

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

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

For the Years Ended August 31, 2024 and 2023

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

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Independent Auditors' Report

Board of Directors
McCoy College Development Foundation
San Marcos, 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, 2024 and 2023, 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, 2024 and 2023, 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.

Emphasis of Matter

As discussed in Note J to the financial statements, the Foundation corrected its contributions receivable which resulted in a correction of beginning net assets as of September 1, 2022. Our opinion is not modified with respect to this matter.

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.

Ackley & Associates, LLP

Austin, Texas
February 6, 2025

Emmett and Miriam McCoy College of Business Administration Development Foundation
 Statements of Financial Position
 As of August 31, 2024 and 2023

	2024	2023
Assets		
Assets:		
Cash and cash equivalents	\$ 768,843	\$ 505,358
Contributions receivable, net	119,631	785,413
Investments	76,680,475	65,229,598
Trust receivable	359,775	-
Total assets	\$ 77,928,724	\$ 66,520,369
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 23,575	\$ 45,887
Total liabilities	23,575	45,887
Net assets:		
With donor restriction - board designated	5,031,818	2,801,125
With donor restrictions - in time and purpose	21,487,161	13,767,324
With donor restrictions - in perpetuity	51,386,170	49,906,033
Total net assets	77,905,149	66,474,482
Total liabilities and net assets	\$ 77,928,724	\$ 66,520,369

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, 2024 and 2023

	2024			2023			
	Without donor restrictions	With donor restrictions	With donor restrictions (in perpetuity)	Total	Without donor restrictions	With donor restrictions (in perpetuity)	Total
REVENUES AND OTHER SUPPORT							
Revenues							
Contributions	\$ -	\$ 359,775	\$ 873,396	\$ 1,233,171	\$ -	\$ 1,717,328	\$ 1,717,328
Investment return, net	-	11,917,416	-	11,917,416	-	-	5,101,016
Net assets released from restrictions							
Satisfaction of program restrictions	1,719,920	(1,719,920)	-	-	1,800,642	-	-
Total revenues and other support	1,719,920	10,557,271	873,396	13,150,587	1,800,642	1,717,328	6,818,344
Expenses:							
Program services							
Distributions to College	1,429,671	-	-	1,429,671	1,511,014	-	1,511,014
Total program services	1,429,671	-	-	1,429,671	1,511,014	-	1,511,014
Supporting services							
General and administrative							
Bad debt	68,841	-	-	68,841	-	-	-
Dues and subscriptions	15,967	-	-	15,967	10,480	-	10,480
Miscellaneous	70,899	-	-	70,899	18,123	-	18,123
Payroll expenses	83,461	-	-	83,461	186,669	-	186,669
Professional fees	37,387	-	-	37,387	57,931	-	57,931
Travel	11,031	-	-	11,031	14,124	-	14,124
Supplies	2,663	-	-	2,663	2,301	-	2,301
Total supporting services	290,249	-	-	290,249	289,628	-	289,628
Total expenses	1,719,920	-	-	1,719,920	1,800,642	-	1,800,642
Change in net assets	-	10,557,271	873,396	11,430,667	-	1,717,328	5,017,702
Board designated transfers	-	(606,741)	606,741	-	-	616,143	-
Net assets at beginning of year	-	16,568,449	49,906,033	66,474,482	-	47,572,562	61,708,494
As previously reported	-	-	-	-	-	-	(251,714)
Correction of pledge (Note J)	-	16,568,449	49,906,033	66,474,482	-	47,572,562	61,456,780
As restated	-	-	-	-	-	-	-
Net assets at end of year	\$ -	\$ 26,518,979	\$ 51,386,170	\$ 77,905,149	\$ -	\$ 49,906,033	\$ 66,474,482

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, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in net assets	\$ 11,430,667	\$ 5,017,702
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized (gain) loss on investments	(431,242)	(84,726)
Net unrealized (gain) loss on investments	(10,153,263)	(2,444,221)
(Increase) decrease in operating assets:		
Contributions receivable	665,782	(529,635)
Trust receivable	(359,775)	-
Increase (decrease) in operating liabilities:		
Accounts payable	(22,312)	1,639
Net cash provided by (used in) operating activities	<u>1,129,857</u>	<u>1,960,759</u>
Cash flows from investing activities:		
Proceeds from sales of investments	2,628,615	1,205,260
Purchases of investments	(3,494,987)	(3,590,600)
Net cash provided by (used in) investing activities	<u>(866,372)</u>	<u>(2,385,340)</u>
Net increase (decrease) in cash and cash equivalents	263,485	(424,581)
Cash and cash equivalents at beginning of year	<u>505,358</u>	<u>929,939</u>
Cash and cash equivalents at end of year	<u>\$ 768,843</u>	<u>\$ 505,358</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, 2024 and 2023

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.

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, 2024 and 2023

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, 2024 and 2023

Note B - Available Resources and Liquidity

The following represents the Foundation's financial assets at August 31, 2024 and 2023:

	2024	2023
Financial assets at year end:		
Cash and cash equivalents	\$ 768,843	\$ 505,358
Investments	76,680,475	65,229,598
Contributions receivable, net	<u>119,631</u>	<u>785,413</u>
	<u>77,568,949</u>	<u>66,520,369</u>
Less amounts not available to be used within one year:		
Net assets subject to board designations	5,031,818	2,801,125
Net assets with donor restrictions	72,873,331	63,673,357
Less net assets with restrictions to be met in less than a year	<u>(2,300,000)</u>	<u>(1,200,000)</u>
	<u>75,605,149</u>	<u>65,274,482</u>
Financial assets available to meet cash needs for expenditures over the next twelve months	<u>\$ 1,963,800</u>	<u>\$ 1,245,887</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, 2024 and 2023:

	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Stocks	\$ 784,274	\$ 957,356	\$ 648,351	\$ 754,463
Mutual funds	51,202,143	60,015,141	49,277,964	51,747,671
Exchange traded funds	675,229	693,766	639,890	631,777
Private investments	<u>11,391,037</u>	<u>15,014,212</u>	<u>11,634,452</u>	<u>12,095,687</u>
	<u>\$ 64,052,683</u>	<u>\$ 76,680,475</u>	<u>\$ 62,200,657</u>	<u>\$ 65,229,598</u>

Emmett and Miriam McCoy College of Business Administration Development Foundation

Notes to Financial Statements

For the Years Ended August 31, 2024 and 2023

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, 2024, 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 2024. The discount will be recognized as contribution income in the fiscal years after August 31, 2024, 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, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Expected to be collected in:		
Less than one year	\$ 49,750	\$ 594,750
One to five years	77,774	212,728
Pledges receivable, gross	<u>127,524</u>	<u>807,478</u>
Less:		
Allowance for uncollectible pledges	(5,000)	(5,000)
Less discount to present value	<u>(2,893)</u>	<u>(17,065)</u>
Contributions receivable, net	<u><u>\$ 119,631</u></u>	<u><u>\$ 785,413</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, 2024, the amount of these revocable promises of which the Foundation has been made aware is approximately \$11,797,500.

Note E - Trust Receivable

The Foundation is a named beneficiary of an irrevocable charitable remainder trust. The amount recorded for the charitable remainder trust after the present value discounted factor at 4% at August 31, 2024, was \$359,775.

Emmett and Miriam McCoy College of Business Administration Development Foundation

Notes to Financial Statements

For the Years Ended August 31, 2024 and 2023

Note F - 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, 2024 and 2023, were \$0 and \$2,061,598, respectively.

During the years ended August 31, 2024 and 2023, the Foundation distributed \$1,429,671 and \$1,511,014, respectively, to the College.

Note G - 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, 2024 and 2023, consists of reimbursement due to the University for salaries and benefits in the amounts of \$23,575 and \$45,887, 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 H - Endowment

The Foundation's endowment consists of 156 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.

Emmett and Miriam McCoy College of Business Administration Development Foundation

Notes to Financial Statements

For the Years Ended August 31, 2024 and 2023

Note H - Endowment - Continued

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.

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, 2024

	With donor restrictions (time & purpose)	With donor restrictions (in perpetuity)	Total
Donor-restricted endowment funds	\$ 21,487,161	\$ 51,386,170	\$ 72,873,331
Board-designated endowment funds	5,031,818	-	5,031,818
Total funds	<u>\$ 26,518,979</u>	<u>\$ 51,386,170</u>	<u>\$ 77,905,149</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, 2024 and 2023

Note H - Endowment - Continued

Changes in Endowment Net Assets for the fiscal year ended August 31, 2024

	With donor restrictions (time & purpose)	With donor restrictions (in perpetuity)	Total
Endowment net assets, beginning of year	\$ 16,568,449	\$ 49,906,033	\$ 66,474,482
Investment return:			
Investment income	1,800,456	-	1,800,456
Net gains and losses (realized and unrealized)	10,584,505	-	10,584,505
Management fees	(467,545)	-	(467,545)
Total investment return	<u>11,917,416</u>	<u>-</u>	<u>11,917,416</u>
Contributions	359,775	873,396	1,233,171
Appropriation of endowment assets for expenditure	(1,719,920)	-	(1,719,920)
Other changes:			
Transfers to create board- designated endowment funds	<u>(606,741)</u>	<u>606,741</u>	<u>-</u>
Endowment net assets, end of year	<u><u>\$ 26,518,979</u></u>	<u><u>\$ 51,386,170</u></u>	<u><u>\$ 77,905,149</u></u>

The gain in net assets with donor restrictions included a realized gain of \$431,242 and unrealized gain of \$10,153,263 on investments.

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	<u>2,801,125</u>	<u>-</u>	<u>2,801,125</u>
Total funds	<u><u>\$ 16,568,449</u></u>	<u><u>\$ 49,906,033</u></u>	<u><u>\$ 66,474,482</u></u>

Emmett and Miriam McCoy College of Business Administration Development Foundation

Notes to Financial Statements

For the Years Ended August 31, 2024 and 2023

Note H - Endowment - Continued

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.

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

	With donor restrictions (time & purpose)	With donor restrictions (in perpetuity)	Total
	<u>\$ 13,884,218</u>	<u>\$ 47,572,562</u>	<u>\$ 61,456,780</u>
Endowment net assets, beginning of year			
Investment return:			
Interest and dividends	2,661,791	-	2,661,791
Net gains and losses (realized and unrealized)	2,528,947	-	2,528,947
Management fees	(89,722)	-	(89,722)
Total investment return	<u>5,101,016</u>	<u>-</u>	<u>5,101,016</u>
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	(616,143)	616,143	-
Endowment net assets, end of year	<u><u>\$ 16,568,449</u></u>	<u><u>\$ 49,906,033</u></u>	<u><u>\$ 66,474,482</u></u>

The net gains and losses in net assets with donor restrictions included a realized gain of \$84,726 and unrealized gain of \$2,444,221 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>2024</u>	<u>2023</u>
Net Assets with Donor Restrictions (in perpetuity)		
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by SPMIFA	<u>\$ 51,386,170</u>	<u>\$ 49,906,033</u>
Total endowment funds classified as net assets with donor restrictions (in perpetuity)	<u><u>\$ 51,386,170</u></u>	<u><u>\$ 49,906,033</u></u>

Emmett and Miriam McCoy College of Business Administration Development Foundation

Notes to Financial Statements

For the Years Ended August 31, 2024 and 2023

Note H - Endowment - Continued

	<u>2024</u>	<u>2023</u>
Net Assets with Donor Restrictions (time & purpose)		
The portion of perpetual endowment funds subject to a time restriction under SPMIFA with purpose restrictions	<u>\$ 21,487,161</u>	<u>\$ 13,767,324</u>
Total endowment funds classified as net assets with donor restrictions (time & purpose)	<u><u>\$ 21,487,161</u></u>	<u><u>\$ 13,767,324</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.

The Foundation expects its endowment funds, over time, to provide a five percent real rate of return over rolling five-year periods. Actual returns in any given year may vary from this amount.

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, 2024 and 2023

Note I - Net Assets with Donor Restrictions

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

	2024		2023	
	With donor restrictions (time & purpose)	With donor restrictions (in perpetuity)	With donor restrictions (time & purpose)	With donor restrictions (in perpetuity)
Emmett & Miriam McCoy Scholars	\$ 514,544	\$ 2,009,215	\$ 236,917	\$ 2,005,565
College General Endowment	2,176,309	2,443,167	1,689,982	2,434,102
College General - PACE	24,508	25,000	18,942	25,000
Fields Economics Chair #1	616,222	2,000,000	326,376	2,000,000
Fields Ethics Chair #6	1,419,820	2,100,000	1,040,757	2,100,000
Chair #2	960,091	1,754,000	686,599	1,732,667
Chair #3	1,160,740	2,010,055	808,979	2,010,055
Chair #4	517,566	2,000,000	237,789	2,000,000
Chair #5	317,655	1,000,000	155,734	1,000,000
Barshop Professorship	(118,416)	150,269	(128,183)	150,269
Gregg Professorship 7	826,353	600,000	668,771	600,000
Roberts Professorship 8	760,179	601,658	612,803	601,658
Professorship 9	491,390	618,044	372,745	618,044
Gowens Professorship	530,736	600,000	404,878	600,000
Casey Professorship	398,796	600,000	290,214	600,000
Emerson Professorship	227,345	600,000	140,081	600,000
Professorship #2	182,362	600,000	98,246	600,000
Professorship #4	52,053	602,985	(16,899)	602,385
Professorship #5	213,357	600,000	124,019	600,000
Professorship #11	193,630	590,000	92,261	515,100
Wilson Professorship	113,068	600,000	37,902	600,000
Professorship #12	18,229	359,067	(20,122)	353,502
Faculty Development	1,730,287	1,195,913	1,379,377	1,220,813
Petitt Faculty Development	273,189	300,000	212,693	300,000
Accounting Faculty Development	85,106	161,332	60,163	120,772
McCall Faculty Research	220,367	600,000	132,970	600,000
Olney Research	29,693	100,000	16,002	100,000
Jewell Research Endowment	12,195	50,000	4,671	20,000
Emerson Faculty				
Research Endowment	51,771	202,000	24,275	202,000
Muehl Research Endowment	73,111	205,000	43,795	205,000
Student Development	1,143,183	1,658,097	818,825	1,658,097
Muehl Student Development	276,937	300,000	241,057	300,000

Emmett and Miriam McCoy College of Business Administration Development Foundation

Notes to Financial Statements

For the Years Ended August 31, 2024 and 2023

Note I - Net Assets with Donor Restrictions - Continued

	2024		2023	
	With donor restrictions (time & purpose)	With donor restrictions (in perpetuity)	With donor restrictions (time & purpose)	With donor restrictions (in perpetuity)
RGK - PACE	\$ 64,465	\$ 100,000	\$ 46,668	\$ 100,000
Accounting Student Development	30,600	66,904	19,987	66,879
Bogutsky Endowment	58,194	134,000	37,935	134,000
Program Development	721,230	54,055	639,654	53,815
Excellence Accounting	43,559	225,421	19,943	172,951
Rychlik Scholarship	21,919	50,000	14,337	50,000
SMIF Endowments	7,507	54,951	900	54,951
Kolodzey Endowment	18,980	114,552	5,186	114,000
Emerson Outreach	29,322	150,000	10,406	150,000
Graduate Fellowship	715,990	601,668	575,036	606,500
Acct Club Grad Scholarship	70,278	102,593	51,671	102,593
Smart Fellowship	38,134	96,856	24,067	87,642
Westerbeck Fellowship	42,452	100,000	27,395	100,000
Lienneweber Fellowship	123,944	354,005	72,820	354,005
Lightfoot Graduate Fellowship	44,182	200,000	18,419	200,000
Tilton Fellowship	58,589	200,063	31,296	200,063
Arredondo Scholarship	21,644	100,000	8,810	100,000
Hough Fellowship	12,914	57,000	5,529	57,000
Undergrad Scholarships	5,574	326,388	(18,739)	324,718
Davila Undergrad Scholarship	96,123	140,500	70,990	140,500
Liebscher Undergrad Scholarship	260,988	466,600	185,434	441,500
Aspinwall Scholarship	42,824	50,000	33,004	50,000
Ward Undergrad Scholarship	38,296	50,000	28,983	50,000
Cox Undergrad Scholarship	64,246	65,000	50,593	65,000
Acct Club Undergrad Scholarship	67,020	66,953	52,845	66,953
Edgar Scholarship	38,488	50,050	29,148	50,050
Stephenson Scholarship	45,959	86,122	32,666	80,272
Edgar #2 Scholarship	32,770	51,121	23,886	51,121
Kerley Scholarship	70,101	100,000	52,126	100,000
Kanz Undergrad Scholarship	160,371	200,000	122,336	200,000
J&M Edgar Scholarship	27,587	80,000	16,237	80,000
Diepenhorst Scholarship	89,433	150,000	64,172	150,000
Pearson Scholarship	35,177	60,000	25,099	60,000
Buttross Scholarship	18,717	50,000	11,448	50,000
Carman Scholarship	36,429	122,679	19,650	122,679
Cook Scholarship	19,106	52,170	11,575	52,170
Richard Clay Scholarship	33,096	126,801	16,226	126,801

Emmett and Miriam McCoy College of Business Administration Development Foundation

Notes to Financial Statements

For the Years Ended August 31, 2024 and 2023

Note I - Net Assets with Donor Restrictions - Continued

	2024		2023	
	With donor restrictions (time & purpose)	With donor restrictions (in perpetuity)	With donor restrictions (time & purpose)	With donor restrictions (in perpetuity)
Luxton Scholarship	\$ 375,024	\$ 1,000,000	\$ 230,033	\$ 1,000,000
Callaway Scholarship	112,107	310,000	68,461	300,000
Olney Scholarship	14,541	50,458	7,684	50,458
Barton Scholarship	23,959	70,000	14,496	65,000
Diane Eure Scholarship	30,944	100,000	17,091	100,000
Jack Eure Scholarship	29,324	100,050	15,664	100,050
K Yarborough Scholarship	69,091	200,000	40,715	200,000
Ferrari Family Scholarship	31,348	106,332	16,825	106,332
Holder Scholarship	44,620	130,000	26,191	130,000
AO Hamon Scholarship	15,850	55,398	8,310	55,398
Conant Scholarship	17,390	51,826	11,815	50,000
Stuart Scholarship Endowment	34,094	150,000	11,784	50,000
Lucille Montodon Scholarship	33,541	116,170	17,732	115,500
Furst Endowment	22,206	50,000	14,574	50,000
Willis Scholarship	20,087	50,000	12,685	50,000
Kirksey Scholarship	98,807	260,000	60,912	260,000
Hough Scholarship	14,442	50,000	7,626	50,000
Cosner Scholarship	14,441	50,000	4,714	46,348
Morris Scholarship	17,942	54,325	10,177	53,825
EY Scholarship	42,092	169,190	19,769	169,140
Bates Scholarship	43,087	135,642	24,242	135,642
Gilchrist Scholarship	9,466	50,000	3,185	50,000
GAHCC Scholarship	28,382	100,000	14,834	100,000
Jim Bell Scholarship	(25,707)	58,476	4,813	20,000
Fin MGT Assoc. Scholarship	16,793	50,000	9,738	50,000
Gorbea Scholarship	(8,741)	30,000	4,018	15,000
TX State AMA Scholarship	3,398	52,301	(2,458)	52,181
Kapavik Scholarship	10,514	50,000	4,116	50,000
Porter Scholarship	43,800	211,320	16,670	211,320
Sergeant GTFCU Scholarships	16,233	50,000	9,237	50,000
Medlock Memorial Scholarships	12,584	55,000	5,450	55,000
Ridout Scholarship	12,533	55,000	5,585	52,000
Wong Accounting Scholarships	12,109	50,000	5,542	50,000
Wong Finance Scholarship	15,719	50,000	8,762	50,000
Wong Management Scholarship	15,868	50,000	8,811	50,000
Wong Marketing Scholarship	15,719	50,000	8,762	50,000

Emmett and Miriam McCoy College of Business Administration Development Foundation

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For the Years Ended August 31, 2024 and 2023

Note I - Net Assets with Donor Restrictions - Continued

	2024		2023	
	With donor restrictions (time & purpose)	With donor restrictions (in perpetuity)	With donor restrictions (time & purpose)	With donor restrictions (in perpetuity)
Wong CIS QM Scholarship	\$ 15,719	\$ 50,000	\$ 8,762	\$ 50,000
Kiehl Family Scholarships	11,281	50,001	4,797	50,001
Carroll Undergrad Scholarship	13,251	80,565	3,342	80,565
Faith Scholarship	10,632	50,000	4,203	50,000
Coleman Scholarship	2,432	10,169	1,224	8,169
Gobar Scholarship	1,789	15,000	170	10,000
West Scholarship	5,551	74,008	(832)	60,223
Gina Brunner Memorial Scholarship	17,488	50,200	10,324	50,200
Rushing Scholarship	21,431	105,000	8,057	105,000
Zubeldia Scholarship	17,404	50,000	10,292	50,000
SFHR Management Scholarship	944	3,080	520	3,080
Guillory Scholarship	30,914	115,050	15,567	115,000
Pena Scholarship	14,877	50,000	8,015	50,000
Fullerton Scholarship	-	-	-	-
Leveque HRM Scholarship	-	-	-	-
Foshee Scholarship	25,758	100,000	12,495	100,000
Seargeant Scholarship	5,423	50,000	(440)	50,000
Student Success Center Support	113,374	1,003,168	22,049	501,000
Luxton Fellowship	104,050	418,000	49,002	418,000
Hartenstine Scholarship	9,444	50,000	3,178	50,000
Student Success Center	341,201	8,000,000	(538,060)	8,000,000
S. Emerson	1,332	50,000	(4,079)	50,000
Churchwell Scholarship	1,942	50,000	(3,534)	50,000
Carolyn Conn Scholarship	7,644	50,500	1,515	50,500
Jerry Fields Scholarship	2,068	50,000	(3,421)	50,000
Doane Scholarship	8,466	51,790	2,114	51,790
Carlson Scholarship	5,605	50,000	(256)	50,000
Rechner Scholarship	(12,247)	31,989	758	16,664
Faculty Development	107,936	1,021,287	(11,098)	1,021,287
Student Development	62,661	592,903	(6,443)	592,903
Program Development	49,798	471,185	(5,120)	471,185
Undergrad Scholarships - Matching	300,510	545,852	139,684	783,504
Emerson Global Scholars	80,054	750,000	19,819	450,000
Fornash Staff Support	23,389	140,000	6,166	140,000
Banking Excellence	(7,358)	35,000	(272)	25,000
Schloer/Howard Marketing Analytics	486	3,900	366	3,000

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For the Years Ended August 31, 2024 and 2023

Note I - Net Assets with Donor Restrictions - Continued

	2024		2023	
	With donor restrictions (time & purpose)	With donor restrictions (in perpetuity)	With donor restrictions (time & purpose)	With donor restrictions (in perpetuity)
Mehrwerth Endowed Scholarship	\$ 14,522	\$ 75,000	\$ 4,364	\$ 50,000
Oles Scholarship	790	5,000	180	5,000
Terrell Sales Excellence	6,513	52,175	327	52,175
Franklin Accounting	637	7,000	154	3,500
Noll Sales Excellence	696	4,005	200	4,000
Riggs Scholarship	16,586	99,851	4,312	99,851
Sheri Weber Scholarship	7,505	50,000	-	-
Bruce and Kelly Smith Scholarship	8,424	100,000	-	-
Kent Hamilton Scholarship	(362)	56,200	-	-
Earl Dunigan Scholarship	611	4,500	-	-
SIFE Scholarship	63,792	100,000	-	-
Anderson and Asaka				
Undergrad Marketing	(50,000)	50,000	-	-
Undergrad Scholarship	(25,000)	25,000	-	-
Fargo Scholarship	(35,000)	25,000	-	-
Marketing Advisory Board	7	50	1	50
	<u>\$ 21,487,161</u>	<u>\$ 51,386,170</u>	<u>\$ 13,767,324</u>	<u>\$ 49,906,033</u>

NOTE J - Prior Year Correction

Net assets as of September 1, 2022, has been reduced by \$251,714 to correct an error made in 2022 by including in contributions receivable amounts from a preliminary communication that was not intended to represent a commitment for donation. The error had no effect on net income for 2023.