

**Emmett and Miriam McCoy College of Business  
Administration Development Foundation**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**

**For the Years Ended August 31, 2023 and 2022**

**Emmett and Miriam McCoy College of Business  
Administration Development Foundation**

C O N T E N T S

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Notes to Financial Statements	6



## **Independent Auditors' Report**

Board of Directors  
McCoy College Development Foundation  
Austin, Texas

### **Opinion**

We have audited the accompanying financial statements of Emmett and Miriam McCoy College of Business Administration Development Foundation (the Foundation) which comprise the statements of financial position as of August 31, 2023 and 2022, and the related statements of activities and cash flows for the years ended then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of August 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of 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.

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

## **Auditors' Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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



Austin, Texas

February 28, 2024

**Emmett and Miriam McCoy College of Business Administration Development Foundation**  
**Statements of Financial Position**  
**As of August 31, 2023 and 2022**

	2023	2022
<b>Assets</b>		
Assets:		
Cash and cash equivalents	\$ 505,358	\$ 929,939
Investments	65,229,598	60,315,311
Contributions receivable, net	1,037,127	507,492
Total assets	\$ 66,772,083	\$ 61,752,742
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable	\$ 45,887	\$ 44,248
Total liabilities	45,887	44,248
Net assets:		
With donor restriction - board designated	3,052,839	(3,147,485)
With donor restrictions - in time and purpose	13,767,324	17,283,417
With donor restrictions - in perpetuity	49,906,033	47,572,562
Total net assets	66,726,196	61,708,494
Total liabilities and net assets	\$ 66,772,083	\$ 61,752,742

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

**Emmett and Miriam McCoy College of Business Administration Development Foundation**  
 Statements of Activities  
 For the Years Ended August 31, 2023 and 2022

	2023			2022			
	Without donor restrictions	With donor restrictions	With donor restrictions (in perpetuity)	Total	Without donor restrictions	With donor restrictions (in perpetuity)	Total
<b>REVENUES AND OTHER SUPPORT</b>							
Revenues							
Contributions	\$ -	\$ -	\$ 1,717,328	\$ 1,717,328	\$ -	\$ 9,130,909	\$ 9,130,909
Investment return, net	-	5,101,016	-	5,101,016	-	-	(9,752,425)
Net assets released from restrictions							
Satisfaction of program restrictions	1,800,642	(1,800,642)	-	-	1,455,599	-	-
Total revenues and other support	1,800,642	3,300,374	1,717,328	6,818,344	1,455,599	9,130,909	(621,516)
Expenses:							
Program services							
Distributions to College	1,511,014	-	-	1,511,014	1,144,796	-	1,144,796
Total program services	1,511,014	-	-	1,511,014	1,144,796	-	1,144,796
Supporting services							
General and administrative							
Dues and subscriptions	10,480	-	-	10,480	8,368	-	8,368
Miscellaneous	18,123	-	-	18,123	53,587	-	53,587
Payroll expenses	186,669	-	-	186,669	176,292	-	176,292
Professional fees	57,931	-	-	57,931	45,000	-	45,000
Travel	14,124	-	-	14,124	26,012	-	26,012
Supplies	2,301	-	-	2,301	1,544	-	1,544
Total supporting services	289,628	-	-	289,628	310,803	-	310,803
Total expenses	1,800,642	-	-	1,800,642	1,455,599	-	1,455,599
Change in net assets	-	3,300,374	1,717,328	5,017,702	-	9,130,909	(2,077,115)
Board designated transfers	-	(616,143)	616,143	-	-	(465,870)	-
Net assets at beginning of year	-	14,135,932	47,572,562	61,708,494	-	38,907,523	63,785,609
Net assets at end of year	\$ -	\$ 16,820,163	\$ 49,906,033	\$ 66,726,196	\$ -	\$ 47,572,562	\$ 61,708,494

The accompanying notes are an integral part of these financial statements

**Emmett and Miriam McCoy College of Business Administration Development Foundation**

Statements of Cash Flows

For the Years Ended August 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 5,017,702	\$ (2,077,115)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized (gain) loss on investments	(84,726)	(837,721)
Net unrealized (gain) loss on investments	(2,444,221)	11,897,590
Increase (decrease) in operating assets:		
Contributions receivable	(529,635)	(292,291)
Increase (decrease) in operating liabilities:		
Accounts payable	1,639	11,639
Net cash provided by (used in) operating activities	<u>1,960,759</u>	<u>8,702,102</u>
Cash flows from investing activities:		
Proceeds from sales of investments	1,205,260	12,194,592
Purchases of investments	<u>(3,590,600)</u>	<u>(20,713,115)</u>
Net cash provided by (used in) investing activities	<u>(2,385,340)</u>	<u>(8,518,523)</u>
Net increase (decrease) in cash and cash equivalents	(424,581)	183,579
Cash and cash equivalents at beginning of year	<u>929,939</u>	<u>746,360</u>
Cash and cash equivalents at end of year	<u>\$ 505,358</u>	<u>\$ 929,939</u>

The accompanying notes are an integral part of these financial statements

## **Emmett and Miriam McCoy College of Business Administration Development Foundation**

Notes to Financial Statements

For the Years Ended August 31, 2023 and 2022

### **Note A - Nature of Activities and Significant Accounting Policies**

#### Nature of Activities

The Emmett and Miriam McCoy College of Business Administration Development Foundation (the Foundation) is a nonprofit corporation established in February 2004 to raise funds from the private sector for the sole benefit of the College of Business Administration (the College) at Texas State University (the University). The Foundation is to preserve and invest such funds and make distributions from the funds for the sole benefit of the College in accordance with the donor's wishes.

The Foundation is governed by a ten-member Board of Directors.

#### Basis of Presentation

The financial statements of the Foundation have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Foundation's management and the board of directors. (See Note G)

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

#### Cash and Cash Equivalents

The Foundation's cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase, except for those amounts that are held in the investment portfolio which are invested for long-term purposes.

#### Concentrations of Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents and investments. The Foundation maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The Foundation's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The Foundation has not experienced, nor does it anticipate, any losses with respect to such accounts.



## Emmett and Miriam McCoy College of Business Administration Development Foundation

### Notes to Financial Statements

For the Years Ended August 31, 2023 and 2022

#### Note A - Nature of Activities and Significant Accounting Policies - Continued

##### Investments

The Foundation carries investments in marketable equity securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in the statement of activities as increases or decreases in net assets with donor restrictions (in perpetuity). The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1: Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.

Level 2: Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

Level 3: Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the organization's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

##### Use of Estimates

Management uses estimates and assumptions in preparing financial statements that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

##### Income Tax Status

The Foundation is a not-for-profit corporation that is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Foundation has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations; and to identify and evaluate other matters that may be considered tax positions. The Foundation has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

##### Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditors' Report, which is the date the financial statements were available to be issued.

**Emmett and Miriam McCoy College of Business Administration Development Foundation**

Notes to Financial Statements

For the Years Ended August 31, 2023 and 2022

**Note B - Available Resources and Liquidity**

The following represents the Foundation's financial assets at August 31, 2023 and 2022:

Financial assets at year end:	2023	2022
Cash and cash equivalents	\$ 505,358	\$ 929,939
Investments	65,229,598	60,315,311
Contributions receivable, net	1,037,127	507,492
	<u>66,772,083</u>	<u>61,752,742</u>
Less amounts not available to be used within one year:		
Net assets subject to board designations	3,052,839	(3,147,485)
Net assets with donor restrictions	63,673,357	64,855,979
Less net assets with restrictions to be met in less than a year	<u>(1,200,000)</u>	<u>(1,200,000)</u>
	<u>65,526,196</u>	<u>60,508,494</u>
 Financial assets available to meet cash needs for expenditures over the next twelve months	 <u>\$ 1,245,887</u>	 <u>\$ 1,244,248</u>

In addition to financial assets available to meet general expenditures over the next twelve months, the Foundation operates with a balanced budget and anticipates only incurring expenses if adequate funds are available to pay for them. The Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments.

**Note C - Investments**

Investments are classified as Level 1 investments (See Note A), stated at their fair value and consist of the following as of August 31, 2023 and 2022:

	2023		2022	
	Cost	Fair Value	Cost	Fair Value
Stocks	\$ 648,351	\$ 754,463	\$ 824,734	\$ 913,130
Mutual funds	49,917,854	52,379,448	48,291,537	49,473,676
Private investments	11,634,452	12,095,687	10,500,080	9,928,505
	<u>\$62,200,657</u>	<u>\$65,229,598</u>	<u>\$59,616,351</u>	<u>\$ 60,315,311</u>

**Emmett and Miriam McCoy College of Business Administration Development Foundation**

Notes to Financial Statements

For the Years Ended August 31, 2023 and 2022

**Note D - Contributions Receivable**

**Unconditional Contributions**

Contributions receivable represent unconditional promises to give by donors and are recorded at their estimated fair value. Contributions received are distinguished for each net asset category in accordance with donor-imposed restrictions. Amounts due after August 31, 2023, are recorded at the present value of the estimated future cash flows, using the average market yields on one to four year Treasury securities as of August 2023. The discount will be recognized as contribution income in the fiscal years after August 31, 2023, as the discount is amortized over the duration of the pledges.

Contributions receivable, net of discount to present value, consist of the following at August 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Expected to be collected in:		
Less than one year	\$ 654,750	\$ 132,250
One to five years	404,442	388,270
Pledges receivable, gross	<u>1,059,192</u>	<u>520,520</u>
Less:		
Allowance for uncollectible pledges	(5,000)	(5,000)
Less discount to present value	<u>(17,065)</u>	<u>(8,028)</u>
Contributions receivable, net	<u><u>\$ 1,037,127</u></u>	<u><u>\$ 507,492</u></u>

**Conditional and Revocable Contributions**

In accordance with US GAAP, the Foundation has not recorded revocable contributions or conditional contributions for which the specified conditions have not been substantially met. The Foundation has been named as a beneficiary in various individuals' wills or charitable remainder trusts. As of August 31, 2023, the amount of these revocable promises of which the Foundation has been made aware is approximately \$10,675,000.

**Note E - Support to McCoy College of Business Administration**

The Foundation's Investment and Spending Policy established a target to distribute annually an amount based on 3% of a trailing three-year average of the fair market value of each endowment to the McCoy College of Business Administration to support the activities specified for each endowment. Annual distributions will not exceed 7% of the endowment's prior year's ending market value. Distributions designated, but not yet distributed at August 31, 2023 and 2022, were \$2,061,598 and \$2,041,236, respectively.

During the years ended August 31, 2023 and 2022, the Foundation distributed \$1,511,014 and \$1,144,796, respectively, to the College.

## **Emmett and Miriam McCoy College of Business Administration Development Foundation**

### Notes to Financial Statements

For the Years Ended August 31, 2023 and 2022

#### **Notes F - Support From Texas State University**

The Foundation is staffed by two individuals who are employees of the University and the Foundation, with each sharing a portion of the individuals' salaries and benefits. Each individual dedicates at least 50% of their time to Foundation activities and matters. Accounts payable at August 31, 2023 and 2022, consists of reimbursement due to the University for salaries and benefits in the amounts of \$45,887 and \$44,248, respectively.

In addition, the University provides the Foundation office space, telephone service, utilities, and the use of other equipment and facilities at no charge to the Foundation. No amounts have been reflected in the financial statements for the donated facilities.

#### **Note G - Endowment**

The Foundation's endowment consists of 149 individual funds established for a variety of purposes. Its endowments include both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by US 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 of donor-imposed restrictions.

#### Interpretation of Relevant Law

The Board of Directors of the Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as encouraging institutions to establish a spending policy that will be responsive to short-term fluctuations in the value of the fund. The law allows an institution to maintain appropriate levels of expenditures in times of economic downturn or economic strength. In some years, accumulation rather than spending will be prudent, and in other years an institution may appropriately make expenditures even if a fund has not generated investment return that year. SPMIFA requires the managing and investing of an institutional fund so as to balance the needs of the institution with the preservation of capital. Therefore, the Foundation strives for the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (in perpetuity) (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent 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 classified in net assets with donor restrictions (in perpetuity) is classified as net assets with donor restrictions (time & purpose) until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by SPMIFA.

**Emmett and Miriam McCoy College of Business Administration Development Foundation**

Notes to Financial Statements

For the Years Ended August 31, 2023 and 2022

**Note G - Endowment - Continued**

In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the Foundation and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the Foundation
- 7) The investment policies of the Foundation
- 8) Intergenerational equity: providing stable support for programs such as scholarships and chairs from one generation to the next.

**Endowment Net Asset Composition by Type of Fund as of August 31, 2023**

	With donor restrictions (time & purpose)	With donor restrictions (in perpetuity)	Total
Donor-restricted endowment funds	\$ 13,767,324	\$ 49,906,033	\$ 63,673,357
Board-designated endowment funds	3,052,839	-	3,052,839
Total funds	<u>\$ 16,820,163</u>	<u>\$ 49,906,033</u>	<u>\$ 66,726,196</u>

The net gains and losses in net assets with donor restrictions represents the amounts by which the fair value of certain donor-restricted endowment funds were above the amount requires to permanently maintain the value of the original gift.

**Emmett and Miriam McCoy College of Business Administration Development Foundation**

Notes to Financial Statements

For the Years Ended August 31, 2023 and 2022

**Note G - Endowment - Continued**

**Changes in Endowment Net Assets for the fiscal year ended August 31, 2023**

	With donor restrictions (time & purpose)	With donor restrictions (in perpetuity)	Total
Endowment net assets, beginning of year	\$ 14,135,932	\$ 47,572,562	\$ 61,708,494
Investment return:			
Investment income	2,661,791	-	2,661,791
Net gains and losses (realized and unrealized)	2,528,947	-	2,528,947
Management fees	<u>(89,722)</u>	<u>-</u>	<u>(89,722)</u>
Total investment return	5,101,016	-	5,101,016
Contributions	-	1,717,328	1,717,328
Appropriation of endowment assets for expenditure	(1,800,642)	-	(1,800,642)
Other changes:			
Transfers to create board- designated endowment funds	<u>(616,143)</u>	<u>616,143</u>	<u>-</u>
<b>Endowment net assets, end of year</b>	<u>\$ 16,820,163</u>	<u>\$ 49,906,033</u>	<u>\$ 66,726,196</u>

The gain in net assets with donor restrictions included a realized gain of \$84,726 and unrealized gain of \$2,444,221 on investments.

**Endowment Net Asset Composition by Type of Fund as of August 31, 2022**

	With donor restrictions (time & purpose)	With donor restrictions (in perpetuity)	Total
Donor-restricted endowment funds	\$ 17,283,417	\$ 47,572,562	\$ 64,855,979
Board-designated endowment funds	<u>(3,147,485)</u>	<u>-</u>	<u>(3,147,485)</u>
Total funds	<u>\$ 14,135,932</u>	<u>\$ 47,572,562</u>	<u>\$ 61,708,494</u>

The gain in net assets with donor restrictions represents the amounts by which the fair value of certain donor-restricted endowment funds were above the amount requires to permanently maintain the value of the original gift.

**Emmett and Miriam McCoy College of Business Administration Development Foundation**

Notes to Financial Statements

For the Years Ended August 31, 2023 and 2022

**Note G - Endowment - Continued**

**Changes in Endowment Net Assets for the fiscal year ended August 31, 2022**

	With donor restrictions <u>(time &amp; purpose)</u>	With donor restrictions <u>(in perpetuity)</u>	<u>Total</u>
Endowment net assets, beginning of year	\$24,878,086	\$38,907,523	\$63,785,609
Investment return:			
Interest and dividends	1,380,104	-	1,380,104
Net gains and losses (realized and unrealized)	(11,059,869)	-	(11,059,869)
Management fees	<u>(72,660)</u>	-	<u>(72,660)</u>
Total investment return	<u>(9,752,425)</u>	-	<u>(9,752,425)</u>
Contributions	-	9,130,909	9,130,909
Appropriation of endowment assets for expenditure	(1,455,599)	-	(1,455,599)
Other changes:			
Transfers to create board- designated endowment funds	<u>465,870</u>	<u>(465,870)</u>	<u>-</u>
<b>Endowment net assets, end of year</b>	<u><u>\$14,135,932</u></u>	<u><u>\$47,572,562</u></u>	<u><u>\$61,708,494</u></u>

The net gains and losses in net assets with donor restrictions included a realized gain of \$837,721 and unrealized loss of \$(11,897,590) on investments.

**Description of Amounts Classified as Net Assets with Donor Restrictions (in perpetuity) and Net Assets with Donor Restrictions (time & purpose) (Endowment Only)**

	<u>2023</u>	<u>2022</u>
<b>Net Assets with Donor Restrictions (in perpetuity)</b>		
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by SPMIFA	<u>\$49,906,033</u>	<u>\$47,572,562</u>
<b>Total endowment funds classified as net assets with donor restrictions (in perpetuity)</b>	<u><u>\$49,906,033</u></u>	<u><u>\$47,572,562</u></u>

**Emmett and Miriam McCoy College of Business Administration Development Foundation**

Notes to Financial Statements

For the Years Ended August 31, 2023 and 2022

**Note G - Endowment - Continued**

**Net Assets with Donor Restrictions (time & purpose)**

The portion of perpetual endowment funds subject to a time restriction under SPMIFA with purpose restrictions

**Total endowment funds classified as net assets with donor restrictions (time & purpose)**

<u>\$ 13,767,324</u>	<u>\$ 17,283,417</u>
<u><u>\$ 13,767,324</u></u>	<u><u>\$ 17,283,417</u></u>

**Funds with Deficiencies**

From time to time, the fair market value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or SPMIFA require to maintain the value of the original gift. In accordance with US GAAP, deficiencies of this nature are reported in net assets with donor restrictions (time & purpose). These deficiencies resulted from unfavorable market fluctuations in investments of contributions with donor restrictions (in perpetuity) and continued appropriation for certain programs that was deemed prudent by the Board of Directors.

**Return Objectives and Risk Parameters**

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets or donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors the endowment assets are invested in a manner that is intended to produce results that compare to:

- 1) The Standard & Poor's 500 Index, the Russell 1000 and 2500 Indices, and the MSCI EAFE Index for Equity Securities,
- 2) The Barclays and other standard Indices for Fixed Income Securities, and
- 3) The Consumer Price Index and 90-day U.S. Treasury Bill rate for Cash Equivalent Securities.

**Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, the Foundation relies on total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.



**Emmett and Miriam McCoy College of Business Administration Development Foundation**

Notes to Financial Statements

For the Years Ended August 31, 2023 and 2022

**Note H - Net Assets with Donor Restrictions**

Net assets with donor restrictions consist of the following restricted amounts as of August 31:

	2023		2022	
	With donor restrictions (time & purpose)	With donor restrictions (in perpetuity)	With donor restrictions (time & purpose)	With donor restrictions (in perpetuity)
Emmett & Miriam McCoy Scholars	\$ 236,917	\$ 2,005,565	\$ 399,412	\$ 2,000,315
College General Endowment	1,689,982	2,434,102	2,169,450	2,321,217
College General - PACE	18,942	25,000	22,015	25,000
Fields Economics Chair #1	326,376	2,000,000	451,071	2,000,000
Fields Ethics Chair #6	1,040,757	2,100,000	1,200,285	2,100,000
Chair #2	686,599	1,732,667	1,041,222	1,366,333
Chair #3	808,979	2,010,055	882,461	2,010,055
Chair #4	237,789	2,000,000	300,635	2,000,000
Chair #5	155,734	1,000,000	331,491	1,000,000
Barshop Professorship	(128,183)	150,269	(49,382)	150,269
Gregg Professorship 7	668,771	600,000	723,579	600,000
Roberts Professorship 8	612,803	601,658	653,941	601,658
Professorship 9	372,745	618,044	399,241	618,044
Gowens Professorship	404,878	600,000	499,846	600,000
Casey Professorship	290,214	600,000	313,962	600,000
Emerson Professorship	140,081	600,000	161,230	600,000
Professorship #2	98,246	600,000	134,448	600,000
Professorship #4	(16,899)	602,385	114,080	452,990
Professorship #5	124,019	600,000	162,483	600,000
Professorship #11	92,261	515,100	67,574	320,000
Wilson Professorship	37,902	600,000	18,094	600,000
Professorship #12	(20,122)	353,502	83,207	244,886
Faculty Development	1,379,377	1,220,813	1,891,429	2,217,100
Petitt Faculty Development	212,693	300,000	242,247	300,000
Accounting Faculty Development	60,163	120,772	65,111	120,772
McCall Faculty Research	132,970	600,000	158,526	600,000
Olney Research	16,002	100,000	19,303	100,000
Jewell Research Endowment	4,671	20,000	3,905	20,000
Emerson Faculty Research Endowment	24,275	202,000	32,295	202,000
Muehl Research Endowment	43,795	205,000	50,857	205,000
Student Development	818,825	1,658,097	1,163,694	2,201,000
Muehl Student Development	241,057	300,000	276,917	300,000

**Emmett and Miriam McCoy College of Business Administration Development Foundation**

Notes to Financial Statements

For the Years Ended August 31, 2023 and 2022

**Note H - Net Assets with Donor Restrictions - Continued**

	2023		2022	
	With donor restrictions (time & purpose)	With donor restrictions (in perpetuity)	With donor restrictions (time & purpose)	With donor restrictions (in perpetuity)
RGK - PACE	\$ 46,668	\$ 100,000	\$ 54,722	\$ 100,000
Accounting Student Development	19,987	66,879	22,432	66,879
Bogutsky Endowment	37,935	134,000	43,752	134,000
Program Development	639,654	53,815	760,798	770,000
Excellence Accounting	19,943	172,951	21,768	152,826
Rychlik Scholarship	14,337	50,000	16,274	50,000
SMIF Endowments	900	54,951	921	54,951
Kolodzey Endowment	5,186	114,000	7,014	114,000
Emerson Outreach	10,406	150,000	10,122	155,877
Graduate Fellowship	575,036	606,500	597,342	684,500
Acct Club Grad Scholarship	51,671	102,593	56,056	102,593
Smart Fellowship	24,067	87,642	25,965	77,413
Westerbeck Fellowship	27,395	100,000	31,111	100,000
Lienneweber Fellowship	72,820	354,005	85,652	354,005
Lightfoot Graduate Fellowship	18,419	200,000	24,860	200,000
Tilton Fellowship	31,296	200,063	38,278	200,063
Arredondo Scholarship	8,810	100,000	12,602	100,000
Hough Fellowship	5,529	57,000	7,604	57,000
Undergrad Scholarships	(18,739)	324,718	285,080	3,792
Davila Undergrad Scholarship	70,990	140,500	77,130	140,500
Liebscher Undergrad Scholarship	185,434	441,500	199,903	424,000
Aspinwall Scholarship	33,004	50,000	35,719	50,000
Ward Undergrad Scholarship	28,983	50,000	31,455	50,000
Cox Undergrad Scholarship	50,593	65,000	54,225	65,000
Acct Club Undergrad Scholarship	52,845	66,953	56,660	66,753
Edgar Scholarship	29,148	50,050	31,419	50,050
Stephenson Scholarship	32,666	80,272	34,231	60,272
Edgar #2 Scholarship	23,886	51,121	26,141	51,121
Kerley Scholarship	52,126	100,000	56,843	100,000
Kanz Undergrad Scholarship	122,336	200,000	131,884	200,000
J&M Edgar Scholarship	16,237	80,000	18,988	80,000
Diepenhorst Scholarship	64,172	150,000	70,429	150,000
Pearson Scholarship	25,099	60,000	27,180	60,000
Buttross Scholarship	11,448	50,000	13,612	50,000
Carman Scholarship	19,650	122,679	23,151	122,679
Cook Scholarship	11,575	52,170	13,377	51,670
Richard Clay Scholarship	16,226	126,801	23,810	108,801

**Emmett and Miriam McCoy College of Business Administration Development Foundation**

Notes to Financial Statements

For the Years Ended August 31, 2023 and 2022

**Note H - Net Assets with Donor Restrictions - Continued**

	2023		2022	
	With donor restrictions (time & purpose)	With donor restrictions (in perpetuity)	With donor restrictions (time & purpose)	With donor restrictions (in perpetuity)
Luxton Scholarship	\$ 230,033	\$ 1,000,000	\$ 265,103	\$ 1,000,000
Callaway Scholarship	68,461	300,000	72,804	225,000
Olney Scholarship	7,684	50,458	9,399	50,458
Barton Scholarship	14,496	65,000	16,334	62,500
Diane Eure Scholarship	17,091	100,000	19,362	100,000
Jack Eure Scholarship	15,664	100,050	17,626	100,000
K Yarborough Scholarship	40,715	200,000	48,044	200,000
Ferrari Family Scholarship	16,825	106,332	20,345	106,332
Holder Scholarship	26,191	130,000	30,674	130,000
AO Hamon Scholarship	8,310	55,398	10,218	55,398
Conant Scholarship	11,815	50,000	13,641	50,000
Stuart Scholarship Endowment	11,784	50,000	13,858	50,000
Lucille Montodon Scholarship	17,732	115,500	20,011	115,400
Furst Endowment	14,574	50,000	16,425	50,000
Willis Scholarship	12,685	50,000	14,488	50,000
Kirksey Scholarship	60,912	260,000	73,299	260,000
Hough Scholarship	7,626	50,000	9,266	50,000
Cosner Scholarship	4,714	46,348	6,228	46,348
Morris Scholarship	10,177	53,825	12,071	53,825
EY Scholarship	19,769	169,140	36,011	150,475
Bates Scholarship	24,242	135,642	28,551	135,642
Gilchrist Scholarship	3,185	50,000	5,035	50,000
GAHCC Scholarship	14,834	100,000	18,317	100,000
Jim Bell Scholarship	4,813	20,000	4,042	20,000
Fin MGT Assoc. Scholarship	9,738	50,000	11,542	50,000
Gorbea Scholarship	4,018	15,000	3,427	15,000
TX State AMA Scholarship	(2,458)	52,181	(1,365)	51,631
Kapavik Scholarship	4,116	50,000	5,686	50,000
Porter Scholarship	16,670	211,320	23,115	211,320
Sergeant GTFCU Scholarships	9,237	50,000	11,004	50,000
Medlock Memorial Scholarships	5,450	55,000	7,142	55,000
Ridout Scholarship	5,585	52,000	7,141	51,000
Wong Accounting Scholarships	5,542	50,000	7,126	50,000
Wong Finance Scholarship	8,762	50,000	10,427	50,000
Wong Management Scholarship	8,811	50,000	10,427	50,000
Wong Marketing Scholarship	8,762	50,000	10,427	50,000

**Emmett and Miriam McCoy College of Business Administration Development Foundation**

Notes to Financial Statements

For the Years Ended August 31, 2023 and 2022

**Note H - Net Assets with Donor Restrictions - Continued**

	2023		2022	
	With donor restrictions (time & purpose)	With donor restrictions (in perpetuity)	With donor restrictions (time & purpose)	With donor restrictions (in perpetuity)
Wong CIS QM Scholarship	\$ 8,762	\$ 50,000	\$ 10,427	\$ 50,000
Kiehl Family Scholarships	4,797	50,001	6,439	50,001
Carroll Undergrad Scholarship	3,342	80,565	3,418	80,565
Faith Scholarship	4,203	50,000	5,947	50,000
Coleman Scholarship	1,224	8,169	1,100	5,976
Gobar Scholarship	170	10,000	(414)	5,000
West Scholarship	(832)	60,223	(1,716)	59,823
Gina Brunner Memorial Scholarship	10,324	50,200	12,242	50,200
Rushing Scholarship	8,057	105,000	11,975	105,000
Zubeldia Scholarship	10,292	50,000	12,011	50,000
SFHR Management Scholarship	520	3,080	402	2,530
Guillory Scholarship	15,567	115,000	19,510	115,000
Pena Scholarship	8,015	50,000	9,651	50,000
Fullerton Scholarship	-	-	(5,000)	5,000
Leveque HRM Scholarship	-	-	(500)	500
Foshee Scholarship	12,495	100,000	15,920	100,000
Sergeant Scholarship	(440)	50,000	713	50,000
Student Success Center Support	22,049	501,000	-	-
Luxton Fellowship	49,002	418,000	62,840	418,000
Hartenstine Scholarship	3,178	50,000	2,374	15,000
Student Success Center	(538,060)	8,000,000	(769,762)	8,000,000
S. Emerson	(4,079)	50,000	(4,546)	50,000
Churchwell Scholarship	(3,534)	50,000	(4,018)	50,000
Carolyn Conn Scholarship	1,515	50,500	(481)	5,000
Jerry Fields Scholarship	(3,421)	50,000	(3,909)	50,000
Doane Scholarship	2,114	51,790	(714)	25,000
Carlson Scholarship	(256)	50,000	(842)	50,000
Rechner Scholarship	758	16,664	(40)	10,170
Faculty Development	(11,098)	1,021,287	-	-
Student Development	(6,443)	592,903	-	-
Program Development	(5,120)	471,185	-	-
Undergrad Scholarships - Matching	139,684	783,504	-	1,089,084
Emerson Global Scholars	19,819	450,000	-	-
Fornash Staff Support	6,166	140,000	-	-
Banking Excellence	(272)	25,000	-	-
Schloer/Howard Marketing Analytics	366	3,000	-	-

**Emmett and Miriam McCoy College of Business Administration Development Foundation**

Notes to Financial Statements

For the Years Ended August 31, 2023 and 2022

**Note H - Net Assets with Donor Restrictions - Continued**

	2023		2022	
	With donor restrictions (time & purpose)	With donor restrictions (in perpetuity)	With donor restrictions (time & purpose)	With donor restrictions (in perpetuity)
Mehrwerth Endowed Scholarship	4,364	50,000	-	-
Oles Scholarship	180	5,000	-	-
Terrell Sales Excellence	327	52,175	-	-
Franklin Accounting	154	3,500	-	-
Noll Sales Excellence	200	4,000	-	-
Riggs Scholarship	4,312	99,851	-	-
Marketing Advisory Board	1	50	-	-
	<u>\$ 13,767,324</u>	<u>\$ 49,906,033</u>	<u>\$ 17,283,417</u>	<u>\$ 47,572,562</u>