

**BEAUVOIR, THE JEFFERSON DAVIS HOME
AND PRESIDENTIAL LIBRARY**

**AUDITED FINANCIAL STATEMENTS
APRIL 30, 2021 AND 2020**

Beauvoir, the Jefferson Davis Home
and Presidential Library
April 30, 2021

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WRIGHT, WARD, HATTEN & GUEL

PROFESSIONAL LIMITED LIABILITY COMPANY

(SUCCESSORS TO A. L. EVANS & COMPANY ESTABLISHED 1928)

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INDEPENDENT AUDITOR'S REPORT

To the Combined Board of Directors and Management of
Beauvoir, the Jefferson Davis Home and Presidential Library

Report on the Financial Statements

We have audited the accompanying financial statements of Beauvoir, the Jefferson Davis Home and Presidential Library (a nonprofit organization) which comprise the statement of financial position as of April 30, 2021, and the related statement of activities, statement of functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above, in all material respects, the financial position of Beauvoir, the Jefferson Davis Home and Presidential Library as of April 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2022, on our consideration of Beauvoir, the Jefferson Davis Home and Presidential Library'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 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 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 Beauvoir, the Jefferson Davis Home and Presidential Library's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited Beauvoir, the Jefferson Davis Home and Presidential Library's 2020 financial statements, and our report dated October 10, 2020, expressed an unqualified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended April 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Walter Wood 2/14/22

Gulfport, MS

February 14, 2022

BASIC FINANCIAL STATEMENTS

Beauvoir, the Jefferson Davis Home and Presidential Library
Statement of Financial Position
April 30, 2021
(with Comparative Totals for 2020)

	2021	2020
ASSETS		
Current Assets		
Cash	\$ 262,881	166,332
Investments	682,083	534,876
Accounts receivable	575	-
Inventories, net of allowance	77,022	73,841
Other current assets	4,682	50
Total Current Assets	1,027,243	775,099
Noncurrent Assets		
Long-term investments	1,608,718	1,142,732
Historical assets	8,779,570	8,779,570
Property and equipment, net of accumulated depreciation	11,064,215	11,464,527
Total Noncurrent Assets	21,452,503	21,386,829
Total Assets	\$ 22,479,746	22,161,928
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 8,386	23,354
Accrued payroll liabilities	1,506	8,716
Notes payable	32,332	50,499
Refundable advances	-	57,277
Other accrued liabilities	1,293	-
Total Current Liabilities	43,517	139,846
Noncurrent Liabilities		
Accrued compensated absences	-	6,451
Notes Payable	217,406	3,653
Total Noncurrent Liabilities	217,406	10,104
Total Liabilities	260,923	149,950
Net Assets		
Without Donor Restrictions:		
Undesignated, available for general activities	10,974,806	11,524,340
Designated by the Board of Directors for specific purposes	827,062	536,180
Total Net Asset Without Donor Restrictions	11,801,868	12,060,520
With Donor Restrictions		
Purpose restrictions	\$ 8,808,237	8,808,726
Endowment Fund	1,608,718	1,142,732
Total Net Assets With Donor Restrictions	10,416,955	9,951,458
Total Net Assets	22,218,823	22,011,978
Total Liabilities and Net Assets	\$ 22,479,746	22,161,928

The accompanying Notes are an integral part of this Financial Statement.

Beauvoir, the Jefferson Davis Home and Presidential Library
Statement of Activities
For the Year Ended April 30, 2021
(with Comparative Totals for 2020)

	<u>Without</u>	<u>With</u>	<u>Totals</u>
	<u>Donor</u>	<u>Donor</u>	<u>Totals</u>
	<u>Restrictions</u>	<u>Restrictions</u>	<u>2021</u>
			<u>2020</u>
Revenues, Gains and Other Support			
Contributions	\$ 71,679	15,617	87,296
Gift shop/concession sales	197,406	-	197,406
Cost of goods sold	(99,120)	-	(99,120)
Admissions	195,193	-	195,193
Grants	-	70,795	70,795
Rents	21,825	-	21,825
Investment income	14,252	49,724	63,976
Event income, net of expenses	27,558	-	27,558
Miscellaneous	380	-	380
Net assets released from restrictions:			
Satisfaction of restrictions	80,204	(80,204)	-
Total Revenues, Gains and Other Support	<u>509,377</u>	<u>55,932</u>	<u>565,309</u>
Expenses			
Program expenses	887,908	6,696	894,604
Management and general	132,465	6,829	139,294
Fund raising	22,254	-	22,254
Total Expenses	<u>1,042,627</u>	<u>13,525</u>	<u>1,056,152</u>
Excess (deficit) of Revenue, Gains and Other Support Over Expenses	<u>(533,250)</u>	<u>42,407</u>	<u>(490,843)</u>
Nonoperating Revenue, Support, and Gains (Losses)			
Insurance and legal settlements	100,139	-	100,139
Net gain (loss) on disposal of assets	-	-	-
Net unrealized gains (losses) on long-term investments	174,459	423,090	597,549
Total Nonoperating Revenue, Support, and Gains (Losses)	<u>274,598</u>	<u>423,090</u>	<u>697,688</u>
Change in Net Assets	(258,652)	465,497	206,845
Net Assets, Beginning of Year (Reclassified)	<u>12,060,520</u>	<u>9,951,458</u>	<u>22,011,978</u>
Net Assets, Ending of Year	<u>\$ 11,801,868</u>	<u>10,416,955</u>	<u>22,218,823</u>
			<u>22,011,978</u>

The accompanying Notes are an integral part of this Financial Statement.

Beauvoir, the Jefferson Davis Home and Presidential Library
Statement of Cash Flows
For the Year Ended April 30, 2021
(with Comparative Totals for 2020)

	2021	2020
CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES		
Change in Net Assets from Operations	\$ (490,843)	(444,459)
Adjustments to reconcile change in net assets to net cash from (used for) operating activities:		
Depreciation expense	458,427	492,810
(Increase) decrease in Assets:		
Support receivables	(575)	-
Grants receivable	-	17,875
Inventories	(3,181)	
Other current assets	(4,632)	11,089
Increase (decrease) in Liabilities:		
Accounts payable	(14,968)	17,720
Accrued payroll and liabilities	(13,661)	247
Refundable advances	(57,277)	57,277
Other accrued liabilities	1,293	(1,176)
NET CASH FROM (USED FOR) OPERATING ACTIVITIES	(125,417)	151,383
CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES		
Liquidation of Investments	343,716	896,571
Purchase of Investments	(354,341)	(640,314)
Net proceeds from legal settlement	100,139	6,255
Sale of capital assets	-	2,800
Purchase of capital assets	(15,141)	(366,264)
NET CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES	74,373	(100,952)
CASH FLOWS FROM (USED FOR) FINANCING ACTIVITIES		
Proceeds from loans	149,900	50,000
Principal payments on notes	(2,307)	(5,793)
NET CASH FLOWS FROM (USED FOR) FINANCING ACTIVITIES	147,593	44,207
NET INCREASE (DECREASE) IN CASH CASH, BEGINNING OF THE YEAR	96,549	94,638
CASH, END OF YEAR	\$ 262,881	166,332
Supplemental data:		
Interest Paid	\$ 2,780	1,868

The accompanying Notes are an integral part of this Financial Statement.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Beauvoir, the Jefferson Davis Home and Presidential Library
Notes to the Financial Statements
For the Years Ended April 30, 2021 and 2020

NOTE 1 - COMPANY DESCRIPTION

Beauvoir, the Jefferson Davis Home and Presidential Library (Beauvoir) is the historic last home of Jefferson Davis, the only President of the Confederate States of America. Beauvoir is a not-for-profit educational institution, owned and operated by the combined boards of the Board of Directors of the Division of the United Sons of Confederate Veterans, Inc. and the Board of Trustees of Beauvoir, the Jefferson Davis Shrine for the benefit of the general public.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

Beauvoir offers educational and historical artifacts, buildings and collections that have been preserved in the last home of Jefferson Davis.

B. Basis of Financial Reporting

The accompanying financial statements are presented in accordance with the accrual method of accounting which is in accordance with generally accepted accounting principles. Revenue is recognized when earned and expenses are recognized when incurred.

C. Basis of Presentation

Financial statement presentation follows accounting principles generally accepted in the United States of America (“U.S. GAAP”). Under U.S. GAAP, net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. As described in Note 10 the governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

Net Assets With Donor Restrictions - Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

D. Cash and Cash Equivalents

For purposes of the statement of cash flows, Beauvoir considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash equivalents (money market funds) held in investment accounts are considered investments.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

U.S. GAAP defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This clarifies that the exchange price is the price in an orderly transaction between market participants to sell an asset or transfer a liability at the measurement date. It emphasizes that fair value is a market-based measurement and not an entity-specific measurement. Adoption of this standard has not had a material impact on the Organization's financial statements. U.S. GAAP establishes a fair value hierarchy that prioritizes the inputs, which are summarized as follows:

Level 1 – Quoted prices in active markets, e.g. NYSE, NASDAQ, etc. for assets identical to the securities to be valued. If a Level 1 input is available, it must be used.

Level 2 – Inputs other than quoted prices that are observable for securities, either directly or indirectly. Examples include matrix pricing utilizing yield curves, prepayment speeds, credit risks, etc.; quoted prices for similar assets in active markets; and inputs derived from observable market data by correlation or other means.

Level 3 – Unobservable inputs, which contain assumptions by the party valuing those assets. For level 3 inputs, there is no market data or correlation with market assumptions. Examples would include limited partnership interests, closely held stock, etc.

The 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 April 30, 2021 and 2020:

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Purchases and sales of investments are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded when received.

F. Accounts Receivable

Accounts receivable are reported in the amount management expects to collect on balances outstanding at year-end. Management has concluded that realization of losses on balances outstanding at year-end will be immaterial.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Inventory

Inventory is stated at the lower of cost or market determined by the first-in, first-out method. Inventory consists of items for sale in the gift shop, special order books held by the organization and promotional items.

H. Prepaid Expenses

Prepaid expenses primarily represent utility deposits.

I. Fixed Assets and Depreciation

Beauvoir capitalizes property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are capitalized at their estimated fair value at the date contributed. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, Beauvoir reports expirations of donor restrictions when the donated or acquired assets are placed in service. Beauvoir reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Purchases of historical and non-historical property and equipment are stated at cost. Non-historical items are depreciated over their estimated useful lives with range from 5 to 40 years, using the straight-line method of depreciation. Historical items are not depreciated. The cost of additions and improvements, which substantially extend the life of a particular asset, is capitalized. Repair and maintenance costs are charged to expense.

J. Revenue Recognition

Beauvoir recognizes revenue based on the existence or absence of an exchange transaction. Beauvoir recognizes revenue from exchange transactions when it satisfies a performance obligation by providing a service to a customer or member or by transferring control over a product to a customer or member. Revenue from non-exchange transactions consist of the following:

Contributions of cash and promises to give – gifts received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor-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. Contributions that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue and net assets without donor restriction. Conditional promises are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met.

Special event revenue – recognized equal to the cost of direct benefits to donors, and contribution revenue for the difference. Special event revenue has characteristics of both exchange and non-exchange transactions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Grant Revenues

Certain federal grants and shared revenues are recognized when the expenditure is made because expenditure is the prime factor for determining eligibility. Similarly, if cost sharing or matching requirements exist, revenue recognition depends on compliance with these requirements.

L. Donated Materials and Services

No amounts have been reflected in the financial statements for donated material or services. Beauvoir pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist Beauvoir with specific assistance programs such as adult and child vision screenings, eye health and safety seminars, public and professional education, and information/referral services. Volunteers also assist in special events activities, campaign solicitations, and various board and committee assignments.

M. Advertising

Advertising costs are generally charged to expense when incurred and total \$21,768 and \$37,579 for the years ended April 30, 2021 and 2020, respectively.

N. Allocated Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and on a natural basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited on the basis of estimates of time and effort. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of Beauvoir.

O. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

P. Tax Status

Beauvoir is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar Laws of the State of Mississippi. However, income from certain activities not directly related Beauvoir's tax-exempt purpose may be subject to taxation as unrelated business income. Beauvoir did not have any net unrelated income at April 30, 2021.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Tax Status (Continued)

In accordance with Financial Accounting Standards Board Accounting Standards Codification No. 740-10 (ASC 740-10), Beauvoir holds no uncertain tax positions and, therefore, has no policy for evaluating them. Beauvoir's Form 990, Return of Organizations Exempt from Income Taxes, is generally subject to examination by the Internal Revenue Service for four years after the date filed. Beauvoir files its income tax return on a fiscal year ended April 30.

Under U.S. GAAP, management is required to evaluate any uncertain tax positions taken, if any, and provide additional disclosures. At this time, Beauvoir does not believe it has taken any uncertain tax positions that may have a material effect on its financial statements or note disclosures.

Q. Future Change in Accounting Principle

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statement of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU No. 2016-02 is effective for Beauvoir for fiscal year 2023. Early adoption is permitted. Beauvoir is currently evaluating the new guidance and has not determined the impact this standard may have on its consolidated financial statements.

R. Comparative Totals for 2020

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Beauvoir's financial statements for the year ended April 30, 2020, from which the summarized information was derived. Certain prior year amounts have been reclassified to conform with current year presentation.

NOTE 3 – CASH AND CASH EQUIVALENTS

Custodial Credit Risk – Deposits: Custodial credit risk is defined as the risk that, in the event of the failure of a financial institution, Beauvoir will not be able to recover deposits or collateral securities that are in the possession of an outside party. Beauvoir does not have a deposit policy for custodial credit risk.

The balances in financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Deposits above FDIC coverage are considered exposed to custodial credit risk. As of April 30, 2021, \$20,684 of Beauvoir's bank balance of \$270,684 was exposed to custodial credit risk.

Beauvoir, the Jefferson Davis Home and Presidential Library
Notes to the Financial Statements
For the Years Ended April 30, 2021 and 2020

NOTE 4 – INVESTMENTS

Investments consist of mutual funds, stocks, bonds and certificates of deposits and are carried at fair value in the financial statements. All investments are classified as Level 1 (See Note 2-E). The fair value of investments as determined by market prices at April 30, 2021 and 2020, follows:

	2021	2020
Money Market Funds	\$ 37,535	7,890
Marketable Securities	2,247,187	1,662,057
Accrued Interest	6,079	7,661
Total Investments	<u>\$ 2,290,801</u>	<u>1,677,608</u>

Investment income consists of:

	2021	2020
Without Donor Restrictions:		
Interest and Dividends	\$ 14,252	16,316
Unrealized Gains (Losses)	174,459	(115,877)
Investment Expenses	(6,410)	(7,405)
With Donor Restrictions		
Interest and Dividends	49,724	55,745
Unrealized Gains (Losses)	423,090	(185,962)
Investment Expenses	<u>(6,829)</u>	<u>(5,118)</u>
Total Income from Investments	<u>\$ 648,286</u>	<u>(242,301)</u>

Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statement of financial position.

Credit Risk: Beauvoir does not have a formal investment policy that limits its investment choices or one that addresses credit risk.

Custodial Credit Risk - Investments: Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, Beauvoir will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Beauvoir does not have a formal investment policy that addresses custodial credit risk.

Beauvoir has investment accounts with TD Ameritrade and Charles Schwab & Co., Inc. TD Ameritrade and Charles Schwab & Co., Inc. carry account protection equal to the amount of total net equity of the securities held in custody for the account. The firms are members of the Securities Investor Protection Corporation (SIPC), which protects securities customers of its members up to \$500,000, including \$250,000 in claims for cash awaiting investment (SIPC) coverage. At April 30, 2021, \$1,284,721 of Beauvoir's investments are exposed to custodial credit risk.

Concentration of Credit Risk: Disclosures of investments by amount and issuer for any issuer that represents five percent or more of total investments is required. This requirement does not apply to investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds and external investment pools, and other pooled investments. As of April 30, 2021, Beauvoir did not have any investment that exceeded five percent or more of investments.

Beauvoir, the Jefferson Davis Home and Presidential Library
Notes to the Financial Statements
For the Years Ended April 30, 2021 and 2020

NOTE 5- ENDOWMENT

Investments-McCain Fund is assets restricted for principal maintenance set aside by the Combined Boards of Beauvoir with the intent of maintaining the principal in perpetuity. These assets are accounted for as Net Assets with Donor Restrictions – Endowment. Income from the investments of the McCain Fund is expended subject to and in accordance with Board imposed restriction and amounted to \$0 and \$35,000 in 2021 and 2020, respectively.

As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Details of investment income of this endowment with a fair value the amount of \$1,608,718 and \$1,142,732 for 2021 and 2020, respectively, is included in Note 4.

NOTE 6 – LIQUIDITY AND AVAILABILITY

Beauvoir strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Financial assets in excess of daily cash requirements are maintained in checking or savings accounts.

The following table reflects Beauvoir financial assets available to meet cash needs for general expenditures within one year as of April 30, 2021 and 2020.

	2021	2020
Cash	\$ 262,881	166,332
Investments	2,290,801	1,677,608
Total financial assets	2,553,682	1,843,940
Less: Amounts unavailable for general expenses within one year due to:		
Donor restricted for period beyond one year	(28,667)	(29,156)
Board designated for specific purposes	(144,979)	(1,304)
Donor-restricted endowments	(1,608,718)	(1,142,732)
Total financial assets available to meet cash needs for general expenses within one year	\$ 771,318	670,748

Beauvoir, the Jefferson Davis Home and Presidential Library
Notes to the Financial Statements
For the Years Ended April 30, 2021 and 2020

NOTE 7 – HISTORICAL ASSETS AND PROPERTY AND EQUIPMENT

Historical Assets and Property and Equipment consists of the following at April 30, 2021:

	Balance at 05/01/20	Additions	Sales/ Adjustments	Balance at 4/30/2021
Non-depreciable Assets:				
Historical Assets:				
Artifacts and Collection	\$ 160,141	-		160,141
Buildings and Grounds	8,619,429	-		8,619,429
Total Historical Assets	<u>8,779,570</u>	<u>-</u>	<u>-</u>	<u>8,779,570</u>
Depreciable Assets				
Property and Equipment	15,579,464	58,115	-	15,637,579
Accumulated Depreciation	<u>(4,114,937)</u>	<u>(458,427)</u>	<u>-</u>	<u>(4,573,364)</u>
Total Property and Equipment	<u>11,464,527</u>	<u>(400,312)</u>	<u>-</u>	<u>11,064,215</u>
Total Historical Assets and Property and Equipment	<u>\$ 20,244,097</u>	<u>(400,312)</u>	<u>-</u>	<u>19,843,785</u>

Depreciation expense for the year ended September 30, 2021 and 2020 was \$458,427 and \$492,810 respectively. Depreciation expense is allocated to program and administrative expenses based on the function of the related asset.

NOTE 8 – FEDERAL FINANCIAL ASSISTANCE

In April 2020, Beauvoir received a loan from the People's Bank in the amount of \$62,195 under Payroll Protection Program (PPP) under Division A, Title I of the CARES Act, which was enacted March 27, 2021. Beauvoir elected to follow the guidance of FASB ASC 958-605 to record this loan. Under FASB ASC 958-605, the initial cash inflow from the PPP loan has been recorded as a refundable advance and is considered to be an exchange transaction. In 2021, the conditions of release have been substantially met or explicitly waived. Beauvoir reduced the refundable advance liability and recognized grant income in 2021.

In March 2021, Beauvoir received a second loan from the People's Bank in the amount of \$66,160 through the Payroll Protection Program (PPP). Beauvoir has not received forgiveness as of April 30, 2021, for these funds from the SBA. However, it is expected to be forgiven in 2022.

In July 2021, Beauvoir received an Economic Injury Disaster Loan from the Small Business Administration in the amount of \$149,900. This loan carries an interest rate of 2.75% and matures in 30 years. Payment on this loan is deferred for 24 months; however, interest will accrue during the deferred period. Deferred interest will be paid over the 28-year loan term following the deferral period. The loan is collateralized using Beauvoir business assets.

Beauvoir, the Jefferson Davis Home and Presidential Library
Notes to the Financial Statements
For the Years Ended April 30, 2021 and 2020

NOTE 9 – LONG-TERM DEBT

Note Payable - In 2017, Beauvoir purchased a Kubota tractor and loader for \$26,536, paying \$15,000 down and financing \$11,536 over 5 years at approximately 19.4%. The balance owed as of April 30, 2021 was \$3,653.

Line of Credit - In October 2019, entered into a Business Loan Agreement with Peoples Bank and withdrew an advance of \$50,000. This line of credit carried a 5% interest rate. In July 2020, this line of credit was refinanced in the amount of \$47,940 with an interest rate of 5%. This line of credit will mature on August 4, 2022. The unpaid balance as of April 30, 2021 was \$30,025.

Long-term debt which included notes payable outstanding at 04/30/2021 are as follows:

	Balance 05/01/20	Additions	Retirements	Balance 04/30/21	Due Within one Year
Line of credit	\$ 48,192	47,940	(66,107)	30,025	30,025
Notes payable	57,277	216,060	(53,624)	219,713	2,307
Compensated Absences	6,451	-	(6,451)	-	-
	<u>\$ 111,920</u>	<u>264,000</u>	<u>(126,182)</u>	<u>249,738</u>	<u>32,332</u>

Annual payment requirements to maturity for notes payable are as follows:

April 30	Principal	Interest	Total
2022	\$ 2,307	450	2,757
2023	12,144	4,078	16,222
2024	16,075	4,874	20,949
2025	16,898	4,658	21,556
2026	17,133	4,423	21,556
2027-2031	36,299	19,420	55,719
2032-2036	23,582	16,289	39,871
2037-2041	27,054	12,810	39,864
2042-2046	31,035	8,817	39,852
2047-2051	35,605	4,237	39,842
2052	1,581	55	1,636
	<u>\$ 219,713</u>	<u>80,111</u>	<u>299,824</u>

Beauvoir, the Jefferson Davis Home and Presidential Library
Notes to the Financial Statements
For the Years Ended April 30, 2021 and 2020

NOTE 10 – NET ASSETS

Without Donor Restrictions - Designated Net Assets

Designations are voluntary Board approved segregations of net assets for specific purposes, projects or investments. The governing Board may approve designations as an aid in planning future expenditures. Designations may be reversed by the governing Board at any time and, accordingly, designated portions of net assets are not considered restricted. Designations are reported as classifications of net assets without donor restrictions on the statements of financial position.

At April 30, the Beauvoir's Board had approved the following designations:

	2021	2020
Museum donations	\$ 2,588	1,304
Cannon restoration	2,509	-
Insurance proceeds	100,139	-
Ground and fence repairs	39,743	-
Investments - Ameritrade	622,554	446,655
Investments - Charles Swabb	59,529	88,221
Investment or special purpose	\$ 827,062	536,180

With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods as of April 30:

	2021	2020
Restricted for specific purpose:		
Historical assets	\$ 8,779,570	8,779,570
Mansion painting	1,887	1,887
Brick walkway	2,695	-
Sullivan account	9,301	7,654
Adopt-a-soldier	2,640	2,403
Museum research	-	340
Piano restoration	-	5,910
Varina's garden	8,214	7,587
Fall Muster	3,930	3,375
Total purpose restricted	8,808,237	8,808,726
Endowment fund - beneficial interests	1,608,718	1,142,732
Total	\$ 10,416,955	9,951,458

NOTE 11 – RETIREMENT PLAN

Beauvoir has adopted a Savings Incentive Match Plan for Employees (SIMPLE). Employer contributions for the fiscal year ended April 30, 2021, 2020 and 2019, amounted to \$794, \$720, and \$751, respectively. Beauvoir matches the contribution of qualified employees up to 3% of compensation.

Beauvoir, the Jefferson Davis Home and Presidential Library
Notes to the Financial Statements
For the Years Ended April 30, 2021 and 2020

NOTE 12 – OPERATING LEASES

Beauvoir has leases for an ice machine and a copier. Operating lease expense amount to \$2,724 and \$2,564 in 2021 and 2020, respectively.

NOTE 13 – SUBSEQUENT EVENTS

Events that occur after the Statement of Financial Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Financial Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after date require disclosure in the accompanying notes. Management of Beauvoir evaluated the activity of Beauvoir through February 14, 2022, (the date the financial statements were available to be issued), and determined that the following subsequent events have occurred requiring disclosure in the notes to the financial statements:

- On January 30, 2021, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2021, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report.

As such, it is uncertain as to the full magnitude that the pandemic will have on the Beauvoir’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce.

SPECIAL REPORTS

WRIGHT, WARD, HATTEN & GUEL

PROFESSIONAL LIMITED LIABILITY COMPANY

(SUCCESSORS TO A. L. EVANS & COMPANY ESTABLISHED 1926)

Certified Public Accountants

HANCOCK BANK BUILDING

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

To the Combined Board of Directors and Management of
Beauvoir, the Jefferson Davis Home and Presidential Library

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 Beauvoir, the Jefferson Davis Home and Presidential Library (Beauvoir) (a nonprofit organization) which comprise the statement of financial position as of April 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, and have issued our report thereon dated February 14, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Beauvoir's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Beauvoir's internal control. Accordingly, we do not express an opinion on the effectiveness of Beauvoir'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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item **2021-01** that we consider to be a material weakness.

Compliance and Other Matters

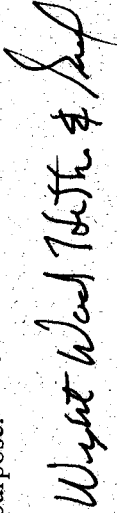
As part of obtaining reasonable assurance about whether Beauvoir's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Beauvoir's Response to Findings

Beauvoir's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Beauvoir's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 Beauvoir's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Beauvoir's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Gulfport, MS
February 14, 2022

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Beauvoir, the Jefferson Davis Home and Presidential Library
 Schedule of Findings and Questioned Costs
 For Year Ended April 30, 2021

Section 1: Summary of Auditor's Results

Financial Statements:

- | | | |
|----|---|------------|
| 1. | Type of auditor's report issued on the financial statements: | Unmodified |
| 2. | Internal control over financial reporting: | Yes |
| | a. Material weaknesses identified? | No |
| | b. Significant deficiencies identified that are not considered to be material weaknesses? | None Noted |
| 3. | Noncompliance material to the financial statements noted? | |

Section 2: Financial Statement Findings

<u>Finding #</u>	<u>Findings/Noncompliance</u>
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2021-01

*Segregation of duties
 Reporting Requirement: Material Weakness*

Criteria

An effective system of internal control requires that no one person handle all of the elements of a single transaction.

Condition

Beauvoir's staff consists of just one person who performs all cash related duties, many of which are incompatible.

Cause

Due to Beauvoir's relatively small size, the administrative duties are performed by one individual.

Effect of Condition

The result of the failure to segregate duties could result in intentional or unintentional errors material to the financial statements.

Recommendation

We recommend where oversight might be strengthened to provide more assurance of internal controls over financial reporting.

Response:

The additional costs associated with hiring more financial personnel is prohibitive; however, financial information is provided to the board during interim periods throughout the year. Discrepancies in amounts are immediately investigated.