

**WEATHERFORD COLLEGE
FOUNDATION, INC.**
A Component Unit of Weatherford College

**Annual Financial Report For
The Years Ended August 31, 2021 and 2020**

WEATHERFORD COLLEGE FOUNDATION, INC.
A Component Unit of Weatherford College
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Financial Section



SNOW GARRETT WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Weatherford College Foundation, Inc. (a nonprofit organization and a component unit of Weatherford College), which comprise the statements of financial position as of August 31, 2021 and 2020, and the related statements of activities 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.

Auditor's 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 auditor's 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 Weatherford 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.

Snow Garrett Williams

Snow Garrett Williams
January 18, 2022

WEATHERFORD COLLEGE FOUNDATION, INC.
A Component Unit of Weatherford College
Statements of Financial Position
August 31, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	\$ 280,587	\$ 272,025
Accounts receivable	250	-
Interest receivable	6,236	8,712
Note receivable, current portion	8,495	8,106
Unconditional promises to give, current portion	97,378	48,749
Total Current Assets	392,946	337,592
Long-Term Unconditional Promises to Give	176,315	92,382
Restricted Assets		
Cash and cash equivalents	2,524,541	785,886
Certificates of deposit	2,475,806	2,534,246
Investments	6,998,397	6,481,873
Total Restricted Assets	11,998,744	9,802,005
Property and Equipment		
Personal property	77,958	77,958
Less accumulated depreciation	(77,958)	(77,958)
Total Property and Equipment, net	-	-
Other Assets		
Mineral rights	1	1
Note receivable, net of current portion	166,431	174,926
Total Other Assets	166,432	174,927
Total Assets	\$ 12,734,437	\$ 10,406,906
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 3,880	\$ 4,928
Total Current Liabilities	3,880	4,928
Net Assets		
Without donor restrictions	451,884	450,130
With donor restrictions		
Program	4,105,937	2,510,026
Endowment	8,172,736	7,441,822
Total Net Assets With Donor Restrictions	12,278,673	9,951,848
Total Net Assets	12,730,557	10,401,978
Total Liabilities and Net Assets	\$ 12,734,437	\$ 10,406,906

See accompanying notes to financial statements.

WEATHERFORD COLLEGE FOUNDATION, INC.
A Component Unit of Weatherford College
Statements of Activities
For the Years Ended August 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public Support, Revenues, and Reclassifications						
Contributions	\$ 68,307	\$ 2,135,233	\$ 2,203,540	\$ 59,118	\$ 1,230,724	\$ 1,289,842
Interest and dividends	8,068	196,061	204,129	13,113	222,868	235,981
Investment return (loss), net	7,272	834,829	842,101	(2,566)	529,823	527,257
Other revenues	109	-	109	80	-	80
Net assets released from restrictions due to satisfaction of purpose restrictions	839,298	(839,298)	-	1,010,861	(1,010,861)	-
Total public support, revenues, and reclassifications	923,054	2,326,825	3,249,879	1,080,606	972,554	2,053,160
Expenses						
Programs						
Contributions to Weatherford College	429,142	-	429,142	577,137	-	577,137
Scholarships	371,664	-	371,664	305,386	-	305,386
Total programs	800,806	-	800,806	882,523	-	882,523
Management and General						
Awards	4,311	-	4,311	6,427	-	6,427
Bad debt	300	-	300	140	-	140
Bank fees and charges	2,005	-	2,005	1,709	-	1,709
Contract services	-	-	-	10,707	-	10,707
Legal and professional	40,199	-	40,199	15,220	-	15,220
Printing and postage	4,100	-	4,100	1,808	-	1,808
Supplies	17,011	-	17,011	119	-	119
Other expenses	36,081	-	36,081	93,924	-	93,924
Total management and general	104,007	-	104,007	130,054	-	130,054
Fundraising						
Advertising	3,428	-	3,428	8,396	-	8,396
Receptions and entertainment	13,059	-	13,059	11,075	-	11,075
Total fundraising	16,487	-	16,487	19,471	-	19,471
Total expenses	921,300	-	921,300	1,032,048	-	1,032,048
Change in net assets	1,754	2,326,825	2,328,579	48,558	972,554	1,021,112
Net assets at beginning of year	450,130	9,951,848	10,401,978	401,572	8,979,294	9,380,866
Net assets at end of year	<u>\$ 451,884</u>	<u>\$ 12,278,673</u>	<u>\$ 12,730,557</u>	<u>\$ 450,130</u>	<u>\$ 9,951,848</u>	<u>\$ 10,401,978</u>

WEATHERFORD COLLEGE FOUNDATION, INC.
A Component Unit of Weatherford College
Statements of Cash Flows
For the Years Ended August 31, 2021 and 2020

	2021	2020
Operating activities		
Change in net assets	\$ 2,328,579	\$ 1,021,112
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized (gain) loss on sale of investments	(606,677)	(107,099)
Net unrealized (gain) loss on investments	(264,039)	(446,508)
Net (increase) decrease in:		
Accounts receivable	(250)	(447)
Interest receivable	2,476	
Prepaid contributions	-	19,000
Unconditional promises to give	(132,562)	(102,081)
Net decrease in accounts payable	(1,048)	(22,798)
Net cash provided by operating activities	1,326,479	361,179
Investing activities		
Proceeds from redemption of securities	3,328,932	3,303,867
Proceeds from redemption of certificates of deposits	1,065,661	1,871,837
Purchases of securities	(2,974,740)	(2,874,135)
Purchases of certificates of deposits	(1,007,221)	(2,134,246)
Collection of note receivable	8,106	7,105
Net cash provided by investing activities	420,738	174,428
Net increase in cash and cash equivalents	1,747,217	535,607
Cash and cash equivalents at beginning of year	1,057,911	522,304
Cash and cash equivalents at end of year	\$ 2,805,128	\$ 1,057,911
Reconciliation of cash and cash equivalents to Statement of Financial Position		
Cash and cash equivalents	\$ 280,587	\$ 272,025
Restricted cash and cash equivalents	2,524,541	785,886
Total cash and cash equivalents	\$ 2,805,128	\$ 1,057,911

See accompanying notes to financial statements.

WEATHERFORD COLLEGE FOUNDATION, INC.
A Component Unit of Weatherford College
Notes to Financial Statements
August 31, 2021 and 2020

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Weatherford College Foundation, Inc. (the Foundation) is a component unit of Weatherford College (the College). The Foundation is designed for the support and development of the College and its programs, as well as for the support, assistance, and encouragement of students of the College. The Foundation solicits and acts as coordinator of gifts made by other parties. The College is not obligated to pay debt related to the Foundation. While the College is the beneficiary of the Foundation, the Foundation functions independently under its own Board of Directors and pursues its own investment policies in the management of its portfolios.

Income Tax

The Foundation is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been determined by the Internal Revenue Service to not be a "private foundation" within the meaning of Section 509(a) of the Code.

Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination of taxing authorities. The Foundation has analyzed tax positions taken for filing with the Internal Revenue Service. The Foundation believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Foundation's financial condition, results of operations, or cash flows. Accordingly, the Foundation has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at August 31, 2021 and 2020.

The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Foundation believes it is no longer subject to income tax examinations for years prior to August 31, 2017.

Financial Statement Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

WEATHERFORD COLLEGE FOUNDATION, INC.
A Component Unit of Weatherford College
Notes to Financial Statements
August 31, 2021 and 2020

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for the purposes of the statement of cash flows includes cash and cash equivalents with donor restrictions. Restricted cash and cash equivalents are classified as such based on donor-imposed restrictions.

Investments

The Foundation reports investments at fair value as of the statement of financial position date. Net investment return (loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment fees. Net investment return (loss) is reported as increases or decreases in net assets without donor restrictions absent any donor restriction.

Note Receivable

The note receivable is stated at its principal amount plus unpaid accrued interest, if any, which is recognized as it accrues. Management has analyzed the note receivable collectability for the borrower as of August 31, 2021 and 2020, based on collection experience with the borrower. Based on management's assessment, all amounts are considered collectible. Therefore, there was no allowance for doubtful accounts at August 31, 2021 and 2020.

Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as support 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 property and equipment are reported as support with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Property and equipment recorded in the Foundation's statement of financial position was a previous donation and is fully depreciated. The property and equipment is not used in the Foundation's operations.

WEATHERFORD COLLEGE FOUNDATION, INC.
A Component Unit of Weatherford College
Notes to Financial Statements
August 31, 2021 and 2020

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Public Support and Revenue

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a 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.

Unconditional promises to give are recorded as received and are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Unconditional promises to give due within the next year are reflected as current promises to give, while promises to give due in subsequent years are reflected as long-term promises to give. The majority of the promises to give are received from contributors in Parker County.

Endowment contributions and investments are considered contributions and investments with donor restrictions. Assets of the Foundation's individual endowment funds are generally maintained in investment portfolios. Interest, dividends, and gains and losses on the investments are allocated on a monthly-average basis to the endowment funds in proportion to each endowment fund's relative share in the investment portfolios. The earnings on donor-restricted endowments are recorded as with donor restrictions, in accordance with donor stipulations. Accumulated unspent earnings are reinvested and retained in the endowment funds to protect them against inflation over the long-term.

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.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Adoption of New Accounting Pronouncement

The Foundation adopted and implemented Accounting Standards Update (ASU) 2018-13, *Fair Value Measurement (Topic 820)*. The objective of this statement is to enhance disclosure requirements for entities using the fair value measurement method. There were no changes to the methods of recording or reporting Foundation activities as a result of this implementation.

WEATHERFORD COLLEGE FOUNDATION, INC.
A Component Unit of Weatherford College
Notes to Financial Statements
August 31, 2021 and 2020

NOTE B: AVAILABILITY AND LIQUIDITY

The following represents the Foundation's financial assets at August 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 2,805,128	\$ 1,057,911
Accounts receivable	250	-
Interest receivable	6,236	8,712
Note receivable, current portion	8,495	8,106
Unconditional promises to give, current portion	97,378	48,749
Certificates of deposit	2,475,806	2,534,246
Securities	<u>6,998,397</u>	<u>6,481,873</u>
Total financial assets	12,391,690	10,139,597
Amounts not available to be used within one year:		
Restricted assets	11,998,744	9,802,005
Interest receivable on restricted assets	6,236	8,712
Unconditional promises to give, current portion	97,378	48,749
Total amounts not available to be used within one year:	<u>12,102,358</u>	<u>9,859,466</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 289,332</u>	<u>\$ 280,131</u>

The Foundation's goal is generally to maintain liquidity and provide timely working funds that are sufficient to cover anticipated expenses over the next twelve months.

NOTE C: CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents and investments. The Foundation maintains its cash and cash equivalents in bank accounts that, at times, may exceed federally insured limits. The Foundation's cash and cash equivalents have been placed with high quality financial institutions believed to be creditworthy. The Foundation's investments are made by diversified investment managers whose performance is monitored by the Foundation and the Finance Committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Foundation believes that the investment policies and guidelines are prudent for the long-term welfare of the organization. The Foundation has not experienced, nor does it anticipate, any losses with respect to such accounts.

WEATHERFORD COLLEGE FOUNDATION, INC.
A Component Unit of Weatherford College
Notes to Financial Statements
August 31, 2021 and 2020

NOTE D: SECURITIES AND INVESTMENTS

Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standard Codification (ASC) 820, *Fair Value Measurement*, defines fair value, establishes a framework for measuring fair value, establishes a three-level valuation hierarchy for disclosure of fair value measurement, and enhances disclosure requirements for fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of the fair value of an asset or liability as of the measurement date. 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 are defined as follows:

- | | |
|---------|--|
| Level 1 | Represented by quoted prices that are available in an active market. |
| Level 2 | Represented by assets and liabilities similar to Level 1 where quoted prices are not available, but are observable, either directly or indirectly through corroboration with observable market data and estimated using pricing models or discounted cash flows. |
| Level 3 | Represented by financial instruments where there is limited activity or unobservable market prices and pricing models significant to determining the fair value measurement including the reporting entity's own assumptions about the market risk. |

WEATHERFORD COLLEGE FOUNDATION, INC.
A Component Unit of Weatherford College
Notes to Financial Statements
August 31, 2021 and 2020

NOTE D: SECURITIES AND INVESTMENTS (Continued)

The following table presents investments and certificates of deposit measured at fair value on a recurring basis as of August 31, 2021 and 2020:

	August 31, 2021			Fair Value
	Level 1	Level 2	Level 3	
Certificates of Deposit	\$ -	\$ 2,475,806	\$ -	\$ 2,475,806
Government Securities	-	1,779,150	-	1,779,150
Municipal Obligations	-	319,331	-	319,331
Corporate Obligations	-	1,622,375	-	1,622,375
Equities	3,113,694	-	-	3,113,694
Mutual Funds	163,847	-	-	163,847
Total Investments and Certificates of Deposit	<u>\$ 3,277,541</u>	<u>\$ 6,196,662</u>	<u>\$ -</u>	<u>\$ 9,474,203</u>

	August 31, 2020			Fair Value
	Level 1	Level 2	Level 3	
Certificates of Deposit	\$ -	\$ 2,534,246	\$ -	\$ 2,534,246
Government Securities	-	1,562,070	-	1,562,070
Municipal Obligations	-	208,809	-	208,809
Corporate Obligations	-	1,496,864	-	1,496,864
Equities	3,050,907	-	-	3,050,907
Mutual Funds	163,223	-	-	163,223
Total Investments and Certificates of Deposit	<u>\$ 3,214,130</u>	<u>\$ 5,801,989</u>	<u>\$ -</u>	<u>\$ 9,016,119</u>

Fair values for assets in Level 2 are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions.

WEATHERFORD COLLEGE FOUNDATION, INC.
A Component Unit of Weatherford College
Notes to Financial Statements
August 31, 2021 and 2020

NOTE D: SECURITIES AND INVESTMENTS (Continued)

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended August 31, 2021 and 2020.

	August 31, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 8,068	\$ 196,061	\$ 204,129
Investment return			
Realized gain	24,718	581,959	606,677
Unrealized gain	11,169	252,870	264,039
Investment fees	(28,615)	-	(28,615)
Total investment return, net	<u>7,272</u>	<u>834,829</u>	<u>842,101</u>
Total investment return	<u>\$ 15,340</u>	<u>\$ 1,030,890</u>	<u>\$ 1,046,230</u>
	August 31, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 13,113	\$ 222,868	\$ 235,981
Investment return			
Realized gain	5,015	102,084	107,099
Unrealized gain	18,769	427,739	446,508
Investment fees	(26,350)	-	(26,350)
Total investment return, net	<u>(2,566)</u>	<u>529,823</u>	<u>527,257</u>
Total investment return	<u>\$ 10,547</u>	<u>\$ 752,691</u>	<u>\$ 763,238</u>

WEATHERFORD COLLEGE FOUNDATION, INC.
A Component Unit of Weatherford College
Notes to Financial Statements
August 31, 2021 and 2020

NOTE E: UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consist of the following as of August 31, 2021 and 2020:

	2021	2020
Receivable in less than one year		
Restricted for:		
Scholarships	\$ 61,046	\$ 35,067
Fine Arts	2,219	5,058
Other	34,113	8,624
Total receivable in less than one year	\$ 97,378	\$ 48,749
Receivable in one to five years		
Restricted for:		
Scholarships	\$ 112,441	\$ 70,188
Fine Arts	-	2,194
Other	63,874	20,000
Total receivable in one to five years	\$ 176,315	\$ 92,382
Total unconditional promises to give	\$ 273,693	\$ 141,131

Unconditional promises to give are not recorded at net present value as any discount would be immaterial to the statements as a whole at August 31, 2021 and August 31, 2020.

NOTE F: NOTE RECEIVABLE

The Foundation sold land in April 2016 for \$265,382, net of settlement costs. The Foundation received \$51,294 as a down payment with the remainder of \$214,088 as a promissory note which will be paid over the next twenty years. The terms of the promissory note state that the Foundation will receive \$1,376 in monthly installments through April 2036, including principal and interest. The stated interest rate for this receivable is 4.69%.

The note receivable has the following maturities at August 31:

2022	\$	8,495
2023		8,902
2024		9,329
2025		9,776
2026		10,244
Thereafter		128,180
		\$ 174,926

WEATHERFORD COLLEGE FOUNDATION, INC.
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Notes to Financial Statements
August 31, 2021 and 2020

NOTE G: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were restricted for the following purposes as of August 31, 2021 and 2020:

	2021	2020
Scholarships	\$ 10,469,932	\$ 8,222,015
Fine arts program	1,218,914	1,252,218
Other	589,827	477,615
Total net assets with donor restrictions	\$ 12,278,673	\$ 9,951,848

NOTE H: ENDOWMENT FUNDS

The Board of Directors interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. A donor or donors may establish a named endowment at a minimum funding level of \$10,000. The donor(s) may accumulate the endowment gift over a five-year period with earnings during the accumulation period to be used for scholarships. Earnings during the accumulation period may not be used to reduce the donors' commitment to fund the endowment at the minimum level. Once the endowment is established, the donor may expect that the Foundation will make every attempt to award the entire amount earned in interest each year under terms of the endowment fund's (the Fund) charter and that unused portions, if any, shall be awarded in subsequent years. Any non-endowed funds that do not reach a corpus of \$10,000 within five years of the initial gift may be transferred into funds without donor restrictions or redirected into other endowment funds.

Spending Policy

The Foundation believes that it is in the best interest of the charitable purposes of the Foundation to annually distribute as much from the Fund as possible while maintaining overall investment objectives as defined in the Investment Policy and ensuring the long-term health of the Fund. Distributions from the Fund shall be consistent with those goals and focus primarily on an annual target distribution to support scholarships and other activities. The target for annual distribution is 5% of the average fund balance (AFB). The AFB is calculated on the basis of market values of the Fund averaged over the preceding three fiscal years. The Foundation's policy allows for a lesser or greater total annual distribution than the target 5% distribution amount with the approval of the Board of Directors.

Investment Policy

The overall objectives of the Foundation's investment policy are to 1) assure the safety of the Foundation's funds, 2) maintain liquidity and provide timely working funds, 3) attain a rate of return consistent with safety and liquidity considerations, 4) match maturity of the investment instruments to cash flow requirements, and 5) diversify investment as to maturity, instruments, and financial institutions. The investment policy defines the types of investments that are considered allowable for the Foundation unless otherwise prohibited as a restriction of the original gift.

WEATHERFORD COLLEGE FOUNDATION, INC.
A Component Unit of Weatherford College
Notes to Financial Statements
August 31, 2021 and 2020

NOTE H: ENDOWMENT FUNDS (Continued)

The return objective for the Fund, measured over a full market cycle, is to maximize the benefit intended by the donor, to produce current income to support the programs of Weatherford College and donor objectives, and to achieve growth of both principal value and income over time sufficient to preserve or increase the purchasing power of the assets, thus protecting against inflation. The Foundation accomplishes this by continuous monitoring of investments by the Board of Director's investment committee and through approximated asset allocation guidelines.

Endowment Net Assets

The following represents the changes in endowment net assets for the years ended August 31, 2021 and 2020:

	August 31, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - beginning	\$ -	\$ 7,441,822	\$ 7,441,822
Contributions	-	153,945	153,945
Interest and dividends	-	172,876	172,876
Investment return, net	-	778,548	778,548
Appropriation of endowment assets for expenditure	-	(374,455)	(374,455)
Endowment net assets - end of year	\$ -	\$ 8,172,736	\$ 8,172,736

	August 31, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - beginning	\$ -	\$ 6,870,899	\$ 6,870,899
Contributions	-	164,191	164,191
Interest and dividends	-	200,252	200,252
Investment return, net	-	489,727	489,727
Appropriation of endowment assets for expenditure	-	(283,247)	(283,247)
Endowment net assets - end of year	\$ -	\$ 7,441,822	\$ 7,441,822

WEATHERFORD COLLEGE FOUNDATION, INC.
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Notes to Financial Statements
August 31, 2021 and 2020

NOTE I: RELATED PARTY TRANSACTIONS

The Foundation remitted \$371,664 and \$305,386 in scholarships to Weatherford College in fiscal years 2021 and 2020, respectively, and \$429,142 and \$577,137 for other contributions to Weatherford College in fiscal years 2021 and 2020, respectively.

The Foundation received contributions from board members in the amount of \$362,500 and \$435,454 in fiscal years 2021 and 2020, respectively. These contributions are included as without donor restriction or with donor restrictions based upon any donor-imposed restrictions.

NOTE J: SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through January 18, 2022, the date the financial statements were available to be issued, and noted the following:

- The Foundation received a \$2 million pledge from a Board member for the construction of new dormitories. \$1 million was received in December 2021 and the remainder is to be received over a two-year period.

