

PRAIRIE VIEW A&M FOUNDATION

FINANCIAL STATEMENTS  
AS OF AUGUST 31, 2025 AND THE PERIOD  
FROM JANUARY 1, 2024 THROUGH AUGUST 31, 2025  
AND  
INDEPENDENT AUDITOR'S REPORT



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

**PRAIRIE VIEW A&M FOUNDATION**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
Independent Auditor's Report	1
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7



## **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 August 31, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the period from January 1, 2024 through August 31, 2025, 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 August 31, 2025, and the changes in its net assets and its cash flows for the period from January 1, 2024 through August 2025 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.

### **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.

### **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.

*Mutt: Mutt. L. L. P.*

Houston, Texas  
April 13, 2026

**PRAIRIE VIEW A&M FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**August 31, 2025**

**ASSETS**

**Current Assets:**

Cash and cash equivalents		\$ 111,680
Restricted cash		1,654,600
Investments		299,890
Promises to give		1,458,946
Accounts receivable		1,147
Prepaid expenses		<u>10,770</u>
Total current assets		3,537,033

**Noncurrent Assets:**

Property, net	\$ 773	
Promises to give	<u>1,348,946</u>	<u>1,349,719</u>
		<b><u>\$ 4,886,752</u></b>

**LIABILITIES AND NET ASSETS**

**Current Liabilities:**

Accounts payable		\$ 4,593
Accounts payable - related party		230,241
Accrued liabilities		<u>10,051</u>
Total current liabilities		<u>244,885</u>

**Net Assets:**

Net assets without donor restrictions	\$ 308,779	
Net assets without donor restrictions - designated project funds	<u>1,273,032</u>	1,581,811
Net assets with donor restrictions		<u>3,060,056</u>
		<u>4,641,867</u>
		<b><u>\$ 4,886,752</u></b>

(See Notes to Financial Statements)

**PRAIRIE VIEW A&M FOUNDATION**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**For the Period from January 1, 2024 Through August 31, 2025**

	<b><u>Without Donor</u></b> <b><u>Restrictions</u></b>	<b><u>With Donor</u></b> <b><u>Restrictions</u></b>	<b><u>Total</u></b>
<b>Support and Revenue:</b>			
Contributions	\$ 2,226,760	\$ 4,905,425	\$ 7,132,185
Development and management fees	779,056	-	779,056
In-kind revenue	6,395	-	6,395
Investment income, net	72,061	-	72,061
Other	1,839	-	1,839
	<u>3,086,111</u>	<u>4,905,425</u>	<u>7,991,536</u>
 Net assets released from restrictions	 <u>2,515,149</u>	 <u>(2,515,149)</u>	 <u>-</u>
 Total support and revenue	 <u>5,601,260</u>	 <u>2,390,276</u>	 <u>7,991,536</u>
<b>Expenses:</b>			
Program services	3,879,115	-	3,879,115
Management and general	319,297	-	319,297
Fundraising	257,983	-	257,983
Total expenses	<u>4,456,395</u>	<u>-</u>	<u>4,456,395</u>
 Change in net assets	 <u>1,144,865</u>	 <u>2,390,276</u>	 <u>3,535,141</u>
 Net assets, beginning of year	 <u>436,946</u>	 <u>669,780</u>	 <u>1,106,726</u>
 Net assets, end of year	 <u>\$ 1,581,811</u>	 <u>\$ 3,060,056</u>	 <u>\$ 4,641,867</u>

(See Notes to Financial Statements)

**PRAIRIE VIEW A&M FOUNDATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Period from January 1, 2024 Through August 31, 2025**

	<b><u>Program</u></b>	<b><u>Management</u></b>		<b><u>Total</u></b>
	<b><u>Services</u></b>	<b><u>and General</u></b>	<b><u>Fundraising</u></b>	<b><u>Expenses</u></b>
<b>Salaries and Related Expenses:</b>				
Salaries	\$ 161,824	\$ 131,761	\$ 140,968	\$ 434,553
Employee fringe benefits	21,014	78,906	15,333	115,253
Payroll taxes	<u>12,374</u>	<u>10,213</u>	<u>9,212</u>	<u>31,799</u>
Total salaries and related expenses	<u>195,212</u>	<u>220,880</u>	<u>165,513</u>	<u>581,605</u>
<b>Operating Expenses:</b>				
Accounting and audit services	12,121	30,876	12,121	55,118
Bank and credit card charges	-	27,142	2,808	29,950
Credit losses	-	-	59,460	59,460
Conference, convention, and meetings	-	1,626	-	1,626
Depreciation	943	972	943	2,858
Distributions to University	2,812,357	-	-	2,812,357
Project fund expenses	856,810	-	-	856,810
Fundraising fees and expenses	-	-	7,970	7,970
Marketing and advertising	-	1,519	473	1,992
Printing, postage, and office supplies	167	11,821	778	12,766
Software and web development	-	3,291	4,208	7,499
Travel, meals, and entertainment	1,353	8,506	3,562	13,421
Other	<u>152</u>	<u>12,664</u>	<u>147</u>	<u>12,963</u>
Total operating expenses	<u>3,683,903</u>	<u>98,417</u>	<u>92,470</u>	<u>3,874,790</u>
<b>Total Functional Expenses</b>	<b><u>\$ 3,879,115</u></b>	<b><u>\$ 319,297</u></b>	<b><u>\$ 257,983</u></b>	<b><u>\$ 4,456,395</u></b>

(See Notes to Financial Statements)

**PRAIRIE VIEW A&M FOUNDATION**  
**STATEMENT OF CASH FLOWS**  
**For the Period from January 1, 2024 Through August 31, 2025**

**Cash Flows from Operating Activities:**

Change in net assets	<u>\$ 3,535,141</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	2,858
Realized and unrealized gain on investments, net	(26,222)
Provision for credit losses	59,460
Donation of investments	(24,920)
Change in operating assets and liabilities:	
Promises to give	(2,483,649)
Accounts payable and accrued liabilities	<u>115,621</u>
Total adjustments	<u>(2,356,852)</u>
Net cash provided by operating activities	<u>1,178,289</u>

**Cash Flows from Investing Activities:**

Proceeds from sale of investments	121,929
Purchase of property	<u>(1,385)</u>
Net cash provided by investing activities	<u>120,544</u>

Net change in cash and cash equivalents and restricted cash      1,298,833

**Cash and Cash Equivalents and Restricted Cash, beginning of period**      467,447

**Cash and Cash Equivalents and Restricted Cash, end of period**      **\$ 1,766,280**

(See Notes to Financial Statements)

**PRAIRIE VIEW A&M FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2025**

**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 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, that creates enforceable rights and obligations, has commercial substance, identifies payment terms, and where 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 2025.

***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 development and management fees.

**PRAIRIE VIEW A&M FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2025**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Development and Management Fees*

Through April 16, 2025, the Foundation received 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 received the remaining fifteen percent (15%) of the development fee to support its development activities. The Development Fee Agreement terminated April 16, 2025. On April 17, 2025, a new Affiliation Agreement ("Affiliation Agreement"), consistent with the Texas A&M University System, was entered into by the Foundation and the University. To continue the support of University fundraising efforts, the Foundation's development fee percentage was replaced with an 8% fee on all corporate and foundation non-scholarship grants. 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.

In accordance with the Affiliation Agreement, the Foundation also receives 10% of the System Endowment Fund quarterly distributions to manage the Foundation's operations and fundraising activities. The Affiliation Agreement terminates in April 2030, unless sooner terminated by either party as defined in the agreement. Management fee revenue is recognized at a point in time in the period the quarterly distributions occur.

***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 August 31, 2025 or December 31, 2023.

**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.

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.

**PRAIRIE VIEW A&M FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2025**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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.

**Restricted Cash**

Restricted cash consists of funds received from donors and funds designated by management for University projects.

**Investments**

Investments consist primarily of assets invested in equity securities, exchange traded funds, and mutual funds. 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 5 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 income, 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 credit losses 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 credit losses when they are considered uncollectible by management. At August 31, 2025, management determined no allowance for credit losses was considered necessary.

**PRAIRIE VIEW A&M FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2025**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property and Depreciation**

Property is recorded at cost or, if donated, at 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 period of January 1, 2024 through August 31, 2025. 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 from January 1, 2024 through August 31, 2025. 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 during the period of January 1, 2024 through August 31, 2025. The Foundation is no longer subject to U.S. federal or state income tax examinations by tax authorities for years before 2022.

**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**  
**August 31, 2025**

**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 - LIQUIDITY AND AVAILABILITY**

The Foundation’s financial assets available for general expenditure, without donor or other restrictions limiting their use, within one year of August 31, 2025, consist of the following:

Cash and cash equivalents	\$111,680
Investments, net of Panther Investment Fund (“Fund”) (Note 12)	213,719
Promises to give	70,000
Accounts receivable	<u>1,147</u>
 Total financial assets available for general expenditure	 <u>\$396,546</u>

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to 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, the Foundation has a policy to structure financial assets to be available as general expenditures, liabilities, and other obligations come due. Any remainder excess cash is invested.

**NOTE 3 - CASH AND CASH EQUIVALENTS AND RESTRICTED CASH**

The following table provides a reconciliation of cash and cash equivalents and restricted cash in the Foundation’s statement of financial position to the total amount reported in the statement of cash flows at August 31, 2025.

Cash and cash equivalents	\$ 111,680
Restricted cash – donor restrictions and designated project funds	<u>1,654,600</u>
 Total cash and cash equivalents and restricted cash	 <u>\$1,766,280</u>

**PRAIRIE VIEW A&M FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2025**

**NOTE 4 - INVESTMENTS**

Investments, at fair value, as of August 31, 2025 consist of the following:

Equity securities	\$131,878
Exchange traded funds	80,298
Mutual funds	82,994
Real estate investment trust	4,113
Money market	<u>607</u>
Total investments	<u>\$299,890</u>

The following schedule summarizes the investment income on the statement of activities and changes in net assets for the period from January 1, 2024 through August 31, 2025:

Interest and dividend income	\$ 50,522
Net realized and unrealized gains	26,222
Investment expenses	<u>(4,683)</u>
	<u>\$ 72,061</u>

**NOTE 5 - 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 trust:* 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:* Comprised of funds invested in a money market sweep account and a money market mutual fund. 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.

**PRAIRIE VIEW A&M FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2025**

**NOTE 5 - FAIR VALUE MEASUREMENTS (CONTINUED)**

*Level 2* - Inputs to the valuation 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 during the period of January 1, 2024 through August 31, 2025.

The following table sets forth by level, within the fair value hierarchy, the Foundation's investments measured at fair value on a recurring basis as of August 31, 2025:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity securities	\$131,878	\$ -	\$ -	\$131,878
Exchange traded funds	80,298	-	-	80,298
Mutual funds	82,994	-	-	82,994
Real estate investment trust	4,113	-	-	4,113
Money market	<u>607</u>	<u>-</u>	<u>-</u>	<u>607</u>
Total investments	<u>\$299,890</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$299,890</u>

**NOTE 6 - PROMISES TO GIVE**

Promises to give at August 31, 2025 consist of the following:

Promises to give	\$2,954,612
Less: Unamortized discount	<u>146,720</u>
	<u>\$2,807,892</u>
Promises to give, due in:	
Less than one year	\$1,458,946
One to five years	<u>1,348,946</u>
	<u>\$2,807,892</u>

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

**PRAIRIE VIEW A&M FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2025**

**NOTE 7 - CONDITIONAL CONTRIBUTIONS**

The Foundation has a conditional contribution agreement with a grantor to receive four annual payments of \$135,000 each year from 2021 to 2024. Annual funding is contingent upon the approval of the grantor’s governance committee. Through the agreement’s termination date in December 2024, the Foundation received \$405,000, of which none was received from January 1, 2024 through December 2024.

The Foundation has another conditional contribution with a grantor to receive \$500,000 in equal annual installments of \$100,000 from 2022 to 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. Through August 31, 2025, the Foundation received \$300,000 from the grantor, of which \$100,000 was received in each month of July 2024 and May 2025.

**NOTE 8 - PROPERTY**

Property at August 31, 2025 consists of the following:

Equipment	\$35,749
Less: Accumulated depreciation	<u>34,976</u>
	<u>\$ 773</u>

**NOTE 9 - LINE OF CREDIT**

The Foundation entered into a \$120,000 unsecured revolving line of credit agreement with a financial institution in December 2024. Interest is payable monthly at the prime rate plus 5.75% but no less than 10.74%. Principal is due at maturity in December 2027. At August 31, 2025, the Foundation did not have an outstanding line of credit balance.

**NOTE 10 - NET ASSETS**

*Net Assets without Donor Restrictions*

At August 31, 2025, net assets without donor restrictions include certain amounts management has designated for specific projects as follows:

Athletics	\$ 145,462
Marching Storm Band	21,032
Future events	<u>1,106,538</u>
	<u>\$1,273,032</u>

**PRAIRIE VIEW A&M FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2025**

**NOTE 10 - NET ASSETS (CONTINUED)**

*Net Assets with Donor Restrictions*

At August 31, 2025, net assets with donor restrictions are restricted for the following purposes or periods:

<i>Subject to passage of time:</i>	
President's Scholarship Gala	<u>\$ 228,590</u>
 <i>Subject to expenditures for a specific purpose:</i>	
Education	1,480,757
Scholarships	859,217
Sports Complex	222,109
Other	<u>269,383</u>
	<u>2,831,466</u>
	 <u>\$3,060,056</u>

**NOTE 11 - NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from restrictions during the period of January 1, 2024 through August 31, 2025 by incurring expenses satisfying the following restricted purposes:

<i>Education:</i>	
College of Arts & Sciences	\$ 105,230
College of Business	590,605
College of Engineering	514,610
Scholarship	666,768
Endowments	196,523
Other activities	232,129
President's Scholarship Gala	160,000
Sports Complex	<u>49,284</u>
	 <u>\$2,515,149</u>

**NOTE 12 - RELATED PARTY TRANSACTIONS**

Under the Development Fee Agreement (Note 1), a fee was calculated and withheld from contributions collected by the University on behalf of the Foundation and by the Foundation on behalf of the University through April 16, 2025. Effective April 17, 2025, the fee was replaced with an 8% fee on all corporate and foundation non-scholarship grants and a 10% management fee equal to 10% of System Endowment Fund quarterly distributions. During the period from January 1, 2024 through August 31, 2025, the Foundation recognized development and management fee revenue from the University of \$779,056. As of August 31, 2025, the Foundation's net account payable due to the University was \$144,070.

**PRAIRIE VIEW A&M FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2025**

**NOTE 12 - RELATED PARTY TRANSACTIONS (CONTINUED)**

The Fund (Note 2) 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 may 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 – related party on the statement of financial position. As of August 31, 2025, the Fund's investment and liability balance was \$86,171.

Through April 2025, the Foundation had 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. In consideration for the Foundation's support of the educational undertakings of the University, all rent had been waived.

The Foundation receives funds from the Annual Presidential Scholarship Gala and transfers them to a designated scholarship account. The Foundation also provides the same service in support of the scholarship fund for the Dallas Chapter of the National Alumni Association. The Marching Storm is the University's band program that has been in existence for over eighty years, and the Sports Complex is the University's athletic facilities holding athletic events.

**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 75% are concentrated in three donors at August 31, 2025.

**Benefit Plan**

The Foundation adopted the PVAMF Savings Plan (the "Plan"), a 403(b) plan. 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 the period of January 1, 2024 through August 31, 2025, the Foundation made employer matching contributions of approximately \$12,000.

**NOTE 14 - SUBSEQUENT EVENTS**

In November 2025, the Foundation received a \$63 million unconditional grant from an unrelated third-party.

Management has evaluated subsequent events through April 13, 2026, the date the financial statements were available to be issued.