 3,984,629

SOUTH ARKANSAS COMMUNITY COLLEGE FOUNDATION, INC.

Notes to Financial Statements

June 30, 2021

5. NET ASSETS WITH AND WITHOUT DONOR RESTRICTIONS

The Organization has \$1,033,232 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, 2021:

Scholarship funds	\$ 595,742
Building construction/maintenance	366,246
Other	71,244
	<u>\$ 1,033,232</u>

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, 2021, the board had designated \$63,127 for future scholarship awards and athletic equipment.

6. RELATED PARTY TRANSACTIONS

The Organization and the South Arkansas Community College (SACC) have common board membership and officers. During the year ended June 30, 2021, the Organization received contributions from SACC employees in the amount of \$12,507. Also, the Organization awarded a total of \$72,794 in scholarships to SACC students during the year. The Organization paid \$73,106 to SACC for administrative services and related expenses. The Organization also made an in-kind contribution of \$8,100 to SACC during the year.

The Organization received a total of \$5,750 in contributions from its various board members during the year ended June 30, 2021.

Also, a member of the board is an officer of a local financial institution where the Organization maintains operational funds. At June 30, 2021, the Organization had demand deposits of \$134,445 with the financial institution.

7. CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of temporary cash investments. At June 30, 2021, the Organization's cash balance did not exceed federally insured limits.

SOUTH ARKANSAS COMMUNITY COLLEGE FOUNDATION, INC.

Notes to Financial Statements

June 30, 2021

8. UNCERTANTIES

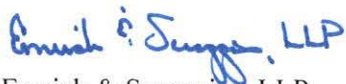
The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The Organization is closely monitoring its 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 donors and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Organization's cash position and cash flows is uncertain and the accompanying financial statement includes no adjustments relating to the effects of this pandemic.

INDEPENDENT AUDITOR'S 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, 2021, and have issued our report thereon dated December 8, 2021 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 8, 2021

SOUTH ARKANSAS COMMUNITY COLLEGE FOUNDATION, INC.

Statement of Financial Position - by fund type
June 30, 2021

	Operating Fund	Library Endowed Fund	Arboretum Fund	Student Services Activities Fund	Finance & Administration Activities Fund	El Dorado Jaycees Endowed Scholarship	Reach Endowed Scholarship	PBL Travel Fund	Skills USA Travel Fund	Melba Tatom Nursing Endowed Scholarship	ProMed Scholarship	MSCA/Betty White Endowed Scholarship	Simmons First Bank Endowed Scholarship
ASSETS													
Current Assets													
Cash	\$ 107,932	\$ 436	\$ 381	\$ 100	\$ 79	\$ 6	\$ 52	\$ 365	\$ 25	\$ 113	\$ 300	\$ 100	\$ 5
Investments	237,684	38,604	32,011	659	1,537	26,950	143,327	518		41,740	2,007	26,714	23,681
Accounts receivable	-												
Pledges receivable	-												
Prepaid expenses	4,774												
Total Current Assets	<u>350,390</u>	<u>39,040</u>	<u>32,392</u>	<u>759</u>	<u>1,616</u>	<u>26,956</u>	<u>143,379</u>	<u>883</u>	<u>25</u>	<u>41,853</u>	<u>2,307</u>	<u>26,814</u>	<u>23,686</u>
Fixed Assets													
Furniture and equipment, less accumulated depreciation	6,490												
	(6,490)												
Other Assets -Pledges Non-Current													
	<u>\$ 350,390</u>	<u>\$ 39,040</u>	<u>\$ 32,392</u>	<u>\$ 759</u>	<u>\$ 1,616</u>	<u>\$ 26,956</u>	<u>\$ 143,379</u>	<u>\$ 883</u>	<u>\$ 25</u>	<u>\$ 41,853</u>	<u>\$ 2,307</u>	<u>\$ 26,814</u>	<u>\$ 23,686</u>
LIABILITIES & NET ASSETS													
Current Liabilities													
Accounts payable	\$ 47	\$	\$	\$ -	\$	\$	\$	\$	\$	\$	\$	\$	\$
Refundable advances	30,021												
Total Current Liabilities	<u>30,068</u>			<u>-</u>									
Net Assets													
Without donor restrictions	320,322	39,040				26,956	143,379			41,853		26,814	23,686
With donor restrictions			32,392	759	1,616			883	25		2,307		
Total Net Assets	<u>320,322</u>	<u>39,040</u>	<u>32,392</u>	<u>759</u>	<u>1,616</u>	<u>26,956</u>	<u>143,379</u>	<u>883</u>	<u>25</u>	<u>41,853</u>	<u>2,307</u>	<u>26,814</u>	<u>23,686</u>
	<u>\$ 350,390</u>	<u>\$ 39,040</u>	<u>\$ 32,392</u>	<u>\$ 759</u>	<u>\$ 1,616</u>	<u>\$ 26,956</u>	<u>\$ 143,379</u>	<u>\$ 883</u>	<u>\$ 25</u>	<u>\$ 41,853</u>	<u>\$ 2,307</u>	<u>\$ 26,814</u>	<u>\$ 23,686</u>

(Continued)

SOUTH ARKANSAS COMMUNITY COLLEGE FOUNDATION, INC.

Statement of Financial Position - by fund type

June 30, 2021

	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	Langston Endowed Scholarship	Lucy Ring Fine Arts Endowed Scholarship	Lucy Ring Academic Endowed Scholarship	James M. Moore, Jr. Endowed Scholarship	James Family Endowed Scholarship
ASSETS													
Current Assets													
Cash	\$ 125	\$ 51	\$ 4	\$ 6	\$ 32	\$ 30	\$ 18	\$ 71	\$ 5	\$ 128	\$ 2	\$ 3	\$ 4
Investments		44,533	31,205	32,255	155,668	22,511	36,354	18,538	119,496	65,576	174,016	22,967	199,089
Accounts receivable													
Pledges receivable													
Prepaid expenses													
Total Current Assets	<u>125</u>	<u>44,584</u>	<u>31,209</u>	<u>32,261</u>	<u>155,700</u>	<u>22,541</u>	<u>36,372</u>	<u>18,609</u>	<u>119,501</u>	<u>65,704</u>	<u>174,018</u>	<u>22,970</u>	<u>199,093</u>
Fixed Assets													
Furniture and equipment, less accumulated depreciation													
Other Assets -Pledges Non-Current													
	<u>\$ 125</u>	<u>\$ 44,584</u>	<u>\$ 31,209</u>	<u>\$ 32,261</u>	<u>\$ 155,700</u>	<u>\$ 22,541</u>	<u>\$ 36,372</u>	<u>\$ 18,609</u>	<u>\$ 119,501</u>	<u>\$ 65,704</u>	<u>\$ 174,018</u>	<u>\$ 22,970</u>	<u>\$ 199,093</u>
LIABILITIES & NET ASSETS													
Current Liabilities													
Accounts payable	\$	\$	\$	\$	\$	\$	\$	\$ 78	\$	\$	\$	\$	\$
Refundable advances													
Total Current Liabilities								<u>78</u>					
Net Assets													
Without donor restrictions		44,584	31,209	32,261	155,700	22,541	36,372	18,531	119,501	65,704	174,018	22,970	199,093
With donor restrictions	<u>125</u>				<u>155,700</u>		<u>36,372</u>	<u>18,531</u>		<u>65,704</u>	<u>174,018</u>		
Total Net Assets	<u>125</u>	<u>44,584</u>	<u>31,209</u>	<u>32,261</u>	<u>155,700</u>	<u>22,541</u>	<u>36,372</u>	<u>18,531</u>	<u>119,501</u>	<u>65,704</u>	<u>174,018</u>	<u>22,970</u>	<u>199,093</u>
	<u>\$ 125</u>	<u>\$ 44,584</u>	<u>\$ 31,209</u>	<u>\$ 32,261</u>	<u>\$ 155,700</u>	<u>\$ 22,541</u>	<u>\$ 36,372</u>	<u>\$ 18,609</u>	<u>\$ 119,501</u>	<u>\$ 65,704</u>	<u>\$ 174,018</u>	<u>\$ 22,970</u>	<u>\$ 199,093</u>

(Continued)

SOUTH ARKANSAS COMMUNITY COLLEGE FOUNDATION, INC.

Statement of Financial Position - by fund type

June 30, 2021

	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	Betty & Charles E. Cowger Endowed Scholarship	G. Thomas Baumgardner Student's Choice Faculty Award Endowed
ASSETS													
Current Assets													
Cash	\$ 3	\$ 260	\$ 71	\$ 141	\$ 51	\$ 55	\$ 110	\$ 14	\$ 303	\$ 130	\$ 3	\$ 103	\$ 31
Investments	31,022	113,594	24,464	5,506	1,507	244,535	252,725	14,373	5,914	124,632	21,356	47,966	44,024
Accounts receivable													
Pledges receivable													
Prepaid expenses													
Total Current Assets	<u>31,025</u>	<u>113,854</u>	<u>24,535</u>	<u>5,647</u>	<u>1,558</u>	<u>244,590</u>	<u>252,835</u>	<u>14,387</u>	<u>6,217</u>	<u>124,762</u>	<u>21,359</u>	<u>48,069</u>	<u>44,055</u>
Fixed Assets													
Furniture and equipment, less accumulated depreciation													
Other Assets -Pledges Non-Current													
	<u>\$ 31,025</u>	<u>\$ 113,854</u>	<u>\$ 24,535</u>	<u>\$ 5,647</u>	<u>\$ 1,558</u>	<u>\$ 244,590</u>	<u>\$ 252,835</u>	<u>\$ 14,387</u>	<u>\$ 6,217</u>	<u>\$ 124,762</u>	<u>\$ 21,359</u>	<u>\$ 48,069</u>	<u>\$ 44,055</u>
LIABILITIES & NET ASSETS													
Current Liabilities													
Accounts payable	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Refundable advances													
Total Current Liabilities													
Net Assets													
Without donor restrictions			24,535	5,647	1,558	244,590	252,835	14,387	6,217	124,762	21,359	48,069	44,055
With donor restrictions	<u>31,025</u>	<u>113,854</u>						<u>14,387</u>	<u>6,217</u>				
Total Net Assets	<u>31,025</u>	<u>113,854</u>	<u>24,535</u>	<u>5,647</u>	<u>1,558</u>	<u>244,590</u>	<u>252,835</u>	<u>14,387</u>	<u>6,217</u>	<u>124,762</u>	<u>21,359</u>	<u>48,069</u>	<u>44,055</u>
	<u>\$ 31,025</u>	<u>\$ 113,854</u>	<u>\$ 24,535</u>	<u>\$ 5,647</u>	<u>\$ 1,558</u>	<u>\$ 244,590</u>	<u>\$ 252,835</u>	<u>\$ 14,387</u>	<u>\$ 6,217</u>	<u>\$ 124,762</u>	<u>\$ 21,359</u>	<u>\$ 48,069</u>	<u>\$ 44,055</u>

(Continued)

SOUTH ARKANSAS COMMUNITY COLLEGE FOUNDATION, INC.

Statement of Financial Position - by fund type

June 30, 2021

	Jo An & Charles T. Skinner Endowed Scholarship	Health & Natural Sciences Bldg	Capital Campaign Heritage Plaza	Dr. Kenneth Bridges Scholarship Fund	Dr. Kermit M. Parks Public Service Endowed Scholarship	President's Circle	Pay It Forward Fund	Employee Club Endowed Scholarship	Cultural Activity Fund	Entertainment Media Arts Fund	Living the Dream Scholarship	Dora J. & John G. Ragsdale, Jr. Endowed Scholarship
ASSETS												
Current Assets												
Cash	\$ 81	\$ 100	\$ -	\$ 240	\$ 8	\$ 5	\$ 100	\$ 363	\$ 109	\$ 277	\$ 74	\$ 100
Investments	25,612	191,792		2,477	81,905	2,157	3,050	21,108		2,648	18,390	19,304
Accounts receivable												
Pledges receivable												
Prepaid expenses												
Total Current Assets	<u>25,693</u>	<u>191,892</u>	<u>-</u>	<u>2,717</u>	<u>81,913</u>	<u>2,162</u>	<u>3,150</u>	<u>21,471</u>	<u>109</u>	<u>2,925</u>	<u>18,464</u>	<u>19,404</u>
Fixed Assets												
Furniture and equipment, less accumulated depreciation												
Other Assets -Pledges Non-Current												
	<u>\$ 25,693</u>	<u>\$ 191,892</u>	<u>\$ -</u>	<u>\$ 2,717</u>	<u>\$ 81,913</u>	<u>\$ 2,162</u>	<u>\$ 3,150</u>	<u>\$ 21,471</u>	<u>\$ 109</u>	<u>\$ 2,925</u>	<u>\$ 18,464</u>	<u>\$ 19,404</u>
LIABILITIES & NET ASSETS												
Current Liabilities												
Accounts payable	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Refundable advances												
Total Current Liabilities												
Net Assets												
Without donor restrictions	25,693				81,913		3,150	21,471		2,925	18,464	19,404
With donor restrictions		191,892	-	2,717		2,162			109	2,925	18,464	
Total Net Assets	<u>25,693</u>	<u>191,892</u>	<u>-</u>	<u>2,717</u>	<u>81,913</u>	<u>2,162</u>	<u>3,150</u>	<u>21,471</u>	<u>109</u>	<u>2,925</u>	<u>18,464</u>	<u>19,404</u>
	<u>\$ 25,693</u>	<u>\$ 191,892</u>	<u>\$ -</u>	<u>\$ 2,717</u>	<u>\$ 81,913</u>	<u>\$ 2,162</u>	<u>\$ 3,150</u>	<u>\$ 21,471</u>	<u>\$ 109</u>	<u>\$ 2,925</u>	<u>\$ 18,464</u>	<u>\$ 19,404</u>

(Continued)

SOUTH ARKANSAS COMMUNITY COLLEGE FOUNDATION, INC.

Statement of Financial Position - by fund type

June 30, 2021

	Steve Cameron Endowed Scholarship	William R. & Cacilia Howard Endowed Scholarship	Shirley J. Hicks Russell AAFFD Fund	Advanced Manufacturing Training Fund	Jennifer Baine Endowed Scholarship	Karen Boykin Endowed Nursing Scholarship	Howard Heritage Plaza Support Fund	Roper Rad Tech Fund	Student Success Fund	Brookshire's Endowed Scholarship	Athletic Scholarship Fund	Smackover High School Award	Athletic General Fund
ASSETS													
Current Assets													
Cash	\$ 39	\$ 109	\$ 146	\$ 917	\$ 100	\$ 1,308	\$ 99	\$ 137	\$ 9,885	\$ 100	\$	\$ 1,200	\$ 3,153
Investments	126,938	487,647	30,457	137,066	37,026	19,065	181,201	14,523	13,109	26,996			7,849
Accounts receivable													
Pledges receivable				-									
Prepaid expenses													
Total Current Assets	<u>126,977</u>	<u>487,756</u>	<u>30,603</u>	<u>137,983</u>	<u>37,126</u>	<u>20,373</u>	<u>181,300</u>	<u>14,660</u>	<u>22,994</u>	<u>27,096</u>	<u>-</u>	<u>1,200</u>	<u>11,002</u>
Fixed Assets													
Furniture and equipment, less accumulated depreciation													
Other Assets -Pledges Non-Current													
				-									
	<u>\$ 126,977</u>	<u>\$ 487,756</u>	<u>\$ 30,603</u>	<u>\$ 137,983</u>	<u>\$ 37,126</u>	<u>\$ 20,373</u>	<u>\$ 181,300</u>	<u>\$ 14,660</u>	<u>\$ 22,994</u>	<u>\$ 27,096</u>	<u>\$ -</u>	<u>\$ 1,200</u>	<u>\$ 11,002</u>
LIABILITIES & NET ASSETS													
Current Liabilities													
Accounts payable	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ (125)	\$	\$
Refundable advances													
Total Current Liabilities											-	(125)	-
Net Assets													
Without donor restrictions	126,977	487,756	30,603		37,126	20,373	181,300		22,994	27,096	125		11,002
With donor restrictions				137,983				14,660				1,200	
Total Net Assets	<u>126,977</u>	<u>487,756</u>	<u>30,603</u>	<u>137,983</u>	<u>37,126</u>	<u>20,373</u>	<u>181,300</u>	<u>14,660</u>	<u>22,994</u>	<u>27,096</u>	<u>125</u>	<u>1,200</u>	<u>11,002</u>
	<u>\$ 126,977</u>	<u>\$ 487,756</u>	<u>\$ 30,603</u>	<u>\$ 137,983</u>	<u>\$ 37,126</u>	<u>\$ 20,373</u>	<u>\$ 181,300</u>	<u>\$ 14,660</u>	<u>\$ 22,994</u>	<u>\$ 27,096</u>	<u>\$ -</u>	<u>\$ 1,200</u>	<u>\$ 11,002</u>

(Continued)

SOUTH ARKANSAS COMMUNITY COLLEGE FOUNDATION, INC.

Statement of Financial Position - by fund type

June 30, 2021

	Total
ASSETS	
Current Assets	
Cash	\$ 130,298
Investments	3,879,578
Accounts receivable	-
Pledges receivable	-
Prepaid expenses	4,774
Total Current Assets	<u>4,014,650</u>
Fixed Assets	
Furniture and equipment, less accumulated depreciation	6,490 (6,490) -
Other Assets -Pledges Non-Current	-
	<u>\$ 4,014,650</u>
LIABILITIES & NET ASSETS	
Current Liabilities	
Accounts payable	\$ -
Refundable advances	30,021
Total Current Liabilities	<u>30,021</u>
Net Assets	
Without donor restrictions	2,951,397
With donor restrictions	1,033,232
Total Net Assets	<u>3,984,629</u>
	<u>\$ 4,014,650</u>