

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

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**

**For the Years Ended August 31, 2022 and 2021**

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

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## **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, 2022 and 2021, 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, 2022 and 2021, 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 Auditor's 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 Combined 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

DATE

**Emmett and Miriam McCoy College of Business Administration Development Foundation**  
 Statements of Financial Position  
 As of August 31, 2022 and 2021

	2022	2021
<b>Assets</b>		
Assets:		
Cash and cash equivalents	\$ 929,939	\$ 746,360
Investments	60,315,311	62,856,657
Contributions receivable, net	507,492	215,201
Total Assets	\$ 61,752,742	\$ 63,818,218
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable	\$ 44,248	\$ 32,609
Total Liabilities	44,248	32,609
Net assets:		
With donor restriction - board designated	(3,147,485)	182,595
With donor restrictions - in time & purpose	17,283,417	24,695,491
With donor restrictions - in perpetuity	47,572,562	38,907,523
Total Net Assets	61,708,494	63,785,609
Total Liabilities and Net Assets	\$ 61,752,742	\$ 63,818,218

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, 2022 and 2021

	2022				2021			
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>With donor restrictions (in perpetuity)</u>	<u>Total</u>	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>With donor restrictions (in perpetuity)</u>	<u>Total</u>
<b>REVENUES AND OTHER SUPPORT</b>								
Revenues								
Contributions	\$ -	\$ -	\$ 9,130,909	\$ 9,130,909	\$ -	\$ -	\$ 509,871	\$ 509,871
Investment return, net	-	(9,752,425)	-	(9,752,425)	-	13,118,055	-	13,118,055
Net assets released from restrictions								
Satisfaction of program restrictions	1,455,599	(1,455,599)	-	-	796,468	(796,468)	-	-
Total revenues and other support	1,455,599	(11,208,024)	9,130,909	(621,516)	796,468	12,321,587	509,871	13,627,926
Expenses:								
Program services								
Distributions to College	1,144,796	-	-	1,144,796	573,057	-	-	573,057
Total program services	1,144,796	-	-	1,144,796	573,057	-	-	573,057
Supporting services								
General and administrative								
Dues and subscriptions	8,368	-	-	8,368	8,478	-	-	8,478
Miscellaneous	53,587	-	-	53,587	25,040	-	-	25,040
Payroll expenses	176,292	-	-	176,292	162,601	-	-	162,601
Professional fees	45,000	-	-	45,000	24,595	-	-	24,595
Travel	26,012	-	-	26,012	239	-	-	239
Supplies	1,544	-	-	1,544	2,458	-	-	2,458
Total supporting services	310,803	-	-	310,803	223,411	-	-	223,411
Total expenses	1,455,599	-	-	1,455,599	796,468	-	-	796,468
Change in net assets	-	(11,208,024)	9,130,909	(2,077,115)	-	12,321,587	509,871	12,831,458
Board designated transfers	-	465,870	(465,870)	-	-	(1,448,882)	1,448,882	-
Net assets at beginning of year	-	24,878,086	38,907,523	63,785,609	-	14,005,381	36,948,770	50,954,151
Net assets at end of year	\$ -	\$ 14,135,932	\$ 47,572,562	\$ 61,708,494	\$ -	\$ 24,878,086	\$ 38,907,523	\$ 63,785,609

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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ (2,077,115)	\$ 12,831,458
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized (gain) loss on investments	(837,721)	(709,875)
Net unrealized (gain) loss on investments	11,897,590	(11,368,283)
Increase (decrease) in operating assets:		
Contributions receivable	(292,291)	43,596
Increase (decrease) in operating liabilities:		
Accounts payable	11,639	36
Net cash provided by (used in) operating activities	<u>8,702,102</u>	<u>796,932</u>
Cash flows from investing activities:		
Proceeds from sales of investments	12,194,592	3,740,962
Purchases of investments	<u>(20,713,115)</u>	<u>(5,117,389)</u>
Net cash provided by (used in) investing activities	<u>(8,518,523)</u>	<u>(1,376,427)</u>
Net increase (decrease) in cash and cash equivalents	183,579	(579,495)
Cash and cash equivalents at beginning of year	<u>746,360</u>	<u>1,325,855</u>
Cash and cash equivalents at end of year	<u>\$ 929,939</u>	<u>\$ 746,360</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, 2022 and 2021

### **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, 2022 and 2021

#### **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, 2022 and 2021

**Note B - Available Resources and Liquidity**

The following represents the Foundation's financial assets at August 31, 2022 and 2021:

Financial assets at year end:	2022	2021
Cash and cash equivalents	\$ 929,939	\$ 746,360
Investments	60,315,311	62,856,657
Contributions receivable, net	507,492	215,201
	<u>61,752,742</u>	<u>63,818,218</u>
Less amounts not available to be used within one year:		
Net assets subject to board designations	(3,147,485)	182,595
Net assets with donor restrictions	64,855,979	63,603,014
Less net assets with restrictions to be met in less than a year	<u>(1,200,000)</u>	<u>(1,200,000)</u>
	<u>60,508,494</u>	<u>62,585,609</u>
Financial assets available to meet cash needs for expenditures over the next twelve months	<u>\$ 1,244,248</u>	<u>\$ 1,232,609</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, 2022 and 2021:

	2022		2021	
	Cost	Fair Value	Cost	Fair Value
Stocks	\$ 824,734	\$ 913,130	\$ 864,876	\$ 1,159,870
Mutual funds	48,291,537	49,473,677	38,150,945	48,544,880
Private investments	10,500,080	9,928,505	10,000,080	13,151,907
	<u>\$59,616,351</u>	<u>\$60,315,312</u>	<u>\$49,015,901</u>	<u>\$ 62,856,657</u>

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

Notes to Financial Statements

For the Years Ended August 31, 2022 and 2021

**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, 2022, 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 2022. The discount will be recognized as contribution income in the fiscal years ending August 31, 2022, through August 31, 2022, 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, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Expected to be collected in:		
Less than one year	\$ 132,250	\$ 133,833
One to five years	388,270	81,523
Pledges receivable, gross	<u>520,520</u>	<u>215,356</u>
Less:		
Allowance for uncollectible pledges	(5,000)	-
Less discount to present value	<u>(8,028)</u>	<u>(155)</u>
Contributions receivable, net	<u><u>\$ 507,492</u></u>	<u><u>\$ 215,201</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, 2021, 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, 2022 and 2021, were \$2,041,236 and \$1,667,546, respectively.

During the years ended August 31, 2022 and 2021, the Foundation distributed \$1,144,796 and \$573,057, respectively, to the College.

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

### Notes to Financial Statements

For the Years Ended August 31, 2022 and 2021

#### **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, 2022 and 2021, consists of reimbursement due to the University for salaries and benefits in the amounts of \$44,248 and \$32,609, 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 133 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, 2022 and 2021

**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, 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	(3,147,485)	-	(3,147,485)
Total funds	<u>\$ 14,135,932</u>	<u>\$ 47,572,562</u>	<u>\$ 61,708,494</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, 2022 and 2021

**Note G - Endowment - Continued**

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

	With donor restrictions (time & purpose)	With donor restrictions (in perpetuity)	Total
Endowment net assets, beginning of year	\$ 24,878,086	\$ 38,907,523	\$ 63,785,609
Investment return:			
Investment income	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>-</u>	<u>(72,660)</u>
Total investment return	(9,752,425)	-	(9,752,425)
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>\$ 14,135,932</u>	<u>\$ 47,572,562</u>	<u>\$ 61,708,494</u>

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

**Endowment Net Asset Composition by Type of Fund as of August 31, 2021**

	With donor restrictions (time & purpose)	With donor restrictions (in perpetuity)	Total
Donor-restricted endowment funds	\$ 24,695,491	\$ 38,907,523	\$ 63,603,014
Board-designated endowment funds	<u>182,595</u>	<u>-</u>	<u>182,595</u>
Total funds	<u>\$ 24,878,086</u>	<u>\$ 38,907,523</u>	<u>\$ 63,785,609</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, 2022 and 2021

**Note G - Endowment - Continued**

**Changes in Endowment Net Assets for the fiscal year ended August 31, 2021**

	With donor restrictions <u>(time &amp; purpose)</u>	With donor restrictions <u>(in perpetuity)</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 14,005,381	\$ 36,948,770	\$ 50,954,151
Investment return:			
Interest and dividends	1,127,867	-	1,127,867
Net gains and losses (realized and unrealized)	12,078,158	-	12,078,158
Management fees	<u>(87,970)</u>	-	<u>(87,970)</u>
Total investment return	13,118,055	-	13,118,055
Contributions	-	509,871	509,871
Appropriation of endowment assets for expenditure	(796,468)	-	(796,468)
Other changes:			
Transfers to create board- designated endowment funds	<u>(1,448,882)</u>	1,448,882	<u>-</u>
<b>Endowment net assets, end of year</b>	<u>\$ 24,878,086</u>	<u>\$ 38,907,523</u>	<u>\$ 63,785,609</u>

The net gains and losses in net assets with donor restrictions included a realized gain of \$709,875 and unrealized loss of \$11,368,283 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>2022</u>	<u>2021</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>\$47,572,562</u>	<u>\$ 38,907,523</u>
<b>Total endowment funds classified as net assets with donor restrictions (in perpetuity)</b>	<u>\$47,572,562</u>	<u>\$ 38,907,523</u>

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

Notes to Financial Statements

For the Years Ended August 31, 2022 and 2021

**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)**

\$ 17,283,417	\$ 24,695,491
<u>\$ 17,283,417</u>	<u>\$ 24,695,491</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, 2022 and 2021

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

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

	2022		2021	
	With donor restrictions (time & purpose)	With donor restrictions (in perpetuity)	With donor restrictions (time & purpose)	With donor restrictions (in perpetuity)
Emmett & Miriam McCoy Scholars	\$ 399,412	\$ 2,000,315	\$ 674,476	\$ 2,000,300
College General Endowment	2,169,450	2,321,217	2,683,414	2,281,692
College General - PACE	22,015	25,000	27,404	25,000
Leveque HRM Scholarship	(500)	500	(500)	500
Fields Economics Chair #1	451,071	2,000,000	732,021	2,000,000
Fields Ethics Chair #6	1,200,285	2,100,000	1,578,574	2,100,000
Chair #2	1,041,222	1,366,333	408,352	1,000,000
Chair #3	882,461	2,010,055	1,214,011	2,010,055
Chair #4	300,635	2,000,000	564,342	2,000,000
Chair #5	331,491	1,000,000	484,111	1,000,000
Chair #7	-	-	152,287	1,000,000
Barshop Professorship	(49,382)	150,269	881,538	695,000
Gregg Professorship 7	723,579	600,000	875,292	600,000
Roberts Professorship 8	653,941	601,658	797,862	601,658
Professorship 9	399,241	618,044	515,845	618,044
Gowens Professorship	499,846	600,000	625,915	600,000
Casey Professorship	313,962	600,000	418,723	600,000
Emerson Professorship	161,230	600,000	248,485	600,000
Professorship #2	134,448	600,000	218,633	600,000
Professorship #4	114,080	452,990	178,926	448,180
Professorship #5	162,483	600,000	249,882	600,000
Professorship #11	67,574	320,000	111,763	300,000
Wilson Professorship	18,094	600,000	84,611	240,000
Professorship #12	83,207	244,886	109,071	300,000
Faculty Development	1,891,429	2,217,100	2,362,358	2,217,050
Petitt Faculty Development	242,247	300,000	304,401	300,000
Accounting Faculty Development	65,111	120,772	86,410	119,772
McCall Faculty Research	158,526	600,000	245,471	600,000
Olney Research	19,303	100,000	32,978	100,000
Jewell Research Endowment	3,905	20,000	6,645	20,000
Emerson Faculty Research Endowment	32,295	202,000	59,150	202,000
Muehl Research Endowment	50,857	205,000	80,184	205,000
Student Development	1,163,694	2,201,000	1,559,440	2,201,000
Muehl Student Development	276,917	300,000	328,804	300,000

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

Notes to Financial Statements

For the Years Ended August 31, 2022 and 2021

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

	2022		2021	
	With donor restrictions (time & purpose)	With donor restrictions (in perpetuity)	With donor restrictions (time & purpose)	With donor restrictions (in perpetuity)
RGK - PACE	\$ 54,722	\$ 100,000	\$ 72,456	\$ 100,000
Accounting Student Development	22,432	66,879	32,669	66,879
Bogutsky Endowment	43,752	134,000	64,041	132,000
Program Development	760,798	770,000	936,628	802,000
Excellence Accounting	21,768	152,826	38,688	121,586
Rychlik Scholarship	16,274	50,000	23,871	50,000
SMIF Endowments	921	54,951	7,122	50,161
Kolodzey Endowment	7,014	114,000	20,036	50,000
Emerson Outreach	10,122	155,877	29,150	155,877
Graduate Fellowship	597,342	684,500	744,305	687,500
Acct Club Grad Scholarship	56,056	102,593	74,241	102,593
Smart Fellowship	25,965	77,413	37,734	71,413
Westerbeck Fellowship	31,111	100,000	46,140	100,000
Lienneweber Fellowship	85,652	354,005	136,047	354,005
Lightfoot Graduate Fellowship	24,860	200,000	50,634	200,000
Tilton Fellowship	38,278	200,063	65,598	200,063
Arredondo Scholarship	12,602	100,000	25,509	100,000
Undergrad Scholarships	285,080	1,092,876	360,006	153,081
Davila Undergrad Scholarship	77,130	140,500	102,047	138,000
Liebscher Undergrad Scholarship	199,903	424,000	271,288	406,500
Aspinwall Scholarship	35,719	50,000	45,544	50,000
Ward Undergrad Scholarship	31,455	50,000	40,791	50,000
Cox Undergrad Scholarship	54,225	65,000	67,891	65,000
Acct Club Undergrad Scholarship	56,660	66,753	70,792	66,453
Edgar Scholarship	31,419	50,050	40,757	50,050
Stephenson Scholarship	34,231	60,272	45,056	59,272
Edgar #2 Scholarship	26,141	51,121	34,995	50,971
Kerley Scholarship	56,843	100,000	74,821	100,000
Kanz Undergrad Scholarship	131,884	200,000	169,926	200,000
J&M Edgar Scholarship	18,988	80,000	30,335	80,000
Diepenhorst Scholarship	70,429	150,000	95,695	150,000
Pearson Scholarship	27,180	60,000	36,619	50,000
Buttross Scholarship	13,612	50,000	20,904	50,000
Carman Scholarship	23,151	122,679	39,604	102,679
Cook Scholarship	13,377	51,670	20,804	51,070
Richard Clay Scholarship	23,810	108,801	38,977	104,301

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

Notes to Financial Statements

For the Years Ended August 31, 2022 and 2021

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

	2022		2021	
	With donor restrictions (time & purpose)	With donor restrictions (in perpetuity)	With donor restrictions (time & purpose)	With donor restrictions (in perpetuity)
Luxton Scholarship	\$ 265,103	\$ 1,000,000	\$ 410,113	\$ 1,000,000
Callaway Scholarship	72,804	225,000	106,939	225,000
Olney Scholarship	9,399	50,458	16,260	50,458
Barton Scholarship	16,334	62,500	25,263	60,000
Diane Eure Scholarship	19,362	100,000	32,708	74,766
Jack Eure Scholarship	17,626	100,000	30,711	70,042
K Yarborough Scholarship	48,044	200,000	76,476	200,000
Ferrari Family Scholarship	20,345	106,332	34,865	106,332
Holder Scholarship	30,674	130,000	49,091	130,000
AO Hamon Scholarship	10,218	55,398	17,740	55,398
Conant Scholarship	13,641	50,000	20,935	50,000
Stuart Scholarship Endowment	13,858	50,000	21,177	50,000
Lucille Montodon Scholarship	20,011	115,400	34,430	105,400
Furst Endowment	16,425	50,000	24,039	50,000
Willis Scholarship	14,488	50,000	21,880	50,000
Kirksey Scholarship	73,299	260,000	111,503	260,000
Hough Scholarship	9,266	50,000	16,060	50,000
Cosner Scholarship	6,228	46,348	11,737	41,400
Morris Scholarship	12,071	53,825	19,624	53,825
EY Scholarship	36,011	150,475	57,386	150,475
Bates Scholarship	28,551	135,642	47,371	135,642
Gilchrist Scholarship	5,035	50,000	11,343	50,000
GAHCC Scholarship	18,317	100,000	31,879	100,000
Jim Bell Scholarship	4,042	20,000	6,391	15,000
Fin MGT Assoc. Scholarship	11,542	50,000	18,597	50,000
Gorbea Scholarship	3,427	15,000	5,540	15,000
TX State AMA Scholarship	(1,365)	51,631	4,367	51,236
Kapavik Scholarship	5,686	50,000	12,069	50,000
Porter Scholarship	23,115	211,320	49,987	211,320
Sergeant GTFCU Scholarships	11,004	50,000	17,996	50,000
Medlock Memorial Scholarships	7,142	55,000	14,264	55,000
Ridout Scholarship	7,141	51,000	13,805	51,000
Wong Accounting Scholarships	7,126	50,000	13,674	50,000
Wong Finance Scholarship	10,427	50,000	17,353	50,000
Wong Management Scholarship	10,427	50,000	17,353	50,000
Wong Marketing Scholarship	10,427	50,000	17,353	50,000

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

Notes to Financial Statements

For the Years Ended August 31, 2022 and 2021

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

	2022		2021	
	With donor restrictions (time & purpose)	With donor restrictions (in perpetuity)	With donor restrictions (time & purpose)	With donor restrictions (in perpetuity)
Wong CIS QM Scholarship	\$ 10,427	\$ 50,000	\$ 17,353	\$ 50,000
Kiehl Family Scholarships	6,439	50,001	12,908	50,001
Carroll Undergrad Scholarship	3,418	80,565	11,763	50,565
Faith Scholarship	5,947	50,000	12,360	50,000
Coleman Scholarship	1,100	5,976	1,904	4,976
Gobar Scholarship	(414)	5,000	112	5,000
West Scholarship	(1,716)	59,823	4,293	12,627
Gina Brunner Memorial Scholarship	12,242	50,200	19,400	50,200
Rushing Scholarship	11,975	105,000	25,383	105,000
Zubeldia Scholarship	12,011	50,000	19,119	50,000
SFHR Management Scholarship	402	2,530	723	2,155
Guillory Scholarship	19,510	115,000	34,928	115,000
Pena Scholarship	9,651	50,000	16,489	50,000
Fullerton Scholarship	(5,000)	5,000	(5,000)	5,000
Foshee Scholarship	15,920	100,000	29,207	100,000
Sergeant Scholarship	713	50,000	6,525	50,000
Hartenstine Scholarship	2,374	15,000	4,292	10,000
Luxton Fellowship	62,840	418,000	117,955	418,000
Hough Fellowship	7,604	57,000	14,898	55,000
Student Success Center	(769,762)	8,000,000	-	-
S. Emerson	(4,546)	50,000	-	-
Churchwell Scholarship	(4,018)	50,000	-	-
Carolyn Conn Scholarship	(481)	5,000	-	-
Jerry Fields Scholarship	(3,909)	50,000	-	-
Doane Scholarship	(714)	25,000	-	-
Carlson Scholarship	(842)	50,000	-	-
Rechner Scholarship	(40)	10,170	-	-
	<u>\$ 17,283,417</u>	<u>\$ 47,572,562</u>	<u>\$ 24,695,491</u>	<u>\$ 38,907,523</u>