

VICTORIA COLLEGE FOUNDATION, INC.

VICTORIA, TEXAS

Financial Statements

August 31, 2021 and 2020

VICTORIA COLLEGE FOUNDATION, INC.
VICTORIA, TEXAS

Financial Statements
August 31, 2021 and 2020

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Independent Auditors' Report

To the Board of Directors of the Victoria College Foundation, Inc.

We have audited the accompanying financial statements of Victoria College Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of August 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Victoria College Foundation, Inc. as of August 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Bumgardner, Morrison and Company, LLP

Bumgardner, Morrison & Company, LLP
Victoria, Texas
November 8, 2021

VICTORIA COLLEGE FOUNDATION, INC.
VICTORIA, TEXAS

Statements of Financial Position
August 31, 2021 and 2020

	2021	2020
<u>Assets</u>		
Current Assets		
Cash and cash equivalents	\$ 4,152,519	\$ 7,430,326
Pledges receivable	282,175	1,756,238
Accounts receivable	70,375	-
Other current assets	241	5,389
Total Current Assets	4,505,310	9,191,953
Other Assets		
Restricted Cash - endowment money market funds	149,603	138,048
Endowment investments	15,234,586	13,477,363
Total Other Assets	15,384,189	13,615,411
Total Assets	\$ 19,889,499	\$ 22,807,364
<u>Liabilities and Net Assets</u>		
Current Liabilities		
Accounts payable	\$ 21,078	\$ -
Due to Victoria College	29,044	5,671
Total Liabilities	50,122	5,671
Net Assets		
Without donor restriction	37,920	24,411
With donor restriction	19,801,457	22,777,282
Total Net Assets	19,839,377	22,801,693
Total Liabilities and Net Assets	\$ 19,889,499	\$ 22,807,364

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

**VICTORIA COLLEGE FOUNDATION, INC.
VICTORIA, TEXAS**

**Statement of Activities
Year Ended August 31, 2021**

	2021		Total
	Without Donor Restriction	With Donor Restriction	
Revenue and Support			
Grants and contributions	\$ 38,200	\$ 2,071,503	\$ 2,109,703
In-kind donations	161,716	-	161,716
Investment return, net	342	2,215,371	2,215,713
Net assets released from restrictions	7,262,699	(7,262,699)	-
Total Revenue and Support	<u>7,462,957</u>	<u>(2,975,825)</u>	<u>4,487,132</u>
Expenses			
Program services	7,149,336	-	7,149,336
Management and general	25,050	-	25,050
Fundraising	275,062	-	275,062
Total Expenses	<u>7,449,448</u>	<u>-</u>	<u>7,449,448</u>
Increase (Decrease) in Net Assets	<u>13,509</u>	<u>(2,975,825)</u>	<u>(2,962,316)</u>
Net Assets, Beginning of Year	<u>24,411</u>	<u>22,777,282</u>	<u>22,801,693</u>
Net Assets, End of Year	<u>\$ 37,920</u>	<u>\$ 19,801,457</u>	<u>\$ 19,839,377</u>

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

**VICTORIA COLLEGE FOUNDATION, INC.
VICTORIA, TEXAS**

**Statement of Activities, Continued
Year Ended August 31, 2020**

	2020		
	Without Donor Restriction	With Donor Restriction	Total
Revenue and Support			
Grants and contributions	\$ 43,165	\$ 6,204,767	\$ 6,247,932
In-kind donations	145,972	-	145,972
Investment return, net	1,884	1,463,975	1,465,859
Net assets released from restrictions	1,307,215	(1,307,215)	-
Total Revenue and Support	<u>1,498,236</u>	<u>6,361,527</u>	<u>7,859,763</u>
Expenses			
Program services	1,323,797	-	1,323,797
Management and general	25,070	-	25,070
Fundraising	132,310	-	132,310
Total Expenses	<u>1,481,177</u>	<u>-</u>	<u>1,481,177</u>
Increase in Net Assets	<u>17,059</u>	<u>6,361,527</u>	<u>6,378,586</u>
Net Assets, Beginning of Year	<u>7,352</u>	<u>16,415,755</u>	<u>16,423,107</u>
Net Assets, End of Year	<u>\$ 24,411</u>	<u>\$ 22,777,282</u>	<u>\$ 22,801,693</u>

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

**VICTORIA COLLEGE FOUNDATION, INC.
VICTORIA, TEXAS**

**Statement of Functional Expenses
Year Ended August 31, 2021**

	2021			Total
	Program	Management and General	Fundraising	
Functional Expenses				
Accounting and legal	\$ -	\$ 8,000	\$ -	\$ 8,000
Advertising	-	-	225	225
Bad debt expense	-	260	-	260
Contracted services	-	-	131,806	131,806
Grants	6,189,564	-	-	6,189,564
Insurance	-	1,073	9,653	10,726
Miscellaneous	3,642	-	-	3,642
Postage and printing	586	586	4,690	5,862
Institutional memberships	-	258	2,318	2,576
Rent	195	195	1,559	1,949
Salaries	14,020	14,020	112,161	140,201
Scholarships	941,329	-	-	941,329
Subscriptions	-	445	4,005	4,450
Supplies	-	213	1,916	2,129
Public relations	-	-	5,936	5,936
Travel	-	-	793	793
Total Functional Expenses	<u>\$ 7,149,336</u>	<u>\$ 25,050</u>	<u>\$ 275,062</u>	<u>\$ 7,449,448</u>

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

**VICTORIA COLLEGE FOUNDATION, INC.
VICTORIA, TEXAS**

**Statement of Functional Expenses, Continued
Year Ended August 31, 2020**

	2020			Total
	Program	Management and General	Fundraising	
Functional Expenses				
Accounting and legal	\$ -	\$ 8,250	\$ -	\$ 8,250
Bad debt expense	-	415	-	415
Bank charges	-	1,470	-	1,470
Conferences	-	-	1,208	1,208
Contracted services	-	-	475	475
Copier rental	73	73	587	733
Grants	295,970	-	-	295,970
Insurance	-	601	5,412	6,013
Media services	187	187	1,498	1,872
Postage and printing	523	523	4,185	5,231
Institutional memberships	-	120	1,076	1,196
Rent	195	195	1,559	1,949
Salaries	12,033	12,033	96,262	120,328
Scholarships	1,014,720	-	-	1,014,720
Subscriptions	-	777	6,990	7,767
Supplies	-	330	2,966	3,296
Public relations	-	-	6,783	6,783
Technology services	96	96	768	960
Travel	-	-	2,541	2,541
Total Functional Expenses	\$ 1,323,797	\$ 25,070	\$ 132,310	\$ 1,481,177

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

**VICTORIA COLLEGE FOUNDATION, INC.
VICTORIA, TEXAS**

**Statements of Cash Flows
Years Ended August 31, 2021 and 2020**

	2021	2020
Cash Flows from Operating Activities		
Change in net assets	\$ (2,962,316)	\$ 6,378,586
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Net realized and unrealized (gains)/losses on investments	(1,658,150)	(1,096,269)
(Increase) decrease in		
Pledges receivable	1,474,063	(1,650,208)
Accounts receivable	(70,375)	-
Other current assets	5,148	(5,230)
Increase (decrease) in		
Accounts payable	21,078	-
Due to Victoria College	23,373	(16,217)
Net Cash Provided by (Used in) Operating Activities	(3,167,179)	3,610,662
Cash Flows from Investing Activities		
Transfer of investment gains to endowment	(177,503)	(327,980)
Purchases of investments	(2,921,773)	(3,153,184)
Sales of investments	2,822,700	3,042,211
Net Cash Used in Investing Activities	(276,576)	(438,953)
Cash Flows from Financing Activities		
Contributions to endowment from cash account	177,503	327,980
Net Cash Provided by Financing Activities	177,503	327,980
Net (Decrease) Increase in Cash and Cash Equivalents	(3,266,252)	3,499,689
Cash and Cash Equivalents as of Beginning of Year	7,568,374	4,068,685
Cash and Cash Equivalents as of End of Year	\$ 4,302,122	\$ 7,568,374

Supplemental Disclosures for Cash Flows

Cash and Cash Equivalents consists of the following:

Cash and cash equivalents	\$ 4,152,519	\$ 7,430,326
Endowment investments - money market funds	149,603	138,048
Total Cash and Cash Equivalents	\$ 4,302,122	\$ 7,568,374

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

VICTORIA COLLEGE FOUNDATION, INC.
VICTORIA, TEXAS

Notes to the Financial Statements
August 31, 2021 and 2020

Note 1 **Significant Accounting Policies**

Organization

The Victoria College Foundation, Inc. (the Foundation) is a nonprofit corporation organized and operated to solicit and receive donations, gifts and grants of money and property, and to administer the same and expend funds on charitable or non-profit basis on behalf of The Victoria County Junior College District (the College), its departments, facilities, and activities. The primary function of the Foundation is to fund programs of the College. The Foundation's support comes primarily from individual donors' contributions.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting, which is in accordance with accounting principles generally accepted in the United States of America (GAAP) and, accordingly, reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

Financial statement presentation follows the guidance of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*. Under ASC 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets. The net assets of the Organization are classified and reported as follows:

Net Assets without Donor Restrictions – Net assets not subject to donor-imposed stipulations.

Net Assets with Donor Restrictions – Net assets subject to donor-imposed stipulations that will be met by actions of the Organization and/or the passage of time. When a donor-stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The FASB has issued reporting standards for endowments of not-for-profit organizations subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), and enhanced disclosures for all endowment funds. The standards provide guidance on classifying the net assets associated with donor-restricted endowment funds held by organizations that are subject to an enacted version of UPMIFA, which serves as a model act for states to modernize their laws governing donor-restricted endowment funds. The standards also require additional disclosures about endowments (both donor-restricted funds and board-designated funds) to enable users of financial statements to understand the net asset classification, net asset composition, changes in net asset composition, spending policies, and related investment policies of its endowment funds.

VICTORIA COLLEGE FOUNDATION, INC.
VICTORIA, TEXAS

Notes to the Financial Statements, Continued
August 31, 2021 and 2020

Note 1 **Significant Accounting Policies, Continued**

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Investments

Investments are reported at fair value. Net investment return consists of interest and dividends, realized and unrealized gains and losses, net of external and direct internal investment expenses.

Risks and Uncertainties

The Foundation invests in various types of investment securities which are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of financial position.

Revenue Recognition

Contributions are recognized as revenue at fair value when an unconditional commitment is received from a donor or grantor. Contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions. When the stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Conditional contributions are subject to one or more barriers that must be overcome before the Foundation is entitled to receive or retain funding. Conditional contributions are recognized as revenue at fair value when the conditions have been met. At August 31, 2021, the Foundation received a conditional commitment of \$52,500. The referenced commitment will provide emergency aid funding for students combined with technical assistance to establish or improve an emergency aid program at the college. Revenue is expected to be recorded as follows: \$35,000 in fiscal year 2022 and \$17,500 in fiscal year 2023. The commitment will culminate based on the Foundation's ability to obtain matching funds of \$5,000 in 2022 and \$10,000 in 2023. At August 31, 2020, the Foundation anticipated receiving and recording a conditional pledge of \$250,000 to benefit the William Wood Building Project. The conditions were met during 2021 and the revenue is recorded in the accompanying financial statements.

VICTORIA COLLEGE FOUNDATION, INC.
VICTORIA, TEXAS

Notes to the Financial Statements, Continued
August 31, 2021 and 2020

Note 1 **Significant Accounting Policies, Continued**

Donated Services, Goods, and Facilities

The Foundation receives a substantial amount of services, goods, and facilities donated by the College. Contributions of donated noncash assets are recorded at their fair values in the period received.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities. Expenses that can be identified with a specific program or supporting service are allocated directly. Certain other costs have been allocated among the programs and supporting services benefited based on estimates of time and effort.

Income Taxes

The Foundation is a nonprofit corporation exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, though it would be subject to tax on income unrelated to its exempt purposes. The tax years ending 2019, 2020, and 2021 are still open to audit for both federal and state purposes. The Foundation is classified as an organization that is not a private foundation.

Recent Financial Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, Leases. The new standard establishes a right-of-use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for nonpublic entities for fiscal years beginning after December 15, 2021. The Foundation is evaluating the impact of the new standard on the financial statements.

Note 2 **Concentrations of Credit and Market Risk**

The Foundation maintains cash balances at one financial institution. At times, such amounts may be in excess of limits insured by the Federal Deposit Insurance Corporation (FDIC) of up to \$250,000, but the Foundation has not experienced losses in the past due to such amounts. At August 31, 2021 and 2020, the Foundation's uninsured balances totaled \$3,940,543 and \$7,181,826, respectively.

**VICTORIA COLLEGE FOUNDATION, INC.
VICTORIA, TEXAS**

**Notes to the Financial Statements, Continued
August 31, 2021 and 2020**

Note 3 Pledges Receivable

Contributions are recognized at their fair value when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Unconditional pledges receivable that are expected to be collected within the fiscal year are recorded at their net realizable value which approximates fair value. Unconditional pledges receivable that are expected to be collected in future years are recorded at the present value of estimated cash flows. At August 31, 2021, three donors made up 44% of contributions recognized. At August 31, 2020, one donor made up 84% of contributions recognized. Pledges receivable are considered fully collectible at August 31, 2021 and 2020. At August 31, 2021, two donors made up 97% of pledges receivable. At August 31, 2020, one donor made up 99% of pledges receivable.

Pledges receivable at August 31, 2021 are expected to be collected as follows:

2022	\$	160,175
2023		31,000
2024		31,000
2025		30,000
2026		30,000
Total Pledges Receivable	\$	282,175

Note 4 Liquidity of Assets

The following reflects the Foundation's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Donor-restricted amounts that are available for use within one year for general purposes include \$583,342 and \$595,582 in subsequent year scholarships that were awarded as of August 31, 2021 and 2020, respectively.

	2021	2020
Financial assets at year-end	\$ 4,505,310	\$ 9,191,953
Less those unavailable for general expenditures within one year, due to:		
Restricted by donor with purpose restrictions	(4,417,268)	(9,161,871)
Plus: Restricted scholarship funds available for use within one year	583,342	595,582
Financial assets available to meet cash needs for general expenditures within one year	\$ 671,384	\$ 625,664

**VICTORIA COLLEGE FOUNDATION, INC.
VICTORIA, TEXAS**

**Notes to the Financial Statements, Continued
August 31, 2021 and 2020**

Note 5 Fair Value of Endowment Investments

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in an active market.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, 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 in the market and require significant management judgment or estimation to measure fair value.

As asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The Foundation's assets measured at fair value on a recurring basis by level within the fair value hierarchy as of August 31, 2021 and 2020 are as follows:

	2021			
	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at August 31, 2021
Mutual funds:				
Fixed income	\$ 7,483,229	\$ -	\$ -	\$ 7,483,229
Equities	7,751,357	-	-	7,751,357
Total Investments	\$ 15,234,586	\$ -	\$ -	\$ 15,234,586

**VICTORIA COLLEGE FOUNDATION, INC.
VICTORIA, TEXAS**

**Notes to the Financial Statements, Continued
August 31, 2021 and 2020**

Note 5 Fair Value of Endowment Investments, Continued

	2020			Balance at August 31, 2020
	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Mutual funds:				
Fixed income	\$ 6,699,891	\$ -	\$ -	\$ 6,699,891
Equities	6,777,472	-	-	6,777,472
Total Investments	\$ 13,477,363	\$ -	\$ -	\$ 13,477,363

Investments in mutual funds are considered Level 1 assets and are reported at fair value based on quoted prices in active markets for identical assets at the measurement date. Investment income or loss (including gains and losses on investments, interest, and dividends) is included in the statements of activities as increases or decreases in net assets without restrictions unless the income or loss is restricted by donor or law.

Note 6 Investment Return

As of August 31, 2021 and 2020, net investment return consisted of the following:

	2021		Total
	Without Restriction	With Restriction	
Interest and dividends	\$ 342	\$ 611,198	\$ 611,540
Realized gain on investments	-	564,231	564,231
Total Investment Income	342	1,175,429	1,175,771
Unrealized gain on investments	-	1,093,919	1,093,919
Investment fees	-	(53,977)	(53,977)
Total Investment Return, Net	\$ 342	\$ 2,215,371	\$ 2,215,713

**VICTORIA COLLEGE FOUNDATION, INC.
VICTORIA, TEXAS**

**Notes to the Financial Statements, Continued
August 31, 2021 and 2020**

Note 6 Investment Return, Continued

	2020		Total
	Without Restriction	With Restriction	
Interest and dividends	\$ 1,884	\$ 412,289	\$ 414,173
Realized gain on investments	-	337,350	337,350
Total Investment Income	1,884	749,639	751,523
Unrealized loss on investments	-	758,920	758,920
Investment fees	-	(44,584)	(44,584)
Total Investment Return, Net	\$ 1,884	\$ 1,463,975	\$ 1,465,859

Note 7 Donated Services, Materials, and Facilities

The Foundation's administrative and executive services are donated by the College. The College also provides an office, use of furniture, equipment, office supplies, and all other items necessary for the daily operations of the Foundation.

At August 31, 2021 and 2020, the College has determined the fair value of donated services, materials and facilities to be \$161,716 and \$145,972, respectively. The donated services, materials, and facilities are included in contributions and expenses in the statements of activities.

Grants in the amount of \$80,280 were awarded from the Victoria College Foundation, Inc. to the Victoria College during fiscal years 2021 and 2020. The grants were to partially support the salary of an Executive Director for the Victoria College Foundation and an Advancement Coordinator. The funds for these grants were not from any individual, corporation, or foundation. The funds were a portion of a 1% management fee that is assessed to the endowments held by the Foundation. The 1% is assessed to a three-year rolling average of market values for each named endowment. This is the same process used to determine allocations for scholarships/programs. This percent amount varies annually, based on endowment earnings, and is approved by the Foundation Board of Directors.

**VICTORIA COLLEGE FOUNDATION, INC.
VICTORIA, TEXAS**

**Notes to the Financial Statements, Continued
August 31, 2021 and 2020**

Note 8 Endowment Funds

As of August 31, 2021 and 2020, the Foundation maintained one endowment fund in accordance with UPMIFA, whereby, the Victoria College Foundation Endowment consists of one hundred twenty-one separate endowments, respectively, created by various individuals and organizations. The Foundation maintains detailed records regarding each separate endowment. Income, expenses, and gains or losses on investments are allocated to each endowment based on its percentage in relation to the whole. It is Foundation policy that no income may be transferred from an endowment for use as scholarships until the endowment balance reaches a minimum of \$15,000 and has been established for a full year.

The Foundation's intent is that the portfolio be managed with the intention of achieving competitively high rates of return to secure sufficient income and growth over time to meet the requirements of the Foundation, while adhering to a prudent level of risk. The investment policy is designed for long-term growth because the portfolio is held in perpetuity. The long-term asset allocation for the Victoria College Foundation Endowment is 50% equity and 50% fixed income. There are minimum and maximum ranges around the targeted allocation.

The Foundation conducts a Tradition of Excellence campaign annually in order to raise funds for scholarships, facilities, and faculty grants. Some contributors designate donations for certain endowments. Summarized financial data for the years ended August 31, 2021 and 2020, are as follows:

	Net Assets with Donor Restrictions	
	2021	2020
Assets		
Foundation Endowment	\$ 15,384,189	\$ 13,615,411
Total Assets	\$ 15,384,189	\$ 13,615,411
Total Liabilities	\$ -	\$ -
Total Net Assets	\$ 15,384,189	\$ 13,615,411
Support and Revenues		
Contributions	\$ 177,503	\$ 327,980
Investment return, net	2,215,371	1,463,975
Total Support and Revenues	2,392,874	1,791,955
Net Assets Released From Restrictions	(624,096)	(603,653)
Net increase in net assets	1,768,778	1,188,302
Net Assets, Beginning of Year	13,615,411	12,427,109
Net Assets, End of Year	\$ 15,384,189	\$ 13,615,411

**VICTORIA COLLEGE FOUNDATION, INC.
VICTORIA, TEXAS**

**Notes to the Financial Statements, Continued
August 31, 2021 and 2020**

Note 9 Net Assets with Donor Restrictions

As of August 31, 2021, and 2020, Net assets with donor restrictions are available for the following purposes:

	2021	2020
Endowment	\$ 15,384,189	\$ 13,615,411
Grants	2,566,622	7,728,197
Gifts and scholarships	1,850,646	1,433,674
Total Net Assets with Donor Restrictions	\$ 19,801,457	\$ 22,777,282

Note 10 Net Assets Released from Restriction

For the year ended August 31, 2021 and 2020, net assets released from restrictions comprised the following:

	2021	2020
Expiration of Purpose Restrictions	\$ 6,638,603	\$ 703,562
Net Appropriation from Endowment Funds	624,096	603,653
Total Net Assets Released from Restriction	\$ 7,262,699	\$ 1,307,215

Note 11 Subsequent Events

COVID-19 adversely affected the economies and financial markets of many countries during 2021, however that economic downturn did not materially impact the Foundation's financial results for 2021. The pandemic is still ongoing, and the financial impact on 2022 operating results cannot be reasonably estimated at this time. Potential impacts to the Foundation's business include disruptions or restrictions on its employees' ability to work, potential loss on endowment investments, and loss of future contributions and/or grants.

The Foundation has evaluated subsequent events through November 8, 2021, which was the date the financial statements were available to be issued.