

**FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY  
FOUNDATION, INC.  
(A NON-PROFIT ORGANIZATION)**

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**FINANCIAL STATEMENTS, INDEPENDENT AUDITOR'S REPORT  
THEREON FOR THE YEARS ENDED JUNE 30, 2015 AND 2014,  
AND AUDITOR'S REPORT ON INTERNAL  
CONTROL AND COMPLIANCE OVER FINANCIAL REPORTING  
AND OTHER MATTERS IN ACCORDANCE WITH CHAPTER  
10.650 OF THE RULES OF THE AUDITOR GENERAL OF  
FLORIDA  
FOR THE YEARS ENDED JUNE 30, 2015**

**BCA WATSON RICE LLP  
CERTIFIED PUBLIC ACCOUNTANTS  
And  
Advisors**



## **Independent Auditor's Report**

To the Board of Directors of  
Florida Agricultural and Mechanical University Foundation, Inc.  
Tallahassee, Florida

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Florida Agricultural and Mechanical University Foundation, Inc. (the "Foundation"), which comprise the statements of financial position as of June 30, 2015 and 2014, 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 the Foundation as of June 30, 2015 and 2014, and the statement of activities and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Foundation taken as a whole. The supplemental schedule of functional expenses on page 22 and the supplementary information on pages 23 through 25 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2015 on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Tallahassee, Florida  
September 3, 2015

*BCA Watson Rice LLP*

**Florida Agricultural and Mechanical University  
Foundation, Inc. (A Non-Profit Organization)  
STATEMENTS OF FINANCIAL POSITION  
For the Years Ended June 30, 2015 and 2014**

	2015	2014
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,296,699	\$ 549,527
Investments, at market	123,566,227	127,185,656
Prepaid expenses	58,919	103,647
Loans and advances receivable	19,269	19,269
Other receivables	48,828	88,957
Unconditional promises to give, net	1,317,106	335,403
Fixed assets, net	200,815	198,500
<b>TOTAL ASSETS</b>	<b>\$ 126,507,863</b>	<b>\$ 128,480,959</b>
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Account Payable and accrued expense: \$	129,677	\$ 55,331
Scholarships payable	1,385,746	94,900
Other payables	79,646	54,675
Deferred Revenue	12,000	-
Agency Liability	1,643,161	1,557,570
Other Liabilities	3,570	-
Total Liabilities	3,253,800	1,762,476
Net Assets		
Unrestricted Net Assets	1,432,974	1,530,100
Temporarily Restricted Net Assets	39,714,173	44,488,180
Permanently Restricted Net Assets	82,106,916	80,700,203
Total Net Assets	123,254,063	126,718,483
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 126,507,863</b>	<b>\$ 128,480,959</b>

See Notes to Financial Statements

**Florida Agricultural and Mechanical University Foundation, Inc.**  
**(A Non-Profit Organization)**  
**STATEMENTS OF ACTIVITIES**  
**For the Years Ended June 30, 2015 and 2014**

	<b>2015</b>	<b>2014</b>
<b>UNRESTRICTED NET ASSETS</b>		
Support and revenues		
Administrative fees	\$ 1,667,121	\$ 1,659,320
Interest income	200,292	200,000
Other income	6,632	2,351
Total unrestricted support revenues	1,874,045	1,861,671
Net assets from restrictions		
Restrictions satisfied by payments	13,686,867	10,894,354
Total unrestricted support, revenues, and reclassifications	15,560,912	12,756,025
Expenses:		
Program services:		
University support	3,782,057	3,323,092
Scholarships and grants	7,281,118	5,388,556
Fundraising	956,572	711,696
Management and general	3,638,291	2,732,447
Total unrestricted expenses	15,658,038	12,155,791
Increase/(decrease) in unrestricted net assets	(97,126)	600,234
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Support and revenues		
Gifts and grants and scholarships	5,382,616	2,309,759
Miscellaneous income	613,321	426,218
Investment income	2,384,136	2,299,632
Dues and subscriptions	87,147	83,075
Net realized and unrealized gain/(loss)	174,644	16,048,250
Other income	270,996	605,949
Restrictions satisfied by payments	(13,686,867)	(10,894,354)
Increase/(decrease) in temporarily restricted net assets	(4,774,007)	10,878,529
<b>PERMANENTLY RESTRICTED NET ASSETS</b>		
Support:		
Contributions	1,320,539	569,750
Dues and subscriptions	86,120	58,860
Other income	54	98
Increase in permanently restricted net assets	1,406,713	628,708
Increase/(decrease) in net assets	(3,464,420)	12,107,471
Net Assets:		
Beginning net assets	126,718,483	114,611,012
Ending net assets	\$ 123,254,063	\$ 126,718,483

See Notes to Financial Statements

**Florida Agricultural & Mechanical University Foundation, Inc.**  
**(A Non-Profit Organization)**  
**STATEMENT OF CASH FLOWS**  
**For the Years Ended June 30, 2015 and 2014**

	2015	2014
Cash flows from operating activities:	\$ (3,464,420)	\$ 12,107,471
Increase (decrease) in net assets		
Adjustments to reconcile increase in net asset to net cash provided by operating activities:		
Unrealized gain/(loss) on investments	1,671,315	(12,783,427)
Depreciation	25,764	18,573
Endowment gifts, grants, scholarships, and contributions	(1,320,539)	(569,750)
Increase/(decrease) in discount on unconditional promises to give	(47,629)	(23,018)
Increase/(decrease) in allowance for unconditional promises	76,744	(443,899)
Increase/(decrease) in:		
Pledge receivables	952,585	460,385
Loans and advances receivable	-	-
Prepaid Expenses	44,729	(103,647)
Other receivable	40,129	(55,886)
Increase in:		
Account payable and accrued expenses	74,346	20,719
Scholarships payable	1,290,846	94,900
Agency liability	85,591	57,396
Deferred revenue	12,000	-
Other liabilities	3,570	-
Other payable	24,971	54,675
Net cash used in operating activities	(529,998)	(1,165,508)
Cash flows from investing activities:		
Acquisition of fixed assets	(24,029)	(36,214)
Purchase of investments	(39,242,370)	(44,274,663)
Proceeds from sale of investments	39,223,030	45,153,497
Net cash provided by /(used in) investing activities	(43,369)	842,620
Cash flows from financing activities:		
Contributions for long-term endowments	1,320,539	569,750
Net cash used in financing activities	1,320,539	569,750
Net increase in cash and cash equivalents	747,172	246,862
Cash and cash equivalents:		
Beginning of the year	549,527	302,665
End of the year	\$ 1,296,699	\$ 549,527
Non-cash investing activity:		
Donated facilities and services	\$ -	\$ -

See Notes to Financial Statements

**NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Nature of Activities**

The Florida Agricultural and Mechanical University Foundation, Inc. (the "Foundation") is supported primarily through donor contributions, grants, and the State of Florida Department of Education's Division of Colleges and Universities ("D.C.U.").

In accordance with Florida Statute Chapter 1011.94, *University Major Gifts Program*, endowment contributions of \$100,000 or more, made after July 1, 1985, with income to be used to "support libraries and instruction and research programs", are eligible for state match. The State of Florida has "temporarily suspended" funding for this program and did not appropriate any funds; therefore, no receivable has been recorded in the accompanying financial statements. The State is, however, still accepting matching requests.

During the years ended June 30, 2015 and 2014, the Foundation, under the matching program sponsored by the D.C.U. did not recognize any state matching revenues.

**B. Financial Statement Presentation**

The Foundation prepares its financial statements in accordance with Statement of Financial Accounting Standards Codification (ASC) Topic 958-205 of the Financial Accounting Standards Board (FASB), "Not-For-Profit Entities Presentation of Financial Statements". Under FASB ASC Topic 958-205, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Foundation is required to present a statement of cash flows.

The three (3) classes of net assets are presented below:

- **Unrestricted Net Assets** - represents resources which are not covered by donor-imposed restrictions; which have met all applicable restrictions and/or resources generated through sources other than receipts from donors.

**NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- **Temporarily Restricted Net Assets** - represents resources recognized as restricted support until such a time when all associated restrictions have been met.
- **Permanently Restricted Net Assets** - represents resources that contain a stipulation that permanently restricts the use of such funds but allows earnings from the funds to be used in a certain manner.

**C. Contributions**

In accordance with FASB ASC Topic 958, "Not-For Profit Entities," contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions.

**D. Promises to Give**

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Foundation uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

**E. Investments**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Non-traditional and alternative investments without readily determinable fair values are valued at the net asset value of shares or units held by the Foundation at year end based on their trade dates. Real estate investments are stated primarily at current appraised values. Unrealized gains and losses are included in the changes in net assets.



**NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**F. Contributed Facilities and Services**

There were no contributed facilities and services during the years ended June 30, 2015 and 2014.

**G. Donated Property**

Donations of property are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property are reported as restricted support. In the absence of 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, at which time the Foundation reclassifies temporarily restricted net assets to unrestricted net assets. The Foundation makes no provision for depreciation of such real property. There was no donated property during the years ended June 30, 2015 and 2014.

**H. Cash and Cash Equivalents**

For the purposes of the statement of cash flows, the Foundation considers uninvested cash in bank and certificates of deposits with maturities of three months or less to be cash and cash equivalents.

**I. Fair Values of Financial Instruments**

The following methods and assumptions were used by the Foundation in estimating its fair value disclosures for financial instruments:

- Cash, cash equivalents, short-term investments, and promises to give due in less than one year, other accounts receivable, and accounts payable: the carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.
- Fair values of long-term investments are discussed at Note 3.

**NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**J. Income Taxes**

The Foundation is a non-profit corporation exempt from Federal income taxes under Internal Revenue Code Section 501(a) as an organization described in Section 501(c)(3), with the exception of any unrelated business income. The Foundation is classified as an organization operated for the benefit of a college or university owned or operated by a governmental unit described in Section 170(b)(1)(A)(iv).

The Foundation has reviewed its tax status and related filings and determined that there are no uncertain tax positions for which an obligation needs to be recorded pursuant to the Income Taxes Topic (ASC 740). The Foundation files tax returns as required in US federal, state and local jurisdictions. Returns subject to examination are June 30, 2012 to June 30, 2015.

**K. Functional Expenses**

The Foundation, being a Direct Support Organization (“DSO”) for the Florida Agricultural and Mechanical University (the “University”), was established to aid in the advancement of the University’s objectives and purposes. Part of the Foundation’s commitment to the University is to provide assistance in the various activities or programs of the University.

The Foundation reports expenses by functional classification, whereby expenses are categorized by program activities and supporting services. Program activities include direct and indirect costs associated with activities carried out for the fulfillment of the objectives of the Foundation. Supporting services related to costs incurred other than those classified under program activities. Expenses incurred for program activities and supporting services are reported in the statement of activities.

The Foundation has the following functional expense categories:

- University support - charges include expenses incurred for scholarship administration, seminars, and marketing, on behalf of the University.
- Scholarships and grants - charges include payment of tuition, fees, room and board, books and stipends for students in various academic disciplines.
- Fundraising - charges include expenses incurred for travel, events and other operating costs to support fundraising efforts.
- Management and general - charges represent operating expenses including salaries, materials and supplies for programs supported through the Foundation.

**NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**L. Impairment**

Property, plant and equipment are reviewed for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss shall be recognized only if the carrying amount of a long-lived asset is not recoverable and exceeds its fair value.

**M. 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.

**NOTE 2. UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using the risk-free interest rates applicable to the years in which the promises are received. The discount rate is five percent (5%) for the years ended June 30, 2015 and 2014. Amortization of discounts is included as contribution revenue.

An allowance percentage is applied on all current pledges that are not past due. On an annual basis, management will review the percentage used for the allowance for doubtful accounts calculation and determine if an adjustment is required. For any pledge that is past due and greater than 180 days delinquent, an allowance for the full remaining balance will be taken.

**NOTE 2. UNCONDITIONAL PROMISES TO GIVE (continued)**

Unconditional promises to give consist of the following:

		2015	2014
Pledges receivable	\$	1,593,522	640,937
Less: unamortized discount		79,676	32,047
Subtotal		1,513,846	608,890
Less: allowance for uncollectibles		196,741	273,485
Net unconditional promises to give	\$	1,317,105	\$ 335,405
Amount due in:			
Less than one (1) year	\$	1,145,747	\$ 241,839
One to five (5) years		246,419	341,551
More than five (5) years		201,356	25,500
Total	\$	1,593,522	\$ 608,890

**NOTE 3. FAIR VALUE MEASUREMENTS**

The Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 820, Fair Value Measurements and Disclosures (ASC 820) (formerly referred to as FASB Statement of Financial Accounting Standards [SFAS] 157, Fair Value Measurements) is the authoritative U.S. GAAP guidance on how entities should measure and disclose fair value in their financial statements. Fair value is defined in ASC 820 as the “price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.”

ASC 820 establishes a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation methodology for an asset or liability as of the measurement date. The valuation hierarchy assigns highest priority to Level 1 measurements, and lowest priority to Level 3 measurements. The three levels are defined as follows:

Level 1 Financial assets and liabilities whose values are based on unadjusted quoted prices in active markets for identical assets or liabilities. Instruments in this category include money market funds and common stocks traded on exchanges such as the New York Stock Exchange.

Level 2 Financial assets and liabilities whose values are based on quoted prices for similar assets or liabilities in active markets. Level 2 inputs may include quoted prices for identical or similar assets or liabilities in markets that are not active. Instruments in this category include some corporate and municipal bonds that may not be traded frequently.

**NOTE 3. FAIR VALUE MEASUREMENTS (continued)**

Level 3 Financial assets and liabilities whose values are based on unobservable inputs for the asset or liability. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value. Instruments in this category include investments in hedge funds and real estate funds.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes to the methodologies used at June 30, 2015 and 2014.

*Corporate stocks and commingled funds (equities and fixed income)* – Valued at quoted market prices, which for commingled funds represents the net asset value of shares held by the Foundation at year end.

*Mutual Funds/Short-term investments* – Valued at the net asset value of shares held by the Foundation at yearend.

*Corporate bonds and government issues (domestic and foreign)* – Investments classified as Level 1 are based on quoted market prices from independent pricing vendors. Investments classified as Level 2 are based upon independent pricing models or other model-based valuation techniques, such as the present value of the stream of expected cash flows adjusted for the security's credit rating and other factors. Other factors may include items, such as credit loss assumptions.

*Hedge Funds and Real Estate Funds* – Valued at the net asset value of the units held by the Foundation at year end, as reported by the investment manager.

*Real Estate Property* – Valued at cost plus improvements and allocated 15% to fixed assets and 85% to investments. To provide net operating income that is sufficient to cover the cost of preventive maintenance, capital improvements, operating reserves, and the educational activities that the donor specified when the property was donated. The Foundation's risk with respect to this property is mitigated by the Foundation's general liability insurance, and property and casualty insurance, as well as the insurance provided by tenants pursuant to lease agreements.

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

**NOTE 3. FAIR VALUE MEASUREMENTS (continued)**

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 following table sets forth, by level, within the fair value hierarchy, amounts recorded in the Foundation's financial statements at fair value as of June 30, 2015 and 2014:

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value
<b>June 30, 2015</b>				
Mutual Funds	\$ -	\$ 42,392,230	\$ -	\$ 42,392,230
Common Stocks	28,403,606	-	-	28,403,606
Corporate Bonds	-	2,003,823	-	2,003,823
U.S. Government Securities	-	10,556,321	-	10,556,321
Hedge Funds	-	14,858,824	13,235,000	28,093,824
Real Estate Fund	-	-	6,633,961	6,633,961
Real Estate Property	-	820,839	500,000	1,320,839
Cash / Money Market Funds	3,873,245	-	-	3,873,245
Accrued Interest / Unsettled Transactions	288,378	-	-	288,378
<b>Total Investments</b>	<b>\$ 32,565,229</b>	<b>\$ 70,632,037</b>	<b>\$ 20,368,961</b>	<b>\$ 123,566,227</b>
<b>June 30, 2014</b>				
Mutual Funds	\$ 38,397,534	\$ -	\$ -	\$ 38,397,534
Common Stocks	27,559,486	-	-	27,559,486
Corporate Bonds	3,244,571	1,038,959	115,550	4,399,080
U.S. Government Securities	4,872,181	2,739,268	-	7,611,449
Hedge Funds	-	17,893,697	22,642,203	40,535,900
Real Estate Fund	-	-	5,957,234	5,957,234
Real Estate Property	-	820,839	500,000	1,320,839
Cash / Money Market Funds	1,307,254	-	-	1,307,254
Accrued Interest/ Unsettled Transactions	96,880	-	-	96,880
<b>Total Investments</b>	<b>\$ 75,477,906</b>	<b>\$ 22,492,763</b>	<b>\$ 29,214,987</b>	<b>\$ 127,185,656</b>

**NOTE 3. FAIR VALUE MEASUREMENTS (continued)**

The following is a description of the significant investment strategies of each major category of investments that calculate net asset value per share and are not in an active market (Level 3 measurements):

*Hedge Funds and Fund of Funds* - To provide capital appreciation and generate high returns at reduced risk through aggressively managed portfolio of investments using advanced investment strategies.

*Real Estate Funds* – To provide capital appreciation and generate high returns through a professionally managed private Real Estate Investment Trust portfolio that approximates the investment risks and returns for private commercial real estate.

*Real Estate Property* – To provide net operating income that is sufficient to cover the cost of preventive maintenance, capital improvements, operating reserves, and the educational activities that the donor specified when the property was donated. The Foundation's risk with respect to this property is mitigated by the Foundation's general liability insurance, and property and casualty insurance, as well as the insurance provided by tenants pursuant to lease agreements.

While these financial instruments may contain varying degrees of risk, the Foundation's risk with respect to such transactions is limited to its capital balance in each investment. The financial statements of the investees are audited annually by independent auditors.

**NOTE 3. FAIR VALUE MEASUREMENTS (continued)**

The table below sets forth a summary of changes in the fair value of the Foundation's Level 3 assets for the fiscal years ended June 30, 2015 and 2014:

	<u>Hedge Funds and Corporate Bonds</u>	<u>Real Estate and Real Estate Fund</u>
Balance June 30, 2013	\$ 9,505,370	\$ 5,959,970
Sales	(314,001)	-
Purchases	12,000,000	-
Transfers out of Level 3	-	-
Transfers in to Level 3	-	-
Investment income	52,801	218,065
Net realized and unrealized gains (losses)	1,513,583	279,199
Balance June 30, 2014	<u>22,757,753</u>	<u>6,457,234</u>
Sales	(9,655,199)	-
Purchases	-	-
Transfers out of Level 3	-	-
Transfers in to Level 3	-	-
Investment income	9,535	235,433
Net realized and unrealized gains (losses)	122,911	441,294
Balance June 30, 2015	<u>\$ 13,235,000</u>	<u>\$ 7,133,961</u>

**NOTE 4. INVESTMENTS**

The Foundation maintains master investment accounts for primarily all of its investments. Realized and unrealized gains and losses from securities in the master investment accounts are allocated to the individual net asset accounts based on the relationship of the market value of each net asset account to the total market value of the master investment accounts, as adjusted for additions to or deductions from those accounts.



**NOTE 4. INVESTMENTS (continued)**

The following schedule summarizes the investment activity for the year ended June 30, 2015 and 2014.

	2015	2014
<b>Investment returns, net of fees</b>		
Interest and dividend income	\$ 2,384,136	\$ 2,499,632
Net realized gain/(loss)	1,845,959	3,264,823
Change in net unrealized gain/(loss)	(1,671,315)	12,783,427
Consulting fees	(487,154)	(489,628)
<b>Total investment returns, net</b>	<b>2,071,626</b>	<b>18,058,254</b>
<b>Other investment activities</b>		
Cash deposits	-	-
Cash withdrawals	(7,041,000)	(6,187,842)
<b>Total investment activity</b>	<b>\$ (4,969,374)</b>	<b>\$ 11,870,412</b>

**NOTE 5. FIXED ASSETS**

Land, buildings, and equipment used by the Foundation are stated at cost, if purchased. The Foundation purchased a building at a cost of \$700K during the period ending June 30, 2012. The cost was allocated as follows: land at a price of \$180K and the building at \$520K. The Foundation uses approximately 15% of the building for its administrative offices and the remainder is used for investment purposes. The investment portion is stated at fair value based on the market value as determined by the Leon County Property Appraiser. The Foundation depreciates fixed assets used by the Foundation on a straight-line basis over the estimated useful life ranging from five to thirty years. Upon retirement or disposition, the asset's carrying value and related accumulated depreciation are relieved and the resulting gain or loss is included in the statements of activities and changes in net assets.

**NOTE 5. FIXED ASSETS (continued)**

	June 30, 2014	Additions	Disposals	June 30, 2015
Non Depreciable assets				
Land	\$ 27,000	\$ -	\$ -	\$ 27,000
Total non-depreciable assets	<u>27,000</u>	<u>-</u>	<u>-</u>	<u>27,000</u>
Depreciable assets				
Building	78,000	-	-	78,000
Capital Improvements	47,108	4,793	-	51,901
Equipment	82,994	19,236	-	102,230
Furniture and fixtures	24,575	-	-	24,575
Total depreciable assets	<u>232,677</u>	<u>24,029</u>	<u>-</u>	<u>256,706</u>
Accumulated depreciation	<u>(61,177)</u>	<u>(21,714)</u>	<u>-</u>	<u>(82,891)</u>
Net depreciable assets	<u>171,500</u>	<u>2,315</u>	<u>-</u>	<u>173,815</u>
Total Fixed assets	<u>\$ 198,500</u>	<u>\$ 2,315</u>	<u>\$ -</u>	<u>\$ 200,815</u>
	June 30, 2013	Additions	Disposals	June 30, 2014
Non Depreciable assets				
Land	\$ 27,000	\$ -	\$ -	\$ 27,000
Total non-depreciable assets	<u>27,000</u>	<u>-</u>	<u>-</u>	<u>27,000</u>
Depreciable assets				
Building	78,000	-	-	78,000
Capital Improvements	29,471	17,637	-	47,108
Equipment	64,417	18,577	-	82,994
Furniture and fixtures	24,575	-	-	24,575
Total depreciable assets	<u>196,463</u>	<u>36,214</u>	<u>-</u>	<u>232,677</u>
Accumulated depreciation	<u>(42,604)</u>	<u>(18,573)</u>	<u>-</u>	<u>(61,177)</u>
Net depreciable assets	<u>153,859</u>	<u>17,641</u>	<u>-</u>	<u>171,500</u>
Total Fixed assets	<u>\$ 180,859</u>	<u>\$ 17,641</u>	<u>\$ -</u>	<u>\$ 198,500</u>

Total depreciation expense for fixed assets was \$21,714 and \$18,573 in 2015 and 2014, respectively. Total accumulated depreciation at June 30, 2015 and 2014 was \$82,891 and \$61,177, respectively.

**NOTE 6. CONCENTRATION OF CREDIT RISK**

At June 30, 2015 and 2014, the Foundation has accounts in financial institutions with balances of \$1,046,199 and \$299,527 in excess of the Federal Deposit Insurance Corporation's insurance coverage of \$250,000, respectively. In addition, the Foundation had balances of \$123,066,227 and \$125,657,052 respectively, at June 30, 2015 and 2014 in excess of the Securities Investor's Protection Corporation.

**NOTE 6. CONCENTRATION OF CREDIT RISK (continued)**

("SIPC") insurance coverage of \$500,000. Invested securities and cash are also covered by the brokerage custodian and its parent company for amounts in excess of the SIPC limit. Management believes no material risk of loss will be sustained from holding these assets with these institutions.

	<b>Cash</b>	<b>Investments</b>
Balance at 6/30/2015	\$ 1,296,199	\$ 123,566,227
Insured Coverage	<u>250,000</u>	<u>500,000</u>
Amount Uninsured	<u>\$ 1,046,199</u>	<u>\$ 123,066,227</u>
Balance at 6/31/2014	\$ 549,527	\$ 127,157,052
Insured Coverage	<u>250,000</u>	<u>500,000</u>
Amount Uninsured	<u>\$ 299,527</u>	<u>\$ 126,657,052</u>

**NOTE 7. AGENCY LIABILITY**

The Foundation holds pooled assets, reported as investments and agency liability on behalf of the FAMU National Alumni Association (the "Alumni"), in the amount of \$1,643,161 and \$1,557,570 as of June 30, 2015 and 2014. Figures exclude the NAA Million Dollar Endowment. The Alumni is another Direct Support Organization ("DSO") of the University.

**NOTE 8. NET ASSETS**

The restrictions of net assets by purchase at June 30, 2015 are as follows:

<b>Description</b>	<b>Unrestricted</b>	<b>Net Assets Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total Net Assets</b>
Operations	\$ 1,432,974	\$ 9,391,953	\$13,331,435	\$ 24,156,362
Professorships	-	1,091,722	1,975,000	3,066,722
Endowed Chairs	-	9,006,384	17,439,544	26,445,928
Scholarships	-	20,224,114	49,360,936	69,585,050
	<u>\$ 1,432,974</u>	<u>\$39,714,173</u>	<u>\$82,106,915</u>	<u>\$123,254,062</u>

**NOTE 8. NET ASSETS (continued)**

The restrictions of net assets by purchase at June 30, 2014 are as follows:

Description	Unrestricted	Net Assets Temporarily Restricted	Permanently Restricted	Total Net Assets
Operations	\$ 1,530,100	\$ 9,604,465	\$ 13,113,178	\$ 24,247,743
Professorships	-	1,176,153	1,975,500	3,151,653
Endowed Chairs	-	9,544,964	17,439,044	26,984,008
Scholarships	-	24,162,598	48,172,481	72,335,079
	<u>\$ 1,530,100</u>	<u>\$44,488,180</u>	<u>\$80,700,203</u>	<u>\$126,718,483</u>

**NOTE 9. ENDOWMENTS**

The Foundation's endowment consists of approximately 440 funds (projects) established for a variety of purposes. As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds are classified and reported based on donor-imposed restrictions.

**Interpretation of Relevant Law**

The Foundation's Board of Directors has interpreted the laws of the Statute of the State of Florida Section 617.2104 – Florida Uniform Prudent Management of Institutional Funds Act (Florida UPMIFA). Based on such laws, the governing board may expend so much of an endowment fund as the governing board determines to be prudent for the uses and purposes for which the endowment fund is established, consistent with the goal of conserving the purchasing power of the endowment fund.

In making its determination the governing board used reasonable care, skill, and caution in considering the following:

1. The purpose of the institution;
2. The intent of the donors of the endowment fund;
3. The terms of the applicable instrument;
4. The long-term and short-term needs of the institution in carrying out its purposes;
5. The general economic conditions;

**NOTE 9. ENDOWMENTS (continued)**

1. The possible effect of inflation or deflation;
2. The other resources of the institution; and
3. Perpetuation of the endowment.

Expenditures made are considered prudent as the amount expended is consistent with the goal of preserving the purchasing power of the endowment fund.

As a result of this interpretation, the Board classifies as permanently restricted net assets (a) the original value of gifts donated to a permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) the original value of other corpus additions including state match provided to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified as permanently net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by Florida UPMIFA.

***Investment Policy & Supervision***

The Investment Committee of the Foundation Board of Directors is responsible for investing the Foundation's endowment funds. The committee, with the help of an independent investment advisor, develops proper investment policies and employs professional investment managers to execute those policies.

All the endowment funds of the foundation are combined for the purposes of investment. The chief objective of the investment pool is to grow the corpus in excess of inflation and to meet both current and future obligations as dictated by the spending policy, net of operation costs.

Investment management of the assets of the Foundation shall be in accordance with the following asset allocation guidelines:

<b>Asset Class</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Target</b>
US Equity	30%	55%	35%
Non-US Equity	5%	25%	15%
US Core Fixed Income	10%	50%	10%
Global Fixed Income	5%	25%	10%
Other Assets	0%	50%	30%
Cash and Equivalents	0%	15%	0%

## **NOTE 9. ENDOWMENTS (continued)**

In order to meet its needs, the investment strategy of the Foundation is to emphasize total return; that is, the aggregate returns from capital appreciation and dividend and interest income.

### **Investment goals include the following:**

- **Preservation of Purchasing Power** – After giving consideration to minimum annual gifts/contributions, to achieve annual total returns in excess of the rate of inflation (CPI +1%) plus spending over the investment horizon in order to preserve purchasing power of Fund assets.
- **Long-Term Growth of Capital** -To emphasize long-term growth of principal while controlling excessive risk. Short-term (one year or less) volatility of Total Fund values will be tolerated in as much as it is consistent with the volatility of a comparable market index.
- **Liquidity** - To ensure the ability of the Fund to meet all expected or unexpected annual cash flow needs by investing in securities which can be sold readily and efficiently.

It is the goal of the Foundation to grow total assets at a rate that will equal or exceed annually:

1. The rate of Foundation spending, plus the rate of inflation as measured by the Consumer Price Index (CPI) + 1%, after giving consideration to minimum annual gifts/contributions.
2. An absolute rate of return of 8.5%.
3. The return of a custom blended composite market index.

### ***Spending Policy***

The FAMU Foundation endowment spending policy is designed to provide a steady income flow to the foundation stakeholders for their current and future needs while maintaining the purchasing power of the endowed assets.

The FAMU Foundation sets annual spending at a rate of 3.5% and the administrative fee rate at 1.75% for a total of 5.25% annual spending. Spending is distributed at the end of each calendar year (December 31<sup>st</sup>).

In the annual distribution method, there is a tendency to pay out the “excess” earnings during periods of over-performance, while maintaining a certain absolute dollar floor of spending during periods of under-performance.

**NOTE 9. ENDOWMENTS (continued)**

	Temporarily	Permanently	Total
	Restricted	Restricted	
Endowment net assets, beginning of year	\$40,915,350	\$80,700,203	\$121,615,553
Contributions and other revenue	-	1,406,712	1,406,712
Net Earnings allocation	2,358,780	-	2,358,780
Endowment earnings expended	(4,639,182)	-	(4,639,182)
Endowment net assets, end of year	<u>\$38,634,948</u>	<u>\$82,106,915</u>	<u>\$120,741,863</u>

**NOTE 10. SUBSEQUENT EVENTS**

The Foundation has evaluated events and transactions for potential recognition and disclosure in the financial statements through September 3, 2015. No subsequent events have been recognized or disclosed.

**Florida Agricultural and Mechanical University Foundation, Inc.**  
**(A Non-Profit Organization)**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**For the Years Ended June 30, 2015 and 2014**

	June 30, 2015					June 30, 2014				
	Program Services		Fundraising	Management/ General	Total	Program Services		Fundraising	Management/ General	Total
University Support	Scholarships and Grants	University Support				Scholarships and Grants				
Scholarships and grants	\$ -	\$ 7,281,118	\$ -	\$ -	\$ 7,281,118	\$ -	\$ 5,388,556	\$ -	\$ -	\$ 5,388,556
Salaries and fringe benefits	192,994	-	-	1,155,748	1,348,742	320,292	-	-	587,360	907,652
Contract services	608,605	-	-	116,313	724,918	477,788	-	-	60,183	537,971
Reimbursement for grant costs	720,503	-	-	-	720,503	623,048	-	-	-	623,048
Administrative charges	-	-	-	1,667,121	1,667,121	-	-	-	1,659,320	1,659,320
Equipment purchases	135,438	-	58,045	59,922	253,405	94,074	-	40,317	44,964	179,355
Travel and meetings	299,489	-	128,352	77,650	505,491	286,899	-	122,957	26,425	436,281
Materials and supplies	275,985	-	118,279	61,116	455,380	155,499	-	66,643	20,411	242,553
Professional fees	366,373	-	157,017	155,693	679,083	423,637	-	181,559	99,060	704,256
Entertainment and dinners	574,578	-	246,248	40,355	861,181	387,162	-	165,927	32,109	585,198
Repairs and maintenance	62,659	-	26,854	133,378	222,891	78,772	-	33,760	42,638	155,170
Postage	16,717	-	7,164	987	24,868	12,030	-	5,156	472	17,658
Dues and subscriptions	29,562	-	12,670	4,175	46,407	19,484	-	8,350	597	28,431
Insurance	6,558	-	-	29,998	36,556	4,553	-	-	16,463	21,016
Equipment rental	99,416	-	-	4,382	103,798	140,271	-	-	4,588	144,859
Printing and advertising	115,469	-	49,487	12,062	177,018	69,951	-	29,979	12,350	112,280
Interest	-	-	-	-	-	-	-	-	-	-
Telephone	170	-	73	2,639	2,882	1,272	-	545	6,859	8,676
Rent	60,744	-	-	806	61,550	58,634	-	-	(4,150)	54,484
Depreciation	-	-	-	25,764	25,764	-	-	-	18,573	18,573
Loans	-	-	-	-	-	-	-	-	-	-
Utilities	10,854	-	-	45,843	56,697	6,249	-	-	31,341	37,590
Training and seminars	14,922	-	6,395	11,653	32,970	20,470	-	8,772	1,261	30,503
Taxes and licenses	19,889	-	8,524	645	29,058	9,371	-	4,016	136	13,523
Bank charges	50,093	-	-	2,294	52,387	31,627	-	-	3,853	35,480
Provision for uncollectible pledges	-	-	-	-	-	-	-	-	-	-
President's annuity & allowances	-	-	-	-	-	-	-	-	54,624	54,624
Contributions	34,440	-	14,760	23,813	73,013	40,436	-	17,329	12,837	70,602
Other agency support	-	-	85,590	-	85,590	40,177	-	17,219	-	57,396
Miscellaneous	30,847	-	13,220	412	44,479	21,396	-	9,167	173	30,736
<b>Total</b>	<b>\$ 3,726,305</b>	<b>\$ 7,281,118</b>	<b>\$ 932,678</b>	<b>\$ 3,632,769</b>	<b>\$ 15,572,870</b>	<b>\$ 3,323,092</b>	<b>\$ 5,388,556</b>	<b>\$ 711,696</b>	<b>\$ 2,732,447</b>	<b>\$ 12,155,791</b>



Florida A&M University Foundation, Inc.  
**MAJOR GIFTS PROGRAM**  
**SCHEDULE OF RECEIPTS, EXPENDITURES AND ENDOWMENT BALANCES**  
For Fiscal Year 2014-2015

Name of Gift*	Beginning Corpus Balance 07/01/2014	Beginning Net Balance 07/01/2014	Corpus Contributed During the 2014-2015	Income and Interest Earnings	Expenditures	Other Expenditures & Transfers	Ending Corpus Balance	Ending Total Balance 06/30/2015
<b>GENERAL ENDOWMENTS</b>								
Second Century Campaign Endowment 1, 4 & 5	\$ 450,000	\$ 812,781	-	\$ 24,750	-	\$ 9,000	\$ 450,000	\$ 828,531
Second Century Campaign Endowment 2 & 3	300,000	532,553	-	16,500	114,993	6,000	300,000	428,060
Second Century Campaign Endowment 14	150,000	216,941	-	8,250	3,690	3,000	150,000	218,501
Second Century Campaign Endowment 24	150,000	178,307	-	8,250	33,557	3,000	150,000	150,000
Second Century Campaign Endowment 25	150,000	202,281	-	8,250	50,000	3,000	150,000	157,531
Second Century Campaign Endowment 26	150,000	230,909	-	8,250	7,350	3,000	150,000	228,809
Second Century Campaign Endowment 27	150,000	283,787	-	8,250	-	3,000	150,000	289,037
Second Century Campaign Endowment 28	150,000	168,375	-	8,250	13,313	3,000	150,000	160,312
Second Century Campaign Endowment 33	300,000	361,659	-	16,500	15,428	6,000	300,000	356,731
Second Century Campaign Endowment 34	150,000	196,500	-	8,250	51,750	3,000	150,000	150,000
Second Century Campaign Endowment 35	150,000	266,236	-	8,250	29,728	3,000	150,000	241,758
Second Century Campaign Endowment 38-40	450,000	743,250	-	24,750	10,000	9,000	450,000	749,000
Second Century Campaign Endowment 41-43	450,000	687,716	-	24,750	200,000	9,000	450,000	503,466
Second Century Campaign Endowment 44-48	750,000	939,962	-	41,250	-	15,000	750,000	966,212
Second Century Campaign Endowment 49-51	450,000	693,038	-	24,750	65,500	9,000	450,000	643,288
Second Century Campaign Endowment 52-53	300,000	461,546	-	16,500	36,908	6,000	300,000	435,138
Second Century Campaign Endowment 57	1,164,977	1,492,758	-	64,074	139,132	23,300	1,164,977	1,394,401
Second Century Campaign Endowment 58	315,898	428,098	-	17,374	46,197	6,318	315,898	392,957
Second Century Campaign Endowment 61	247,500	387,857	-	13,613	4,350	4,950	247,500	392,170
Second Century Campaign Endowment 62	300,000	436,632	-	16,500	7,283	6,000	300,000	439,849
Second Century Campaign Endowment 64	375,000	449,662	-	20,625	3,750	7,500	375,000	459,037
Second Century Campaign Endowment 65	150,000	266,999	-	8,250	-	3,000	150,000	272,249
Second Century Campaign Endowment 66	172,500	307,194	-	9,488	2,100	3,450	172,500	311,132
Second Century Campaign Endowment 67	300,000	317,679	-	16,500	2,000	6,000	300,000	326,179
Second Century Campaign Endowment 68	210,000	329,878	-	11,550	13,993	4,200	210,000	323,235
Second Century Campaign Endowment 69	172,500	179,250	-	9,488	4,500	3,450	172,500	180,788
Second Century Campaign Endowment 70	360,283	509,288	-	19,816	4,691	7,206	360,283	517,207
Second Century Campaign Endowment 71	300,000	499,647	-	16,500	5,003	6,000	300,000	505,144
Second Century Campaign Endowment 72	217,500	317,353	-	11,963	16,988	4,350	217,500	307,977
Second Century Campaign Endowment 74	574,380	765,255	-	31,591	31,274	11,488	574,380	754,084
Second Century Campaign Endowment 75	396,000	580,566	-	21,780	17,024	7,920	396,000	577,402
Second Century Campaign Endowment #77	1,190,000	1,298,589	-	65,450	23,508	23,800	1,190,000	1,316,731
Second Century Campaign Endowment #79	1,219,451	1,495,808	-	67,070	66,217	24,389	1,219,451	1,472,272
Second Century Campaign Endowment #80	150,000	203,583	-	8,250	5,250	3,000	150,000	203,583
Second Century Campaign Endowment #85	229,082	287,995	-	12,600	8,321	4,582	229,082	287,692
Second Century Campaign Endowment #86	750,000	750,000	-	41,250	26,250	15,000	750,000	750,000
Second Century Campaign Endowment #87	225,000	312,125	-	12,375	9,000	4,500	225,000	311,000
<b>Balance Forward</b>	<b>13,670,071</b>	<b>18,592,057</b>	<b>-</b>	<b>751,854</b>	<b>1,069,048</b>	<b>273,401</b>	<b>13,670,071</b>	<b>18,001,462</b>

Name of Gift*	Beginning Corpus Balance 07/01/2014	Beginning Net Balance 07/01/2014	Corpus Contributed During the 2014-2015	Income and Interest Earnings	Expenditures	Other Expenditures & Transfers	Ending Corpus Balance	Ending Total Balance 06/30/2015
Balance Forward	13,670,071	18,592,057	-	751,854	1,069,048	273,401	13,670,071	18,001,462
FAMU Endowment #1	411,200	529,735	-	22,616	17,108	8,224	411,200	527,019
FAMU Endowment #2	402,000	429,162	-	22,110	24,526	8,040	402,000	418,706
FAMU Endowment #3	320,997	408,343	-	17,655	2,500	6,420	320,997	417,077
FAMU Endowment #4	351,023	457,121	-	19,306	1,500	7,020	351,023	467,907
FAMU Endowment #5	187,500	260,630	-	10,313	5,000	3,750	187,500	262,192
Walt Disney World Family Law	225,000	300,406	-	12,375	-	4,500	225,000	308,281
FAMU Endowment #6	343,812	369,499	-	18,910	-	6,876	343,812	381,532
FAMU Endowment #7	358,433	387,676	-	19,714	10,269	7,169	358,433	389,952
Moot Court & Law Review Endowment	1,275,000	1,396,128	-	70,125	42,745	25,500	1,275,000	1,398,008
FAMU Endowment #8	184,881	242,425	-	10,168	-	3,698	184,881	248,896
FAMU Endowment #9	183,393	234,973	-	10,087	-	3,668	183,393	241,392
FAMU Endowment #10	183,917	241,161	-	10,115	60,000	3,678	183,917	187,598
NAA Endowed Scholarship	150,000	194,250	-	8,250	-	3,000	150,000	199,500
Walt Disney World Family Law Professorship	100,000	119,500	-	5,500	-	2,000	100,000	123,000
FAMU Endowment #11	640,919	724,331	-	35,251	87,083	12,818	640,919	659,680
Scholarship Endowment I	150,000	284,641	-	8,250	45,773	3,000	150,000	244,118
Scholarship Endowment 2 & 3	-	-	-	-	-	-	-	-
Scholarship Endowment 4 & 5	300,000	480,838	-	16,500	2,500	6,000	300,000	488,838
Scholarship Endowment 6 & 7	300,000	403,167	-	16,500	25,979	6,000	300,000	387,688
Corporate Banquet	150,000	194,153	-	8,250	20,902	3,000	150,000	178,501
Honeywell, Inc. Endowment	150,000	175,125	-	8,250	30,375	3,000	150,000	150,000
Bill & Camille Cosby Endowment	300,000	459,989	-	16,500	7,625	6,000	300,000	462,864
Faculty & Staff Endowment	300,000	320,416	-	16,500	30,916	6,000	300,000	300,000
Journalism	450,000	468,795	-	24,750	2,250	9,000	450,000	482,295
Centennial I, II, III	450,000	519,891	-	24,750	66,371	9,000	450,000	469,270
School of Business & Industry Endowments	13,582,257	18,737,346	-	747,024	30,378	879,645	13,582,257	18,574,347
<b>Total</b>	<b>\$ 35,120,402</b>	<b>\$ 46,931,758</b>	<b>\$ -</b>	<b>\$ 1,931,622</b>	<b>\$ 1,582,848</b>	<b>\$ 1,310,408</b>	<b>\$ 35,120,402</b>	<b>\$ 45,970,124</b>

\*SCCE - Second Century Campaign Endowment

**Florida A&M University Foundation, Inc.**  
**EMINENT SCHOLARS CHAIRS**  
**SCHEDULE OF RECEIPTS, EXPENDITURES AND ENDOWMENT BALANCES**

For Fiscal Year 2014-2015

DOCUMENT NAME	Beginning Corpus 07/01/2014	Beginning Net Balance 07/01/2014	Corpus Contributed During the 2014-2015	Income and Interest Earnings	Expenditures	Other Expenditures & Transfers	Ending Corpus Balance	Ending Net Balance 06/30/2015
Warner Lambert Chair	\$ 1,000,000	\$ 1,660,076	\$ -	\$ 55,000	\$ -	\$ 20,000	\$ 1,000,000	\$ 1,695,076
Centennial Business Chair	1,000,000	1,437,699	-	55,000	147,328	20,000	1,000,000	1,325,371
Anheuser Busch Chair	1,000,000	1,423,891	-	55,000	-	20,000	1,000,000	1,458,891
Knight-Ridder Chair	1,762,440	1,897,166	-	96,934	59,146	35,249	1,762,440	1,899,706
Garth Reeves Chair	1,000,000	1,176,311	-	55,000	19,937	20,000	1,000,000	1,191,374
Foster-Edmond Chair	1,020,000	1,680,392	-	56,100	-	20,400	1,020,000	1,716,092
SBI Financial Services Chair	1,020,000	1,553,583	-	56,100	-	20,400	1,020,000	1,589,283
Carrie Meek Chair	1,020,000	1,803,437	-	56,100	-	20,400	1,020,000	1,839,137
Shirley A. Cunningham Jr. Endowed Chair	1,750,001	2,549,688	-	96,250	-	35,000	1,750,001	2,610,938
Sybil C. Mobley Endowed Chair	2,523,798	3,434,819	-	138,809	206,042	50,476	2,523,798	3,317,110
<b>TOTAL CHAIRS</b>	<b>\$ 13,096,239</b>	<b>\$ 18,617,063</b>	<b>\$ -</b>	<b>\$ 720,293</b>	<b>\$ 432,453</b>	<b>\$ 261,925</b>	<b>\$ 13,096,239</b>	<b>\$ 18,642,978</b>

**Florida A&M University Foundation, Inc.**  
**Major Gift from John and Sandi Thompson**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES**  
**For Fiscal Year ending June 30, 2015**

Purpose of Gift	Beginning Net Balance 07/01/2014	Contributed During the 2014-2015	Expenditures	Ending Total Balance 06/30/2015
Strong Finish Merit Awards and Student Loan Reduction	\$ -	\$ 705,261	\$ (390,154)	\$ 315,107
School of Business & Industry Center for Creativity & Innovation and Study Abroad Program	-	304,622	(76,833)	227,789
<b>Total</b>	<b>\$ -</b>	<b>\$ 1,009,883</b>	<b>\$ (466,987)</b>	<b>\$ 542,896</b>



## MANAGEMENT LETTER

To the Board of Directors of the  
Florida Agricultural and Mechanical University Foundation, Inc.  
Tallahassee, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the Florida Agricultural and Mechanical University Foundation, Inc. (the “Foundation”), as of and for the fiscal year ended June 30, 2015, and have issued our report thereon dated September 3, 2015.

### **Auditor’s Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and Chapter 10.650, Rules of the Florida Auditor General.

### **Other Reports and Schedule**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and Chapter 10.650, Rules of the Florida Auditor General and the *Schedule of Findings and Responses*. Disclosures in those reports and schedule, which are dated September 3, 2015 should be considered in conjunction with this management letter.

### **Other Matter**

Section 10.654(1)(e), Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements or State project amounts that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Tallahassee, Florida  
September 3, 2015

*BCA Watson Rice LLP*