



Brewton-Parker College

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023 and 2022



	Page
REPORT	
Independent Auditors' Report	1
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	6
Statements of Cash Flows	8
Notes to Financial Statements	9
Supplementary Information	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	28



REPORT





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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Brewton-Parker College

Opinion

We have audited the accompanying consolidated financial statements of Brewton-Parker College (a non-profit organization) and its affiliate, The Baron Real Estate Foundation, Inc. (collectively, the College), which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Brewton Parker College as of June 30, 2023, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the College 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 and *Government 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 consolidated financial statements.

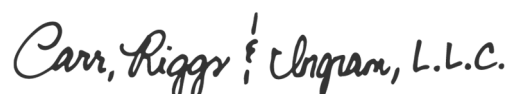
In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 College'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College'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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2023, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance



CARR, RIGGS & INGRAM, LLC

Atlanta, Georgia
October 2, 2023



FINANCIAL STATEMENTS



Brewton-Parker College
Consolidated Statements of Financial Position

<i>June 30,</i>	2023	2022
Assets		
Current assets		
Cash and cash equivalents	\$ 4,401,758	\$ 4,249,262
Student receivables, net	789,171	813,890
Receivable from the Georgia Baptist Mission Board	67,063	105,677
Receivable from the Georgia Baptist Foundation	11,490	11,998
Grant receivable	323,486	-
Other assets	46,010	35,411
Total current assets	5,638,978	5,216,238
Non-current assets		
Investments	15,025,603	11,759,584
Funds held in trust by the Georgia Baptist Foundation	974,149	924,404
Property and equipment, net	16,166,635	15,818,046
Total non-current assets	32,166,387	28,502,034
Total assets	\$ 37,805,365	\$ 33,718,272
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 922,668	\$ 602,635
Performance obligation liabilities	227,098	169,448
Current portion of deferred revenue - food services provider	190,486	190,486
Current portion of note payable	92,899	89,433
Total current liabilities	1,433,151	1,052,002
Long-term liabilities		
Deferred revenue - food services provider, less current portion	630,557	821,043
Note payable, less current portion	6,743,611	6,831,265
Total long-term liabilities	7,374,168	7,652,308
Total liabilities	8,807,319	8,704,310
Net assets		
Without donor restrictions	17,254,873	15,089,530
With donor restrictions	11,743,173	9,924,432
Total net assets	28,998,046	25,013,962
Total liabilities and net assets	\$ 37,805,365	\$ 33,718,272

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

Brewton-Parker College
Consolidated Statements of Activities

<i>For the year ended June 30, 2023</i>	Without Donor Restrictions	With Donor Restrictions	Total	2022 Summarized Total
Operating Revenue and Other Support				
Tuition and fees (net of student aid of \$5,316,309)	\$ 6,756,609	\$ -	\$ 6,756,609	\$ 5,868,312
Private gifts and grants	1,876,184	670,312	2,546,496	2,086,680
Federal COVID-19 relief grants	72,564	-	72,564	1,861,257
Other government grants	814,240	1,298,727	2,112,967	202,597
Investment income (loss), net appropriated for operating activities	332,654	487,039	819,693	570,495
Sales and services of auxiliary enterprises	4,227,055	-	4,227,055	3,890,783
Other sources	79,315	5,292	84,607	107,461
Net assets released from restrictions	1,494,880	(1,494,880)	-	-
Total operating revenue and other support	15,653,501	966,490	16,619,991	14,587,585
Operating Expenses				
Instructional	3,915,487	-	3,915,487	3,440,350
Academic support	753,531	-	753,531	658,195
Student services	3,611,747	-	3,611,747	3,410,734
Grants to students	-	-	-	836,894
Auxiliary enterprises	2,849,640	-	2,849,640	2,226,311
Institutional support	2,636,490	-	2,636,490	2,414,663
Total operating expenses	13,766,895	-	13,766,895	12,987,147
Change in net assets from operations	1,886,606	966,490	2,853,096	1,600,438
Non-Operating Activities				
Private gifts and grants	-	377,194	377,194	45,971
Investment income (loss), net of amounts appropriated for operations	165,429	538,620	704,049	(1,763,731)
Other sources	-	-	-	30,000
Investment income (loss) on funds held in trust	-	49,745	49,745	(172,268)
Net assets released from restrictions:				
Capital acquisitions	113,308	(113,308)	-	-
Total non-operating activities	278,737	852,251	1,130,988	(1,860,028)
Change in net assets	2,165,343	1,818,741	3,984,084	(259,590)
Net assets at beginning of year	15,089,530	9,924,432	25,013,962	25,273,552
Net assets at end of year	\$ 17,254,873	\$ 11,743,173	\$ 28,998,046	\$ 25,013,962

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

Brewton-Parker College
Consolidated Statements of Activities (Continued)

<i>For the year ended June 30, 2022</i>	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenue and Other Support			
Tuition and fees (net of student aid of \$5,065,001)	\$ 5,868,312	\$ -	\$ 5,868,312
Private gifts and grants	1,707,728	378,952	2,086,680
Federal COVID-19 relief grants	1,861,257	-	1,861,257
Other government grants	202,597	-	202,597
Investment income (loss), net appropriated for operating activities	203,089	367,406	570,495
Sales and services of auxiliary enterprises	3,890,783	-	3,890,783
Other sources	95,668	11,793	107,461
Net assets released from restrictions	839,468	(839,468)	-
Total operating revenue and other support	14,668,902	(81,317)	14,587,585
Operating Expenses			
Instructional	3,440,350	-	3,440,350
Academic support	658,195	-	658,195
Student services	3,410,734	-	3,410,734
Grants to students	836,894	-	836,894
Auxiliary enterprises	2,226,311	-	2,226,311
Institutional support	2,414,663	-	2,414,663
Total operating expenses	12,987,147	-	12,987,147
Change in net assets from operations	1,681,755	(81,317)	1,600,438
Non-Operating Activities			
Private gifts and grants	-	45,971	45,971
Investment income (loss), net of amounts appropriated for operations	(952,635)	(811,096)	(1,763,731)
Other sources	-	30,000	30,000
Investment income (loss) on funds held in trust	-	(172,268)	(172,268)
Net assets released from restrictions: Capital acquisitions	54,147	(54,147)	-
Total non-operating activities	(898,488)	(961,540)	(1,860,028)
Change in net assets	783,267	(1,042,857)	(259,590)
Net assets at beginning of year	14,306,263	10,967,289	25,273,552
Net assets at end of year	\$ 15,089,530	\$ 9,924,432	\$25,013,962

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

Brewton-Parker College
Consolidated Statements of Functional Expenses

For the year ended June 30, 2023

	Program Expenses				Total Program Expenses	Supporting Services		2022 Summarized Total
	Instructional	Academic Support	Student Services	Auxiliary Enterprises		Institutional Support	Total	
Salaries and benefits	\$ 3,178,311	\$ 371,888	\$ 1,793,141	\$ 192,565	\$ 5,535,905	\$ 1,166,042	\$ 6,701,948	\$ 5,903,325
Contract services	37,979	17,387	133,627	1,602,965	1,791,958	231,948	2,023,906	1,785,807
Supplies and services	69,814	87,165	537,157	377,100	1,071,236	132,284	1,203,521	806,670
Travel	10,025	1,493	484,652	-	496,170	25,803	521,973	480,312
Marketing and dues	33,961	9,190	45,709	-	88,860	75,106	163,966	163,008
Insurance	-	-	7,579	-	7,579	199,731	207,310	184,065
Bad debt expense	-	-	-	-	-	241,835	241,835	165,727
Utilities	133,068	70,843	145,520	180,033	529,465	130,501	659,966	718,255
Federal Coronavirus relief grants	-	-	-	-	-	-	-	836,894
Repairs and maintenance	40,460	16,923	67,388	43,006	167,777	252,702	420,479	385,902
Depreciation	267,448	142,384	292,474	361,841	1,064,147	121,400	1,185,547	1,133,198
Interest	61,959	32,986	67,756	83,826	246,526	28,124	274,651	279,000
Other	82,462	3,272	36,744	8,304	130,781	31,014	161,795	144,984
Total	\$ 3,915,487	\$ 753,531	\$ 3,611,747	\$ 2,849,640	\$11,130,405	\$ 2,636,490	\$13,766,895	\$ 12,987,147

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

Brewton-Parker College
Consolidated Statements of Functional Expenses (Continued)

For the year ended June 30, 2022

	Program Expenses					Supporting Services		
	Instructional	Academic Support	Student Services	Grants to Students	Auxiliary Enterprises	Total Program Expenses	Institutional Support	Total
Salaries and benefits	\$ 2,669,404	\$ 286,476	\$ 1,740,496	\$ -	\$ 156,740	\$ 4,853,116	\$ 1,050,209	\$ 5,903,325
Contract services	28,756	7,319	127,171	-	1,450,223	1,613,469	172,338	1,785,807
Supplies and services	141,183	93,682	412,174	-	54,419	701,459	105,211	806,670
Travel	6,185	823	464,553	-	102	471,664	8,648	480,312
Marketing and dues	22,814	9,985	46,893	-	-	79,692	83,316	163,008
Insurance	-	-	7,358	-	-	7,358	176,707	184,065
Bad debt expense	-	-	-	-	-	-	165,727	165,727
Utilities	128,384	68,311	181,389	-	148,614	526,698	191,557	718,255
Federal Coronavirus relief grants	-	-	-	836,894	-	836,894	-	836,894
Repairs and maintenance	45,357	19,452	66,594	-	41,403	172,807	213,095	385,902
Depreciation	259,616	138,137	283,979	-	300,524	982,256	150,942	1,133,198
Interest	63,919	34,010	69,917	-	73,991	241,837	37,163	279,000
Other	74,731	-	10,209	-	295	85,235	59,749	144,984
Total	\$ 3,440,350	\$ 658,195	\$ 3,410,734	\$ 836,894	\$ 2,226,311	\$ 10,572,484	\$ 2,414,663	\$ 12,987,147

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

Brewton-Parker College
Statements of Cash Flows

<i>For the years ended June 30,</i>	2023	2022
Operating Activities		
Change in net assets	\$ 3,984,084	\$ (259,590)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Change in provision for uncollectible receivables	95,049	(35,460)
Contributions restricted to long-term investment	(377,194)	(45,971)
Depreciation	1,185,547	1,133,198
Amortization of bond issuance costs	5,245	5,245
Unrealized and realized loss (gain) on investments	(799,326)	1,515,716
Change in funds held in trust	(49,745)	172,268
Changes in operating assets and liabilities		
Student receivables	(70,330)	80,489
Receivable from the Georgia Baptist Mission Board	38,614	(6,716)
Receivable from the Georgia Baptist Foundation	508	(1,090)
Grant receivable	(323,486)	-
Contributions receivable	-	7,000
Other assets	(10,599)	(17,049)
Accounts payable and accrued expenses	320,033	58,825
Performance obligation liabilities	57,650	58,302
Deferred revenue - food services provider	(190,486)	(190,486)
Net cash provided by (used in) operating activities	3,865,564	2,474,681
Investing Activities		
Purchase of property and equipment	(1,534,136)	(2,511,784)
Purchase of investments	(3,661,315)	(321,780)
Proceeds from sale of investments	1,194,622	434,713
Net cash provided by (used in) investing activities	(4,000,829)	(2,398,851)
Financing Activities		
Contributions restricted to long-term investment	377,194	45,971
Payments on note payable	(89,433)	(86,112)
Net cash provided by (used in) financing activities	287,761	(40,141)
Net change in cash and cash equivalents	152,496	35,689
Cash and cash equivalents at beginning of year	4,249,262	4,213,573
Cash and cash equivalents at end of year	\$ 4,401,758	\$ 4,249,262
Schedule of Certain Cash Flow Information		
Cash paid for interest	\$ 275,678	\$ 272,835

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

Brewton-Parker College Notes to Financial Statements

Note 1: DESCRIPTION OF THE ORGANIZATION

Brewton-Parker College, founded in 1904, is a co-educational senior college owned by and operated under the direction of the Executive Committee of the Georgia Baptist Mission Board (the Mission Board). The Mission Board elects a Board of Trustees (the Board), which is empowered to operate Brewton-Parker College for the Mission Board.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Brewton-Parker College and its affiliate, The Baron Real Estate Foundation, Inc. (collectively, the College) which are affiliated through common control. All intercompany accounts and transactions have been eliminated in consolidation.

The Baron Real Estate Foundation, Inc. was organized in 2017 for the purpose of acquiring and leasing real property to Brewton-Parker College. The Baron Real Estate Foundation, Inc. is owned entirely by Brewton-Parker College.

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term is the allowance for doubtful accounts related to student receivables.

Program Services

Instructional – Expenses incurred for all activities that are part of the College’s instructional programs.

Academic Support – Expenses incurred to provide support services for the College’s instructional programs. These include the library, academic administration, course and curriculum development and academic support information technology.

Student Services – Expenses incurred for offices of admissions and the registrar and activities that contribute to the student’s emotional and physical well-being and intellectual, cultural, and social development outside the context of the formal instructional programs. In addition to admissions and the registrar, student services include offices student services administration, counseling and financial aid.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Program Services (continued)

Grants to Students – During the 2021-2022 fiscal year, the College directed COVID-19 relief money (Note 16) towards the student population in accordance with guidance provided by the Department of Education.

Auxiliary Enterprises – Expenses incurred for those services provided to students, faculty, and others for which a separate fee is directly charged. The College's primary auxiliaries include campus housing and dining operations

Measure of Operations

The College includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities, including an authorized investment income spending allocation and other investment funds distributed. This measure of operations provides a presentation that depicts the manner in which the College manages its financial activities.

Non-operating activities principally include endowment investment return (loss), net of amounts appropriated by the Board for expenditure to support operations in accordance with the endowment spending policy, permanently restricted contributions and bequests added to the endowment or supporting major capital acquisition, net assets released from restrictions designated for capital expenditures, gains or losses on financial instruments and activity related to split-interest agreements. Certain other gains and losses considered to be of a more unusual or non-recurring nature are also included as part of non-operating activities.

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

Student Receivables

Student receivables are stated at unpaid balances, less an allowance for doubtful accounts. The College provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, including payment activity, enrollment status, and other known student information, which may affect the ability of students to meet their obligations.

Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the College's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. Unpaid amounts from prior semesters are considered past due and students are not allowed to register for classes until those amounts are paid, or a payment plan is agreed to with the business office.

Grant Receivable

Grant receivable consists of amounts due to the College from a state government agency in accordance with a cost-reimbursement contract. The grant receivable is considered fully collectible and is expected to be collected in its entirety within the subsequent fiscal year.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Promises to Give

Conditional promises to give are not recognized in the consolidated financial statements until the conditions are substantially met or explicitly waived by the donor. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

Investments

The College reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the consolidated statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying consolidated statements of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Funds Held in Trust by the Georgia Baptist Foundation

The College is the beneficiary of various perpetual trusts created by donors, the assets of which are held in trust by the Georgia Baptist Foundation. Under the terms of the trusts, the College has a legally enforceable right or claim to receive income earned on the trust assets in perpetuity. The fair value of the funds' net assets (or the College's share when there are other beneficiaries) is considered a reasonable estimate of the present value of the estimated future cash flows from these funds and is recognized as funds held in trust by the Georgia Baptist Foundation and as contribution revenue at the date such funds are established. The income distributed to the College from these trusts is available for general operations or other restricted uses as specified by the donor. All net realized and unrealized gains and losses are reported on the consolidated statements of activities as income with donor restrictions based on the interpretation that under Georgia law, appreciation in such funds is not available for expenditure by the College unless the separate trustees of those funds decide to appropriate it.

Property and Equipment

All acquisitions of property and equipment in excess of \$2,500 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Revenue - Food Services Provider

In 2016, the College signed a multi-year agreement with a third party food services provider under which the food services provider agreed to provide funding for renovations to the College's dining hall in exchange for a long term food services agreement. These amounts, originally recorded as a deferred revenue from food services provider, are being amortized as contribution revenue over the life of the agreement and are included in private gifts and grants on the statements of activities.

Refundable Government Student Loan Funds

The College owns approximately a one-tenth interest in the Federal Perkins Loan Program. The remaining nine-tenths is distributable to the Federal government upon liquidation of the program.

Net Assets

The College reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the College, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the consolidated financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Revenue Recognition

Revenue from tuition and fees, sales and services of auxiliary enterprises and payments under various contracts are recognized as revenue when performance obligations under the terms of the contracts with customers are satisfied. Revenue from student education is reflected net of reduction from institutional student aid. Revenue from student education, residence, and dining services is recognized as the services are provided over the academic year, which generally aligns with the College's fiscal year. Disbursements made directly to students for living or other costs are reported as an expense. Payments for student services are generally received prior to the commencement of each semester. Income from tuition and fees received in advance are deferred and recognized over the periods to which the dates and fees relate. These amounts are included in performance obligation liabilities within the consolidated statements of financial position.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (continued)

A significant portion of the College's grants and contracts are from government agencies. The benefits received by the public as a result of the assets transferred are not equivalent to commensurate value received by the government agencies and are therefore not considered exchange transactions. Grants and contracts are analyzed for measurable performance-related barriers or other barriers. Revenue is recognized as barriers are met. Funds received from non-exchange transactions in advance of barriers being met are recorded as refundable advances.

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Contributions received with donor stipulations that limit the use of the contributions are reported as net assets with donor restrictions.

Donated Assets

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the College. Volunteers provided various services throughout the year that are not recognized as contributions in the consolidated financial statements since the recognition criteria were not met.

Functional Allocation of Expenses

Expenses are reported in the consolidated statements of activities in categories recommended by the National Association of College and University Business Officers. The College's primary program service is instruction. Expenses reported as academic support, student services, institutional support, and auxiliary enterprises are incurred in support of this primary program service. In the presentation in the consolidated statements of functional expenses, expenses reported by functional categories include allocations of costs for operation and maintenance of plant, interest on indebtedness and depreciation and amortization expense. The College allocates these costs among program and support functions based on the amount of building space utilized. Expenses related to payroll, payroll taxes, and employee benefits are allocated based on actual percentages of time spent in each functional area.

Institutional support includes fundraising expenses of approximately \$277,000 and \$237,000 during the years ended June 30, 2023 and 2022, respectively.

Income Taxes

Under section 501(c)(3) of the Internal Revenue Code, Brewton-Parker College and the Baron Real Estate Foundation, Inc. are exempt from taxes on income other than unrelated business income. Collectively, the College does not have any unrelated business income.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (continued)

The College utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the consolidated financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30, 2023 and 2022, the College has no uncertain tax provisions that qualify for recognition or disclosure in the consolidated financial statements.

Reclassifications

Certain reclassifications were made to prior year balances to conform with current year presentation.

Subsequent Events

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, October 2, 2023, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

Recently Adopted Accounting Guidance

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, *Leases*) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the consolidated statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The College adopted the standard effective July 1, 2022. The implementation of this standard did not have a material effect on the consolidated financial statements, and did not result in the recognition of either a right-of-use asset or lease liability.

Brewton-Parker College
Notes to Financial Statements

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

The College maintains its financial assets primarily in cash and cash equivalents, and investments to provide liquidity to ensure funds are available as the College's expenditures come due. The following reflects the College's financial assets as of the consolidated statement of financial position date, reduced by amounts not available for general use within one year of the consolidated statement of financial position date because of contractual or donor-imposed restrictions.

<i>June 30,</i>	2023	2022
Total assets at year end	\$ 37,805,365	\$ 33,718,272
Less non-financial assets		
Other assets	(46,010)	(35,411)
Property and equipment, net	(16,166,635)	(15,818,046)
Financial assets at year-end	21,592,720	17,864,815
Less those not available for general expenditures within one year, due to contractual or donor-imposed restrictions		
Restricted by donor with time or purpose restrictions	(3,442,461)	(2,072,525)
Restricted in perpetuity	(8,300,712)	(7,851,907)
Financial assets available to meet cash needs for general expenditures within one year	\$ 9,849,547	\$ 7,940,383

The College obtains certain support from donor restricted contributions. Because a donor's restriction requires resources to be used for a particular purpose or in a future period, the College must maintain sufficient resources to meet those responsibilities of its donors. Due to the donor restrictions above, certain financial assets may not be available for general expenditure within one year. As part of the College's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

Note 4: STUDENT RECEIVABLES

Student receivables consist of the following:

<i>June 30,</i>	2023	2022
Student accounts receivable	\$ 825,556	\$ 769,719
Other student receivables	321,057	231,183
Federal Perkins Loan Program	41,185	116,566
Total student receivables	1,187,798	1,117,468
Less: allowance for doubtful accounts	(398,627)	(303,578)
Student receivables, net	\$ 789,171	\$ 813,890

Bad debt expense totaled \$241,835 and \$165,727 for the years ended June 30, 2023 and 2022, respectively.

Brewton-Parker College
Notes to Financial Statements

Note 5: INVESTMENTS

Investments in marketable securities consist of the following:

<i>June 30, 2023</i>	Market Value
Certificate of deposits	\$ 358,086
Corporate bonds	146,280
Fixed income securities	230,000
Equities	3,606,003
Exchange traded products	1,649,139
Mutual funds	2,246,281
<hr/>	
Total investments in marketable securities	8,235,789
Other investments held at Georgia Baptist Foundation (Brown Fund)	4,078,698
Cash and cash equivalent investments	2,711,116
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Total investments	\$ 15,025,603
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<i>June 30, 2022</i>	Market Value
Corporate bonds	\$ 919,694
Equities	2,639,627
Mutual funds	2,712,038
<hr/>	
Total investments in marketable securities	6,271,359
Other investments held at Georgia Baptist Foundation (Brown Fund)	3,713,483
Cash and cash equivalent investments	1,774,742
<hr/>	
Total investments	\$ 11,759,584
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Brewton-Parker College
Notes to Financial Statements

Note 5: INVESTMENTS (Continued)

The following summarizes the College's total investment return for the years ended June 30, 2023 and 2022, net of investment management expenses of \$15,469 and \$55,796, respectively, and its classification in the consolidated statements of financial activities:

<i>For the year ended June 30, 2023</i>	Restrictions	Without Donor Restrictions	With Donor Total
Dividend and interest income, net	\$ -	\$ 724,416	\$ 724,416
Net realized and unrealized gains and losses	498,083	301,243	799,326
Total investment returns	498,083	1,025,659	1,523,742
Less: investment returns appropriated for operating activities	(332,654)	(487,039)	(819,693)
Investment returns, net of amounts appropriated for current operations	\$ 165,429	\$ 538,620	\$ 704,049
<hr/>			
<i>For the year ended June 30, 2022</i>	Without Donor Restrictions	With Donor Restrictions	Total
Dividend and interest income, net	\$ 99,862	\$ 222,618	\$ 322,480
Net realized and unrealized gains and losses	(849,408)	(666,308)	(1,515,716)
Total investment returns	(749,546)	(443,690)	(1,193,236)
Less: investment returns appropriated for operating activities	(203,089)	(367,406)	(570,495)
Investment returns, net of amounts appropriated for current operations	\$ (952,635)	\$ (811,096)	\$ (1,763,731)

Brewton-Parker College
Notes to Financial Statements

Note 6: PROPERTY AND EQUIPMENT

The components of property and equipment at June 30, 2023 and 2022, are as follows:

	Estimated Useful Lives (in years)	2023	2022
Building	10-40	\$ 19,996,536	\$ 19,054,487
Building improvements	5-40	10,696,644	9,752,536
Furniture, fixtures and equipment	3-15	9,167,623	8,712,499
Total depreciable property and equipment		39,860,803	37,519,522
Less accumulated depreciation		(25,192,143)	(24,034,486)
Total depreciable property and equipment, net		14,668,660	13,485,036
Land		818,439	818,439
Construction in progress		679,536	1,514,571
Total property and equipment, net		\$ 16,166,635	\$ 15,818,046

Depreciation expense for the years ended June 30, 2023 and 2022, amounted to \$1,185,547 and \$1,133,198, respectively.

Brewton-Parker College
Notes to Financial Statements

Note 7: LONG-TERM DEBT

Long-term debt consists of the following:

<i>June 30,</i>	2023	2022
On May 6, 2019, the College entered into a Community Facility direct loan with the United States Department of Agriculture (USDA) in the amount of \$7,200,000. The loan carries a fixed interest rate of 3.875% per annum and is repayable over a period not-to-exceed 40 years. Interest only payments totaling \$279,000 were required annually through May 6, 2021. Beginning May 6, 2022, for the remainder of the loan term, annual principal and interest payment is \$365,112. The loan funds were used by the Baron Real Estate Foundation, Inc. to purchase real property from the College, which in turn, used the proceeds to extinguish existing debt and for the construction costs associated with Baron Ridge Residence Halls. The loan is secured by a first priority security deed on substantially all of the land and buildings of the College in Mt. Vernon, Georgia.	\$ 7,024,455	\$ 7,113,888
Less unamortized debt issuance costs	(187,945)	(193,190)
Long-term debt less unamortized debt issuance costs	6,836,510	6,920,698
Less current portion	(92,899)	(89,433)
Long-term debt, less current portion	\$ 6,743,611	\$ 6,831,265

Interest expense related to the loan agreement was \$274,651 and \$279,000 for the years ended June 30, 2023 and 2022, respectively.

Maturities of long-term debt subsequent to June 30, 2023, consists of the following:

<i>For the years ending June 30,</i>	
2024	\$ 92,899
2025	96,499
2026	100,238
2027	104,122
2028	108,157
Thereafter	6,522,540
Total	\$ 7,024,455

Brewton-Parker College
Notes to Financial Statements

Note 8: NET ASSETS

A summary of net assets without donor restrictions consists of the following:

<i>June 30,</i>	2023	2022
Undesignated	7,924,748	6,192,182
Property, plant and equipment, net of related notes payable	9,330,125	8,897,348
Total net assets without donor restrictions	17,254,873	15,089,530

A summary of net assets with donor restrictions consists of the following:

<i>June 30,</i>	2023	2022
Purpose restricted		
Student financial assistance	\$ 1,013,659	\$ 832,549
Instruction and other support	2,139,172	1,136,511
Property acquisition, construction and maintenance	289,630	103,465
Total purpose restricted	3,442,461	2,072,525
Held in perpetuity		
Endowments	7,326,563	6,927,503
Perpetual trusts held by Georgia Baptist Foundation	974,149	924,404
Total held in perpetuity	8,300,712	7,851,907
Total net assets with donor restrictions	\$ 11,743,173	\$ 9,924,432

A summary of the release of donor restrictions follows:

<i>For the years ended June 30,</i>	2023	2022
Purpose restrictions		
Student financial assistance	\$ 620,623	\$ 414,407
Instruction and other support	874,257	425,061
Property acquisition, construction and maintenance	113,308	54,147
Total release of net assets with donor restrictions	\$ 1,608,188	\$ 893,615

Brewton-Parker College
Notes to Financial Statements

Note 9: REVENUE

The College is recognizing revenue over time for its tuition and fees and housing and dining services contracts, and at a point in time for other auxiliary contracts. As of June 30, 2023, there is \$227,098 of performance obligations remain to be satisfied, all of which are expected to be recognized in revenue in 2024. These performance obligations are based upon the College providing the requisite educational or auxiliary service to the student.

The College's method of recognizing revenue is the input method for performance obligations to be utilized over time.

Disaggregated Revenue

A summary of disaggregated revenue information follows:

<i>For the years ended June 30,</i>	2023	2022
Tuition and fees, net (recognized over time)		
Tuition revenue	\$ 10,585,362	\$ 9,831,609
Fee revenue	1,487,556	1,101,704
Financial aid discount (funded)	(632,826)	(404,971)
Financial aid discount (unfunded)	(4,683,483)	(4,660,030)
Total tuition and fees, net (recognized over time)	6,756,609	5,868,312
Auxiliary enterprises		
Housing and dining services revenue - recognized over time	4,195,123	3,833,353
Other auxiliary revenue - recognized as of a point in time	31,932	57,430
Total auxiliary enterprises	4,227,055	3,890,783
Grants and contributions (non-exchange)	4,732,027	4,150,534
Other revenue (non-exchange)	904,300	677,956
Total revenue	\$ 16,619,991	\$ 14,587,585

The School's customers are primarily students seeking a higher education degree located in the southeastern portion of the United States.

Brewton-Parker College
Notes to Financial Statements

Note 9: REVENUE (Continued)

Contract Balances

<i>June 30,</i>	2023	2022
Contract assets		
Receivable from contracts, beginning of year	\$ 1,117,468	\$ 1,197,957
Receivable from contracts, end of year	\$ 1,187,798	\$ 1,117,468
Contract liabilities		
Performance obligation liabilities, beginning of year	\$ 169,448	\$ 111,146
Performance obligation liabilities, end of year	\$ 227,098	\$ 169,448

Note 10: ENDOWMENTS

The College's endowment consists of 113 donor restricted individual funds established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

Absent explicit donor stipulations to the contrary, the Board of Trustees of the College has interpreted the State of Georgia's Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds. As a result of this interpretation, the College retains in perpetuity and classifies as net assets with donor restrictions (1) the original value of gifts donated to the perpetual endowment, (2) the original value of subsequent gifts to the perpetual endowment, and (3) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not retained in perpetuity are subject to appropriation for expenditure by the College in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the College considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (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 College, and (7) the College's investment policies.

Investment Return Objectives, Risk Parameters and Strategies. The College has adopted investment and spending policies, approved by the Board of Trustees, for endowment assets. Those policies attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Under these policies, the endowment assets are invested in a manner that is intended to (a) minimize the risk of large losses and over time, exceed the rate of inflation in order to preserve the purchasing power of assets, (b) generate a long-term rate of return to equal or exceed the appropriate market indices, and (c) generate income to fund operations as needed. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate of return objectives, the College 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 College targets a diversified asset allocation that places greater emphasis on equity-based investments to achieve its long-term objectives with prudent risk restraints.

Brewton-Parker College
Notes to Financial Statements

Note 10: ENDOWMENTS (Continued)

Spending Policy. The Board encourages the growth of the College endowment assets through reinvestment of a portion of the annual earnings to provide support for College priorities, projects and programs at a level consistent with the intentions of the donors. The initial payout is up to 6% of the market value of endowment assets as of December 31 of each year. Additional earnings on the endowment are used for the operations of the College at the discretion of the Finance Committee of the Board.

From time to time, certain donor-restricted endowment funds may have fair values that are less than the amount required to be maintained by donors or by law (underwater endowments). The College has interpreted SPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At June 30, 2023 and 2022, no deficiencies of this nature existed.

Changes in endowment net assets consists of the following for the years ended June 30, 2023 and 2022:

	With donor restrictions		
		Accumulated Gains (Losses) and Other	Total Endowment Net Assets
<i>June 30, 2023</i>	Original Gift		
Endowment net assets - July 1,	\$ 6,927,503	\$ 1,000,841	\$ 7,928,344
Contributions	377,194	-	377,194
Investment income allocation	21,866	528,409	550,275
Net appreciation	-	301,243	301,243
Amounts appropriated for expenditure	-	(327,537)	(327,537)
Endowment net assets - June 30,	\$ 7,326,563	\$ 1,502,956	\$ 8,829,519

	With donor restrictions		
		Accumulated Gains (Losses) and Other	Total Endowment Net Assets
<i>June 30, 2022</i>	Original Gift		
Endowment net assets - July 1,	\$ 6,890,554	\$ 1,928,043	\$ 8,818,597
Contributions	52,671	-	52,671
Investment income (loss) allocation	(15,722)	98,432	82,710
Net depreciation	-	(666,308)	(666,308)
Amounts appropriated for expenditure	-	(359,326)	(359,326)
Endowment net assets - June 30,	\$ 6,927,503	\$ 1,000,841	\$ 7,928,344

Note 11: FAIR VALUE MEASUREMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are:
 - observable; or
 - can be corroborated by observable market data.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023 and 2022.

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Corporate bonds, fixed income securities, and certificates of deposit: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

Mutual funds and exchange-traded products: Valued at the daily closing price as reported by the fund. Mutual funds held by the College are both open-end and closed-end mutual funds that are registered with the SEC. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the College are deemed to be actively traded.

Investments held at GBF (Brown Fund) and perpetual trust funds held by others: Both investments and perpetual trust funds are invested in the General Endowment Pool held by GBF, a related party to the College. The General Endowment Pool is a common investment pool. Net appreciation (depreciation) of the trusts is recorded based on the College's proportionate share of the aggregate amount of appreciation (depreciation) reported by GBF. It includes the College's share of interest and dividend income, realized and unrealized gains and losses on security transactions, and ordinary expenses. The investment objective is primarily for investment income and secondarily for capital appreciation with a goal of a 7.5% return over a full market cycle.

Brewton-Parker College
Notes to Financial Statements

Note 11: FAIR VALUE MEASUREMENTS (Continued)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the College believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in different fair value measurements at the reporting date.

Assets measured at fair value on a recurring basis are summarized as follows for the years ended June 30, 2023 and 2022:

June 30, 2023	Level 1	Level 2	Level 3	Total
Cash and money market account	\$ 2,711,116	\$ -	\$ -	\$ 2,711,116
Certificates of deposit	-	358,086	-	358,086
Corporate bonds	-	146,280	-	146,280
Fixed income securities	-	230,000	-	230,000
Common stocks	3,606,003	-	-	3,606,003
Exchange traded products	1,649,139	-	-	1,649,139
Mutual Funds	2,246,281	-	-	2,246,281
Investments held at GBF (Brown Fund)	-	-	4,078,698	4,078,698
Perpetual trust funds held by GBF	-	-	974,149	974,149
Total assets measured at fair value	\$ 10,212,539	\$ 734,366	\$ 5,052,847	\$ 15,999,752

June 30, 2022	Level 1	Level 2	Level 3	Total
Cash and money market account	\$ 1,774,742	\$ -	\$ -	\$ 1,774,742
Corporate bonds	-	919,694	-	919,694
Common stocks	2,639,627	-	-	2,639,627
Mutual Funds	2,712,038	-	-	2,712,038
Investments held at GBF (Brown Fund)	-	-	3,713,483	3,713,483
Perpetual trust funds held by GBF	-	-	924,404	924,404
Total assets measured at fair value	\$ 7,126,407	\$ 919,694	\$ 4,637,887	\$ 12,683,988

The following is a reconciliation of the change in fair value of Level 3 investments and funds held in trust at GBF for the years ended June 30, 2023 and 2022.

For the years ended June 30,	2023	2022
Investments and funds held in trust		
Balance, beginning of year	\$ 4,637,887	\$ 5,317,851
Change in value of investments and funds held in trust	414,960	(679,964)
Balance, end of year	\$ 5,052,847	\$ 4,637,887

Note 11: FAIR VALUE MEASUREMENTS (Continued)

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluated the significance of transfer between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the years ended June 30, 2023 and 2022, there were no significant transfers in or out of Levels 1, 2 or 3.

Note 12: CONCENTRATIONS OF CREDIT RISK

The College maintains cash deposits with financial institutions at June 30, 2023 and 2022 in excess of federally insured limits of \$3,918,000 and \$3,931,000, respectively.

Note 13: COMMITMENTS AND CONTINGENCIES

Commitments

A significant number of students attending the College receive financial assistance from U.S. Government's Department of Education (DOE) student financial aid programs. These programs require the College to comply with recordkeeping, eligibility and other requirements. Certain federally funded financial aid programs are routinely subject to special audits. The reports on the examinations, which are conducted pursuant to specific regulatory requirements by the auditors for the College, are required to be submitted to both the College and the DOE. This agency has the authority to determine liabilities as well as to limit, suspend or terminate Federal student aid programs. Failure to comply with such U.S. Government requirements could result in the loss of U.S. Government financial assistance to the College's students and adversely impact the operations of the College.

Contingencies and Risk Management

The College is exposed to risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; material disasters; and liability which it manages through commercial insurance.

Note 14: DEFINED CONTRIBUTION PLAN

The College sponsors a defined contribution plan (the Plan) covering substantially all full-time employees and allows employees to defer up to the Internal Revenue Service (IRS) limit each year. The College makes a contribution to the plan each year equal to 3%-5% of participants' compensation, depending on years of service. The College may also make a discretionary contribution to the Plan each year. There was no discretionary contribution to the plan for the years ended June 30, 2023 and 2022.

Note 15: RELATED PARTIES

During the years ended June 30, 2023 and 2022, the College received approximately 10% of its total revenues, gains and support from the Georgia Baptist Mission Board, Georgia Baptist Foundation or Georgia Baptist Health Care Ministry Foundation, which are considered related parties. These amounts are included in private gifts and grants and investment return on the statements of activities. At June 30, 2023 and 2022, the College was due approximately \$78,000 and \$118,000, respectively, from these related parties for various appropriations and undistributed income. Other transactions during the year are disclosed in Note 6.

Note 16: FEDERAL COVID-19 PANDEMIC FUNDING

Higher Education Emergency Relief Fund

As a response to the COVID-19 pandemic three relief bills were passed by Congress which provided various Federal grant funding to Institutions of Higher Education. During the years ending June 30, 2023 and 2022, the College was awarded Higher Education Emergency Relief Fund (HEERF) grants totaling \$72,564 and \$1,725,778 respectively.

Employee Retention Credit

During the year ended June 30, 2023, the College was approved to receive \$673,608 in employee retention credits under the CARES Act. The amount was reported as other revenue in the statement of activities. During the year ended June 30, 2023, the College received the full amount of the credit and, as a result, there were no amounts receivable at June 30, 2023. The credits are provided to help defer the payroll cost of employees who were retained on staff and continued to receive their regular wages despite a decrease in activity at the College for a period of time as a result of the pandemic.

Other Funding

Other Pandemic related funding awarded to the College included Governor's Emergency Education Relief (GEER) Fund grants totaling \$135,479 for the year ended June 30, 2022.



SUPPLEMENTARY INFORMATION





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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees
Brewton-Parker College

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Brewton-Parker College (College) (a non-profit organization), which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 2, 2023..

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the College's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Atlanta, Georgia
October 2, 2023