PRAIRIE VIEW A&M FOUNDATION

FINANCIAL STATEMENTS

FOR THE

YEAR ENDED DECEMBER 31, 2022

AND

INDEPENDENT AUDITOR'S REPORT

MELTON & MELTON, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

PRAIRIE VIEW A&M FOUNDATION

TABLE OF CONTENTS

MELTON & MELTON, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Prairie View A&M Foundation

Opinion

We have audited the financial statements of Prairie View A&M Foundation (the "Foundation"), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter - Prior Period Adjustment

As discussed in Note 2 to the financial statements, the beginning of the year net assets have been restated to correct a misstatement. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 for one year after the date that the financial statements are available to be issued.

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Auditor's Responsibilities 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 auditor's 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.

Melton & Melton L.L.P.

Houston, Texas
July 5, 2023

PRAIRIE VIEW A&M FOUNDATION
STATEMENT OF FINANCIAL POSITION
December 31, 2022

ASSETS

Current Assets:	
Cash and cash equivalents	$ 1,251,140
Investments	755,445
Promises to give	602,500
Accounts receivable	1,147
Prepaid expenses	10,770
Total current assets	2,621,002
Noncurrent Assets:	
Property, net	7,339
Promises to give, net	93,223
	100,562
	$ 2,721,564

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accounts payable	$ 873,897
Accrued liabilities	17,891
Total current liabilities	891,788
Net Assets:	
Net assets without donor restrictions	502,460
Net assets with donor restrictions	1,327,316
	1,829,776
	$ 2,721,564

(See Notes to Financial Statements)

PRAIRIE VIEW A&M FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Contributions	$ 78,855	$ 2,094,960	$ 2,173,815
Special events	104,016	-	104,016
Development fees	279,421	-	279,421
In-kind revenue	9,940	-	9,940
Investment loss, net	(46,781)	-	(46,781)
	425,451	2,094,960	2,520,411
Net assets released from restrictions	2,398,105	(2,398,105)	-
Total support and revenue	2,823,556	(303,145)	2,520,411
Expenses:			
Program services	2,641,725	-	2,641,725
Costs of direct benefits to donors	62,993	-	62,993
Management and general	166,099	-	166,099
Fundraising	130,584	-	130,584
Total expenses	3,001,401	-	3,001,401
Change in net assets	(177,845)	(303,145)	(480,990)
Net assets, beginning of year, as previously reported	1,388,467	1,126,299	2,514,766
Prior period restatement - see Note 2	(708,162)	504,162	(204,000)
Net assets, beginning of year, as restated	680,305	1,630,461	2,310,766
Net assets, end of year	**$ 502,460**	**$ 1,327,316**	**$ 1,829,776**

(See Notes to Financial Statements)

PRAIRIE VIEW A&M FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2022

	Program Services	Costs of Direct Benefits to Donors	Management and General	Fundraising	Total Expenses
Salaries and Related Expenses:					
Salaries	$ 82,828	$ -	$ 94,592	$ 69,970	$ 247,390
Employee fringe benefits	13,785	-	12,586	9,590	35,961
Payroll taxes	6,494	-	7,394	5,511	19,399
Total salaries and related expenses	103,107	-	114,572	85,071	302,750
Operating Expenses:					
Accounting and audit services	24,356	-	25,095	24,356	73,807
Conference, convention, and meetings	-	-	4,631	-	4,631
Donations to University	95,000	-	-	-	95,000
Distributions to University	2,398,105	-	-	-	2,398,105
Fundraising fees and expenses	-	62,993	-	-	62,993
In-kind rent	3,280	-	3,380	3,280	9,940
Marketing and advertising	709	-	731	709	2,149
Printing, postage, and office supplies	3,813	-	3,928	3,813	11,554
Software and web development	2,903	-	2,991	2,903	8,797
Travel, meals, and entertainment	2,202	-	2,270	2,202	6,674
Other	5,294	-	5,456	5,294	16,044
Total operating expenses before depreciation	2,535,662	62,993	48,482	42,557	2,689,694
Depreciation	2,956	-	3,045	2,956	8,957
Total Functional Expenses	**$ 2,641,725**	**$ 62,993**	**$ 166,099**	**$ 130,584**	**$ 3,001,401**

(See Notes to Financial Statements)

PRAIRIE VIEW A&M FOUNDATION
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2022

Cash Flows from Operating Activities:	
Change in net assets	$ (480,990)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	8,957
Realized and unrealized loss on investments, net	66,872
Change in assets and liabilities:	
Promises to give	542,219
Accounts receivable	345,441
Prepaid expenses	(10,770)
Accounts payable and accrued liabilities	557,204
Total adjustments	1,509,923
Net cash provided by operating activities	1,028,933
Cash Flows from Investing Activities:	
Proceeds from sale of investments	752,970
Purchase of investments	(1,037,503)
Purchase of property	(1,739)
Net cash used in investing activities	(286,272)
Net change in cash and cash equivalents	742,661
Cash and Cash Equivalents, beginning of year	508,479
Cash and Cash Equivalents, end of year	**$ 1,251,140**

(See Notes to Financial Statements)

PRAIRIE VIEW A&M FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Prairie View A&M Foundation (the "Foundation") is a Texas nonprofit corporation established in February 2009. The Foundation was formed to solicit, receive, invest, administer and recognize gifts which support the educational, research and service missions of Prairie View A&M University (the "University"). The Foundation operates for the exclusive benefit of the University. The Foundation is primarily supported by private gifts, bequests and donations from individuals and private organizations.

Basis of Accounting and Presentation

The financial statements of the Foundation are prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions are not subject to donor-imposed restrictions even though their use may be limited in other respects such as by contract or board designation.

Revenue Recognition from Contracts with Customers (Excluding Contributions)

The Foundation accounts for revenue from exchange agreements, i.e., agreements whereby resource providers receive direct commensurate value for assets transferred. An exchange agreement is an agreement which both parties have approved, creates enforceable rights and obligations, has commercial substance, identifies payment terms, and collectability is probable. Once the Foundation has entered into a contract, the contract is evaluated to identify performance obligations. For each performance obligation, revenue is recognized as control of promised goods or services transfers to the customer in an amount that reflects the consideration the Foundation expects to receive in exchange for those goods or services. The amount of revenue recognized takes into account variable consideration when applicable. The Foundation's contracts contained no significant variable consideration in 2022.

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service, or a bundle of goods or services, to the customer. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The Foundation's revenues from customers are derived from special events and development fees.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Special Events

The Foundation conducts special events in which a portion of the gross proceeds paid by the participant represents payment for benefits received at the event by the participant. This portion of the gross proceeds is recognized as revenues from contracts at a point in time in the period the special event is conducted; the remaining portion is treated as a contribution. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Foundation. The direct costs of the special events, which ultimately benefit the donor rather than the Foundation, are recorded as costs of direct benefits to donors in the statement of activities and changes in net assets.

Development Fees

The Foundation receives eighty-five percent (85%) of a one-time six percent (6%) development fee on all gifts to the University or the Foundation, with certain exceptions identified in the agreement between the Texas A&M University System, the University, and the Foundation (the "Development Fee Agreement"). The University receives the remaining fifteen percent (15%) of the development fee to support its development activities. The Foundation recognizes development fee revenue at a point in time in the period the first available income on endowed gifts and the principal of non-endowed gifts is received.

Contract Balances

Contract assets relate to the Foundation's right to consideration for products sold or services performed but not billed at the reporting date. Contract liabilities relate to advance consideration received from customers for which revenue has not been recognized and are reduced when the associated revenue from the contract is recognized. There were no contract assets or liabilities at December 31, 2022.

Critical Accounting Estimates

As discussed above, estimates are used to determine the portion of the gross proceeds from special events that are applicable to benefits received by the participants at such events. The Foundation adjusts such estimates from time to time to reflect changes in circumstances.

Revenue Recognition from Contributions

Contributions are recognized as revenue when an unconditional promise to give is received and recognized as net assets without donor restrictions or net assets with donor restrictions, depending on the absence or existence of any restrictions. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose of restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions. When both restricted and unrestricted resources are available for use, it is the Foundation's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In-kind contributions are recognized at fair value when an unconditional commitment is received by the donor. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased by the Foundation if not provided by the donation. Certain individuals have contributed their time and performed a variety of tasks assisting the Foundation in its operations, of which no amount has been recorded in the financial statements due to the services not meeting the criteria for recognition under U.S. GAAP.

Revenues on conditional promises to give are recognized when conditions are met.

Cash and Cash Equivalents

The Foundation considers cash and cash equivalents to include all cash and highly liquid investments purchased with original maturities of three months or less.

Investments

Investments consist primarily of assets invested in mutual funds and debt and equity securities. Investments are measured at fair value in the statement of financial position. Fair value is 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 reporting date. See Note 6 for discussion of fair value measurements. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded as earned on the accrual basis. Dividends are recorded on the ex-dividend date. The realized and unrealized gain or loss on investments is reflected in the statement of activities and changes in net assets in investment loss, net. Investment return restricted by a donor is reported as increases or decreases in net assets with donor restrictions until the restrictions are met either by passage of time or use.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Promises to Give and Accounts Receivable

Promises to give and accounts receivable are reported at net realizable value. An allowance for uncollectible accounts is based on management's experience, third-party contracts, and analysis of specific promises to give and other circumstances affecting the ability of third parties to meet their obligations. Promises to give and accounts receivable are charged off against the allowance for doubtful accounts when they are considered uncollectible by management. At December 31, 2022, management determined no allowance for uncollectible accounts was considered necessary.

PRAIRIE VIEW A&M FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Depreciation

Property is recorded at cost or, if donated, at its estimated fair value at the date of donation. Such donations are reported as an increase in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire or maintain property are reported as net assets with donor restrictions. There were no donated assets received by the Foundation during the year ended December 31, 2022. The Foundation does not presently hold property with donor-imposed restrictions.

The Foundation capitalizes property expenditures greater than $1,000. Improvements or betterments of a permanent nature are also capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. The cost of assets retired or otherwise disposed of and the related accumulated depreciation are eliminated from the accounts in the year of disposal. Gains or losses resulting from property disposals are credited or charged to operations currently. The Foundation computes depreciation using the straight-line method over the estimated useful life of three years for equipment.

Income Taxes

The Foundation is a nonprofit organization exempt from federal income tax under Internal Revenue Code ("Code") Section 501(c)(3) and comparable state law. The Foundation has also been classified as a publicly supported organization which is not a private foundation under Section 509(a) of the Code. Contributions to the Foundation are tax deductible within the limitations prescribed by the Code. The Foundation had no taxable unrelated business income in 2022. Accordingly, no provision for income taxes has been recorded.

Management has evaluated the Foundation's tax positions and concluded that the Foundation has taken no uncertain tax positions that require adjustment to the financial statements. There were no tax-related interest or penalties in 2022. The Foundation is no longer subject to U.S. federal or state income tax examinations by tax authorities for years before 2019.

Functional Allocation of Expenses

Expenses are reported by their functional classification as program services, fundraising, or management and general activities. Program services are the direct conduct or supervision of activities that fulfill the purposes for which the Foundation exists. Fundraising activities include the solicitation of contributions of money, securities, materials, facilities, other assets, and time. Management and general activities are not directly identifiable with specific program or fundraising activities. Expenses attributable to more than one activity are allocated among the activities benefitted, based on management's estimate of time and effort expended.

PRAIRIE VIEW A&M FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management believes these estimates and assumptions provide a reasonable basis for the fair presentation of the financial statements.

NOTE 2 - PRIOR PERIOD RESTATEMENT

The Foundation's financial statements as of December 31, 2021, contained the following errors: (a) overstatement of development fees revenue and accounts receivable for an incorrect calculation and submission of 2021 development fees for $204,000 and (b) overstatement and understatement of in-kind revenue without donor and with donor restrictions, respectively, for $504,162. Net assets as of January 1, 2022, have been reduced by $204,000 to correct the aggregate effect of the errors. Had the errors not been made, the 2021 change in net assets without donor restrictions would have decreased by $708,162, and the 2021 change in net assets with donor restrictions would have increased by $504,162.

NOTE 3 - LIQUIDITY AND AVAILABILITY

The Foundation's financial assets available for general expenditure, without donor or other restrictions limiting their use, within one year of December 31, 2022 consist of the following:

Cash and cash equivalents	$1,251,140
Investments, net of Panther Investment Fund (the "Fund") (Note 12)	706,100
Promises to give, net of amounts subject to donor restrictions	602,500
Accounts receivable	1,147
Total financial assets available for general expenditure	$2,560,887

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing program activities, as well as the conduct of services undertaken to support those activities, to be general expenditures.

In addition to the financial assets available to meet general expenditures, the Foundation anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. As part of the Foundation's liquidity management plan, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Any remainder excess cash is invested.

NOTE 4 - REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of Revenue

The following table represents an analysis of revenue by the timing of such revenue recognized during the year ended December 31, 2022:

Revenue recognized at a point in time:	
Special events	$104,016
Development fees	279,421
	$383,437

Accounts Receivable from Contracts with Customers

The following table provides information about accounts receivable from contracts with customers for 2022:

Accounts receivable, beginning of year	$345,963
Accounts receivable, end of year	$ -

The Foundation recognized no credit losses related to accounts receivable from contracts with customers in 2022.

NOTE 5 - INVESTMENTS

Investments, at fair value, as of December 31, 2022 consist of the following:

Equity securities	$282,837
Exchange traded funds	97,746
Mutual funds	149,830
Real estate investment trusts	29,066
Money market	150,982
Certificates of deposit	44,984
Total investments	$755,445

The following schedule summarizes the investment loss on the statement of activities and changes in net assets for the year ended December 31, 2022:

Interest and dividend income	$ 20,091
Net realized and unrealized losses	(66,872)
	$(46,781)

NOTE 6 - FAIR VALUE MEASUREMENTS

Various inputs are used in determining the fair value of the Foundation's investments. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. In addition, U.S. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The investment's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The three levels of the fair value hierarchy, including the types of investments that fall under each category and the valuation methodologies used to measure fair value, are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Equity securities and real estate investment trusts: Valued at the closing market price on a national exchange.

Mutual funds and exchange traded funds: Valued at net asset value ("NAV") of shares held at year-end. NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is a quoted price in an active market.

Money market and certificates of deposit: Comprised of funds invested in certificates of deposit at various financial institutions, a money market sweep account, and a money market mutual fund. Funds invested in certificates of deposit are reported at the value of deposited funds and net investment earnings. The money market sweep account is valued at uninvested cash held in a brokerage account which is deposited at one or more financial institutions to offer enhanced FDIC coverage. The money market mutual fund consists primarily of securities backed by the U.S. government and repurchase agreements backed by such investments. The fund seeks to maintain a stable NAV of $1.

Level 2 - Inputs to the methodology are other than quoted market prices in active markets that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices that are in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable inputs (i.e., projections, estimates, interpretations, etc.) that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The inputs and methodologies used for valuing investments are not an indication of the risk associated with investing in those securities. There have been no changes in the methodologies used at December 31, 2022.

NOTE 6 - FAIR VALUE MEASUREMENTS (CONTINUED)

The following tables set forth by level, within the fair value hierarchy, the Foundation's investments measured at fair value on a recurring basis as of December 31, 2022:

Description	Level 1	Level 2	Level 3	Total
Equity securities	$282,837	$ -	$ -	$282,837
Exchange traded funds	97,746	-	-	97,746
Mutual funds	149,830	-	-	149,830
Real estate investment trusts	29,066	-	-	29,066
Certificates of deposit	44,984	-	-	44,984
Money market	150,982	-	-	150,982
Total investments	$755,445	$ -	$ -	$755,445

NOTE 7 - PROMISES TO GIVE

Promises to give at December 31, 2022 consist of the following:

Promises to give	$702,500
Less: Unamortized discount	6,777
	$695,723
Promises to give, due in:	
Less than one year	$602,500
One to five years	93,223
	$695,723

Promises to give with due dates extending beyond one year are discounted using the prime rate prevailing at the date of donation.

NOTE 8 - CONDITIONAL CONTRIBUTIONS

The Foundation has a conditional contribution with a grantor to receive four annual payments of $135,000 each year from 2021 to 2024. In accordance with the agreement, the Foundation is required to attend one annual meeting or other engagement, each year, with other recipients of the grantor's $50 million commitment for racial equity, Racial Justice for the Future of Work. Also, annual funding is contingent upon the approval of the grantor's governance committee. Through December 31, 2022, the Foundation has received $270,000, of which $135,000 was received in 2022.

The Foundation has another conditional contribution with a grantor to receive $500,000 in equal annual installments of $100,000 from 2022 – 2026. Prior to receiving the annual installment, the previously funded installment must be awarded in the form of a $25,000 scholarship to four separate students meeting certain criteria outlined in the agreement. Each scholarship is split equally between the fall and spring semesters. In 2022, the Foundation received $100,000 from the grantor, which is included in net assets with donor restrictions at December 31, 2022.

PRAIRIE VIEW A&M FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 9 - PROPERTY

Property at December 31, 2022 consist of the following:

Equipment	$34,364
Less: Accumulated depreciation	27,025
	$ 7,339

NOTE 10 - ACCOUNTS PAYABLE

Accounts payable at December 31, 2022 consist of the following:

Trade	$ 89,684
University	734,868
Panther Investment Fund	49,345
	$873,897

NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2022, net assets with donor restrictions are subject to expenditure for specific purposes as follows:

Sports Complex	$ 418,545
Education	908,771
	$1,327,316

Net assets were released from restrictions during 2022 by incurring expenses satisfying the following restricted purposes:

Sports Complex	$ 2,513
Education:	
College of Arts & Sciences	130,705
College of Agriculture	15,000
College of Architecture	5,000
College of Business	498,484
College of Nursing	9,500
College of Engineering	808,882
Center for Race and Justice	182,144
Career Services	252,847
Scholarship	259,284
Endowments	26,430
Other activities	125,814
Athletics	34,502
Panther Investment Fund	47,000
	$2,398,105

NOTE 12 - RELATED PARTY TRANSACTIONS

Under the Development Fee Agreement (Note 1), a fee is calculated and withheld from contributions collected by the University on behalf of the Foundation and by the Foundation on behalf of the University. During 2022, the Foundation recognized development fee revenues of $279,421. As of December 31, 2022, the Foundation's account payable due to the University was $734,868. The Foundation had no outstanding account receivable due from the University at December 31, 2022.

The Foundation has a lease agreement with the Board of Regents of the University System for office space and utilities (excluding telephone and internet) in the University's College of Nursing building located in Houston, Texas. The lease expires in April 2025. In consideration for the Foundation's support of the educational undertakings of the University, all rent has been waived. For the year ended December 31, 2022, total in-kind revenue and rental expense was $9,940.

The Foundation's Board of Trustees has mutually agreed to support the Foundation by making cash and in-kind contributions. Pursuant to this commitment, the Foundation received $28,155 in cash contributions from certain members of the Board of Trustees for the year ended December 31, 2022.

The Fund (Note 3) is an active brokerage account held in a separate investment account by the Foundation and managed by the University's finance students in the College of Business. As the Fund appreciates in value and grows, distributions from the Fund will be used to support the College of Business and its students through scholarships. For these purposes, the outstanding investment balance is reflected as a liability in accounts payable on the statement of financial position. At December 31, 2022, the Fund's investment and liability balance was $49,345.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Credit Risk

Financial instruments that potentially subject the Foundation to credit risk consist primarily of cash and cash equivalents at financial institutions. At times, the balances in cash accounts may be in excess of federally insured limits. Management continuously monitors the Foundation's balances at financial institutions and invests excess operating cash in short-term investments.

Promises to give of 72% are concentrated in two donors at December 31, 2022.

Benefit Plan

The Foundation adopted the PVAMF Savings Plan (the "Plan"), a 403(b) plan, with an effective date of January 1, 2022. The Plan covers all eligible employees. The Foundation makes matching contributions to the Plan equal to 100% of employee contributions up to 3% of eligible compensation. During 2022, the Foundation made employer matching contributions of approximately $7,000.

NOTE 14 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 5, 2023, the date the financial statements were available to be issued.