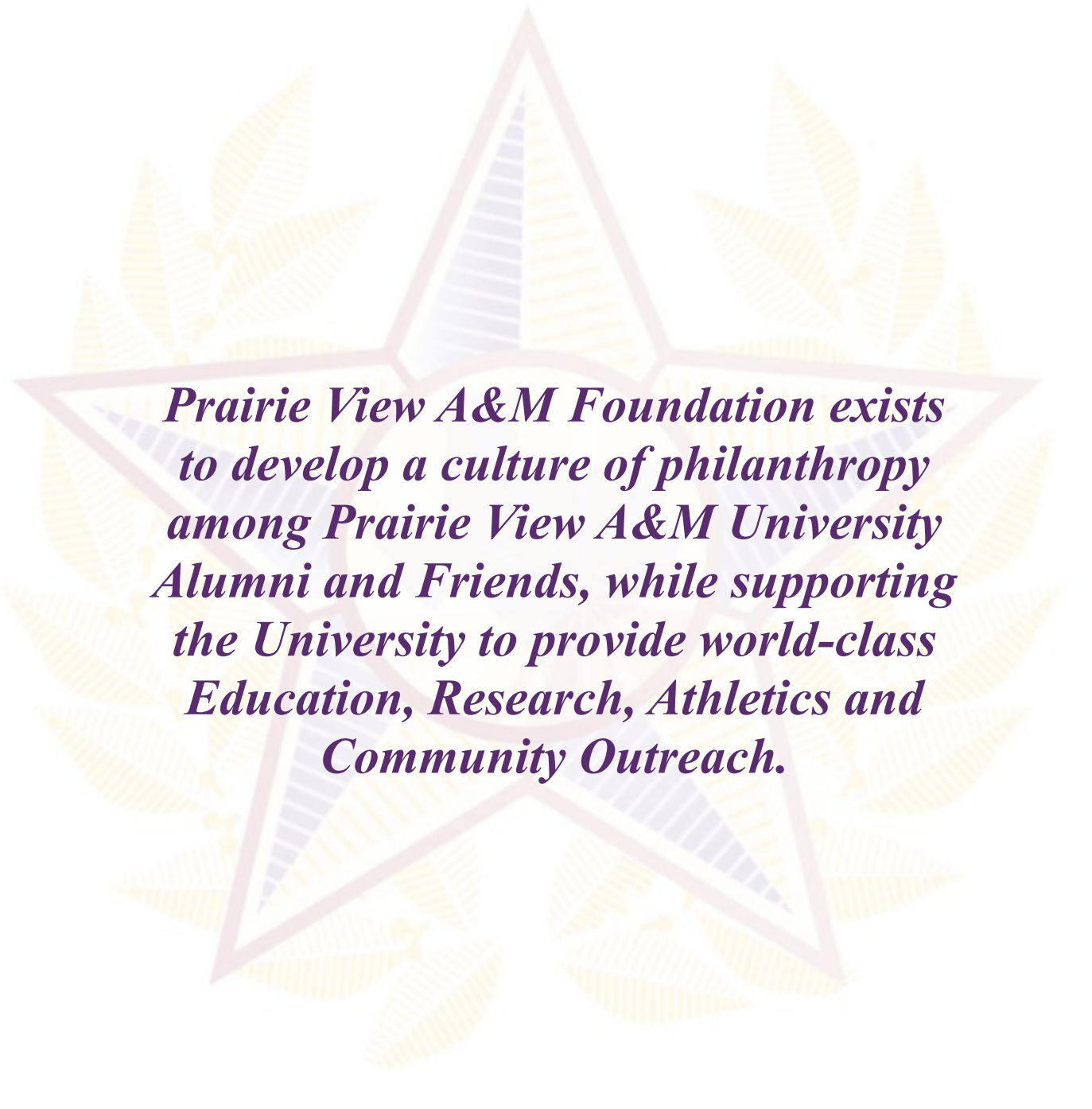




The Legacy Continues

ANNUAL REPORT 2014-2015





*Prairie View A&M Foundation exists
to develop a culture of philanthropy
among Prairie View A&M University
Alumni and Friends, while supporting
the University to provide world-class
Education, Research, Athletics and
Community Outreach.*

A Note from our Chairman

Dear Friends,

The Prairie View A&M Foundation is pleased to present the 2015 Annual Report with results that confirm continued responsible operations and what we are capable of as a community that believes, and understands, the words “We’ll always strive a blessing to be.”

In the past year, we have raised over \$2.5 million in public funds towards the Sports Complex through your support. While we still have a journey until we reach our goal of \$10 million, I have every confidence that with your support and continued belief in the legacy of Prairie View A&M University, we will fulfill our commitment towards the “largest capital” project in our University’s history.

The Trustees and Staff hold the stewardship of your gifts as our paramount responsibility and will continue to serve the needs of the University and the dreams of our supporters with the highest level of professional excellence. As you read this report, know that the achievements of this year were fueled by our collective dedication and belief in the University’s excellence. Thank you for your trust and continued support in the Prairie View legacy.

Yours in continued service,

A handwritten signature in black ink, appearing to read "Roy G. Perry". The signature is fluid and cursive, with the first name "Roy" being the most prominent.

Roy G. Perry
Chairman and President Prairie View A&M Foundation

Prairie View A&M Foundation Trustees



*Seated (L-R) – Fred Newhouse, Roy G. Perry, Nathelyne Archie Kennedy, Ricky Anderson, Benny Lockett, Samuel J. Coleman;
Standing (L-R) – Carl Jackson, Terrence Gee, Corey Bradford, John W. Osby, Carl E. Johnson*

Roy Perry
Chairman – President

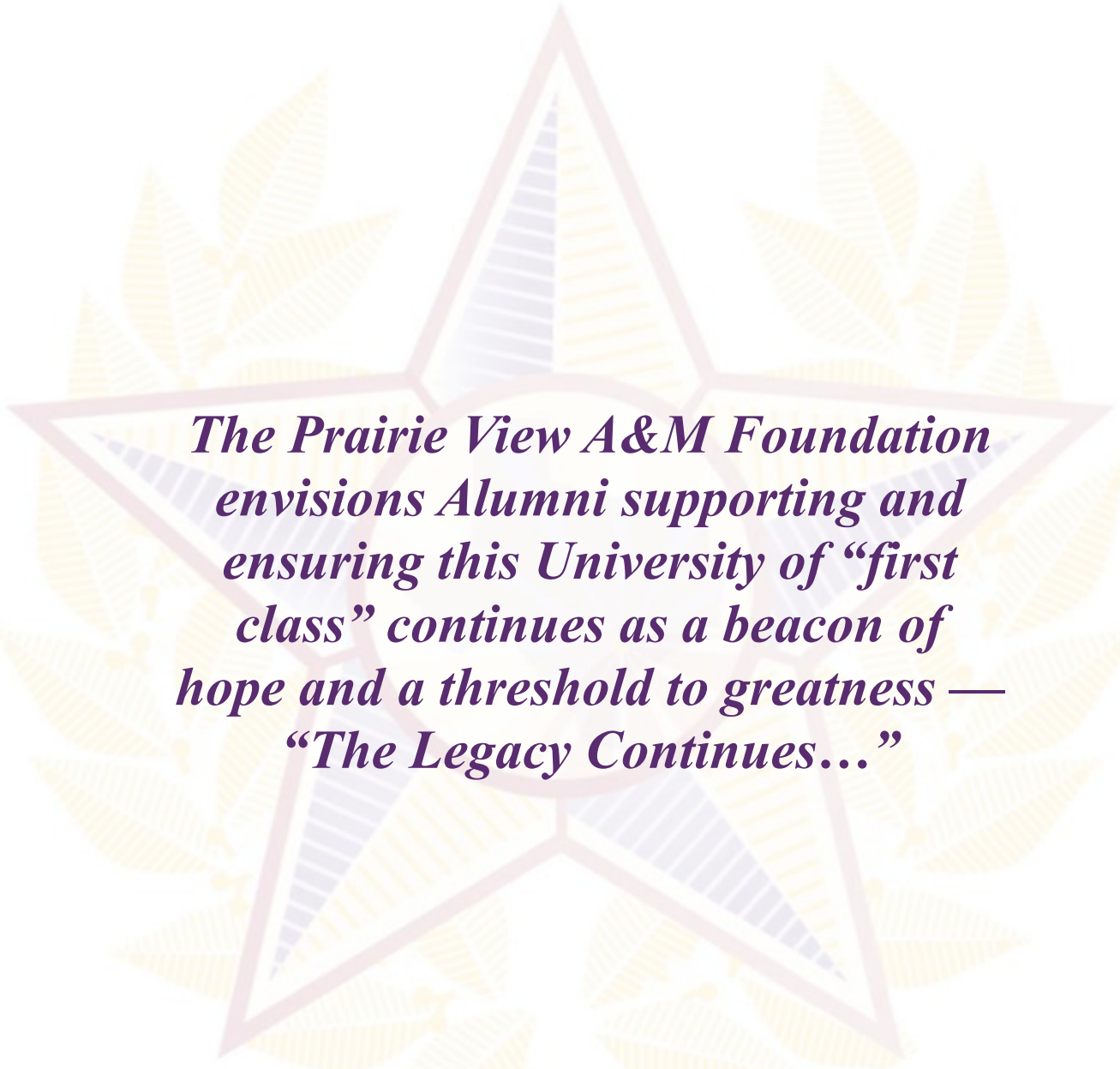
John Osby
Vice Chairman and Secretary

Terrence Gee
Vice Chairman

Samuel Coleman
Treasurer

Ricky Anderson
Marvin Brailsford
Ernest Collins
Billy Davis
Joseph Herbert
Janis Hadnott

Carl Johnson
Carl Jackson
Nathelyne Archie Kennedy
Benny Lockett
Frederick Newhouse



*The Prairie View A&M Foundation
envisions Alumni supporting and
ensuring this University of “first
class” continues as a beacon of
hope and a threshold to greatness —
“The Legacy Continues...”*

PRAIRIE VIEW A&M FOUNDATION

(A Texas Nonprofit Corporation)

**Independent Auditor's Report and
Financial Statements**

December 31, 2015 and 2014

PRAIRIE VIEW A&M FOUNDATION
(A Texas Nonprofit Corporation)

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DECEMBER 31, 2015 and 2014

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the Prairie View A&M Foundation (the "Foundation"), a Texas nonprofit corporation, which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and statements of 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 of 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 auditors consider internal control relevant to the Foundation'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 Foundation'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 December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

McConell & Jones LLP

Houston, Texas
July 29, 2016

PRAIRIE VIEW A&M FOUNDATION
(A Texas Nonprofit Corporation)

STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Current Assets:		
Cash	\$ 683,345	\$ 761,747
Investments	76,399	13,151
Promises to give	176,708	319,720
Other receivables	650	650
Total current assets	<u>937,102</u>	<u>1,095,268</u>
Noncurrent Assets:		
Promises to give, net of unamortized discount	146,512	182,211
Property and equipment, net	7,780	6,138
Total noncurrent assets	<u>154,292</u>	<u>188,349</u>
TOTAL ASSETS	<u><u>\$ 1,091,394</u></u>	<u><u>\$ 1,283,617</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued liabilities	13,780	17,006
Related party payable	86,065	38,093
Total current liabilities	<u>99,845</u>	<u>55,099</u>
Total liabilities	<u>99,845</u>	<u>55,099</u>
Net Assets:		
Unrestricted	231,701	161,614
Temporarily restricted	759,848	1,066,904
Total net assets	<u>991,549</u>	<u>1,228,518</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,091,394</u></u>	<u><u>\$ 1,283,617</u></u>

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

PRAIRIE VIEW A&M FOUNDATION
(A Texas Nonprofit Corporation)

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES			
Contributions	\$ 303,255	\$ 607,364	\$ 910,619
In-kind revenue	50	-	50
Investment income	(604)	-	(604)
Other income	270	-	270
Net assets released from restrictions	<u>914,420</u>	<u>(914,420)</u>	<u>-</u>
TOTAL REVENUES AND SUPPORT	<u>1,217,391</u>	<u>(307,056)</u>	<u>910,335</u>
EXPENSES			
Program Services:			
Distribution to the University	<u>918,371</u>	<u>-</u>	<u>918,371</u>
Total program services	<u>918,371</u>	<u>-</u>	<u>918,371</u>
Support Services:			
General and administrative expenses	<u>228,933</u>	<u>-</u>	<u>228,933</u>
Total support services	<u>228,933</u>	<u>-</u>	<u>228,933</u>
TOTAL EXPENSES	<u>1,147,304</u>	<u>-</u>	<u>1,147,304</u>
CHANGE IN NET ASSETS	70,087	(307,056)	(236,969)
NET ASSETS, BEGINNING OF YEAR	<u>161,614</u>	<u>1,066,904</u>	<u>1,228,518</u>
NET ASSETS, END OF YEAR	<u><u>\$ 231,701</u></u>	<u><u>\$ 759,848</u></u>	<u><u>\$ 991,549</u></u>

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

PRAIRIE VIEW A&M FOUNDATION
(A Texas Nonprofit Corporation)

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES			
Contributions	\$ 169,935	\$ 1,342,428	\$ 1,512,363
In-kind revenue	12,352	-	12,352
Investment income	1,524	-	1,524
Other income	90	-	90
Net assets released from restrictions	<u>1,716,273</u>	<u>(1,716,273)</u>	<u>-</u>
TOTAL REVENUES AND SUPPORT	<u>1,900,174</u>	<u>(373,845)</u>	<u>1,526,329</u>
EXPENSES			
Program Services:			
Distribution to the University	<u>1,663,088</u>	<u>-</u>	<u>1,663,088</u>
Total program services	<u>1,663,088</u>	<u>-</u>	<u>1,663,088</u>
Support Services:			
General and administrative expenses	<u>219,401</u>	<u>-</u>	<u>219,401</u>
Total support services	<u>219,401</u>	<u>-</u>	<u>219,401</u>
TOTAL EXPENSES	<u>1,882,489</u>	<u>-</u>	<u>1,882,489</u>
CHANGE IN NET ASSETS	17,685	(373,845)	(356,160)
NET ASSETS, BEGINNING OF YEAR	<u>143,929</u>	<u>1,440,749</u>	<u>1,584,678</u>
NET ASSETS, END OF YEAR	<u><u>\$ 161,614</u></u>	<u><u>\$ 1,066,904</u></u>	<u><u>\$ 1,228,518</u></u>

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

PRAIRIE VIEW A&M FOUNDATION
(A Texas Nonprofit Corporation)

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (236,969)	\$ (356,160)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Amortization of discount on promises to give	4,551	(1,875)
Write-off of uncollectible promises to give	20,000	40,000
Decrease/(increase) in promises to give	154,160	(205,808)
Decrease in receivable from related party	-	47,954
Decrease in net unrealized/realized investment gains	-	62,448
(Decrease)/increase in accounts payable	(3,226)	13,789
Increase/(decrease) in related party payable	47,972	(7,578)
Total adjustments	<u>223,457</u>	<u>(51,070)</u>
Net cash used in operating activities	<u><u>\$ (13,512)</u></u>	<u><u>\$ (407,230)</u></u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(63,248)	-
Purchases of fixed assets	(1,642)	(1,348)
Sales of investments	-	564,217
Net cash (used in)/provided by investing activities	<u>(64,890)</u>	<u>562,869</u>
NET CHANGE IN CASH	(78,402)	155,639
CASH, BEGINNING OF YEAR	<u>761,747</u>	<u>606,108</u>
CASH, END OF YEAR	<u><u>\$ 683,345</u></u>	<u><u>\$ 761,747</u></u>

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

PRAIRIE VIEW A&M FOUNDATION
(A Texas Nonprofit Corporation)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Business

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

Basis of Accounting

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

Financial Statement Presentation

The Foundation’s financial statements are presented in accordance with the Financial Accounting Standards Board’s (FASB) Accounting Standards Codification (ASC) Topic 958-205, *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 – These are resources that are not subject to donor-imposed stipulations and can be used for the general operations of the Foundation.

Temporarily restricted net assets – These are resources that are subject to donor-imposed stipulations that may or will be met, either by actions of the Foundation and/or the passage of time.

Permanently restricted net assets – These are resources that are subject to donor restrictions requiring that the principal be held in perpetuity and any income thereon be used by the Foundation.

In addition, the Foundation is required by FASB ASC Topic 958-205 to present statements of activities and cash flows.

PRAIRIE VIEW A&M FOUNDATION
(A Texas Nonprofit Corporation)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

Revenue Recognition

Revenues from contributions, donations and other sources are recognized as unrestricted or temporarily restricted revenues when received or unconditionally promised by a third party. Conditional promises to give cash or other assets are not recognized until received. Development fees are recognized as unrestricted revenues when related contributions are received. Revenues from special events are recognized when the events are held. Interest income is recognized when earned based on passage of time.

Contributions and Promises to Give

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions and reported in the statement of activities as net assets released from restrictions. When both restricted and unrestricted resources are available for use, it is the Foundation's policy to use restricted resources first, then unrestricted resources as they are needed.

The Foundation uses the allowance method to determine uncollectible receivables from unconditional promises to give. The allowance is based on management's experience, third-party contracts, analysis of specific promises made and other circumstances, which may affect the ability of third parties to meet their obligations. Promises to give are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Foundation's policy to charge off uncollectible promises to give against allowances when management determines the promise to give will not be collected. All promises to give as of December 31, 2015 and 2014 were unconditional and considered fully collectible.

In-Kind Contributions and Contributed Services

In accordance with FASB ASC 958-605, *Not-For-Profit Entities, Revenue Recognition*, the Foundation recognizes donated services as contributions in the financial statements if such services (a) create or enhance nonfinancial assets or (b) require specialized skills, and are performed by people with those skills and would otherwise be purchased by the Foundation. Donated services are recorded at their estimated values at the date of the donation.

Certain individuals volunteer their time and perform a variety of tasks that assist the Foundation in its operations. The Foundation records the value of contributed services when there is an objective basis available to measure the value. During the years ended December 31, 2015 and 2014, the

PRAIRIE VIEW A&M FOUNDATION
(A Texas Nonprofit Corporation)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

Foundation did not have any contributed services meeting the criteria for recognition in the financial statements, and accordingly, no value was recorded.

Receipts of in-kind goods and services are presented as both revenue and expense in the accompanying financial statements and are recorded as non-cash contributions at their estimated fair value at the date of performance of service or receipt of donation. The value of such non-cash contributions that are included in the financial statements for the years ended December 31, 2015 and 2014 was \$50 and \$12,352, respectively, and represented advertisement donations.

Cash and Cash Equivalents

The Foundation considers all monies in banks and highly liquid investments with maturities of three months or less from the date of purchase to be cash and cash equivalents. The carrying values of any cash and cash equivalents are deemed to approximate their fair values because of the short maturities of those financial instruments. The Foundation had no cash equivalents for the years ended December 31, 2015 and 2014.

Investments

The Foundation carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values based on quoted prices in active markets in the statement of financial position. Realized and unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. Investment income and gains restricted by donors are reported as increases in restricted net assets until the restrictions are met either by passage of time or by use.

Property and Equipment

Property and equipment are generally recorded at cost or, if donated, at their estimated fair value at the date of donation. Such donations are reported as an increase in unrestricted net assets 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 or maintain property and equipment are reported as restricted contributions. There were no donated assets received by the Foundation during the years ended December 31, 2015 and 2014. The Foundation does not presently have any assets which have donor-imposed restrictions. The Foundation follows the policy of capitalizing all expenditures for property, improvements, furniture and fixtures, and office and computer equipment in excess of \$1,000. Property and equipment items are depreciated using the straight-line method based on their estimated useful lives. Maintenance and repairs are charged to operations when incurred. Major improvements and renewals that extend the life of the asset are capitalized.

PRAIRIE VIEW A&M FOUNDATION
(A Texas Nonprofit Corporation)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

Income Taxes

The Foundation is a nonprofit corporation that is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code (“Code”) and comparable State law. Accordingly, contributions to the Foundation are tax deductible within the limitations prescribed by the Code. The Foundation has also been classified as a publicly-supported organization which is not a private foundation under Section 509(a) of the Code. Therefore, the Foundation has made no provision for federal income taxes in the accompanying financial statements.

The Foundation applies the provisions of FASB ASC 740, *Income Taxes*, which prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FASB ASC 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. The Foundation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Foundation’s Federal income tax return for years 2012 through 2014 is subject to examination by the Internal Revenue Service, generally for three years after it was filed.

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 certain estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Significant estimates included in the financial statements of the Foundation included discounts applied to long-term promises to give.

Reclassification

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

2. CONCENTRATION OF CREDIT RISKS

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the Foundation will not be able to recover its deposits. Although the Foundation does not have a formal deposit policy for custodial credit risk, it maintains deposits at federally insured banks and strives to minimize its exposure to custodial credit risk by maintaining deposits at institutions with demonstrated financial strength. Balances in accounts at the banks are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. The

PRAIRIE VIEW A&M FOUNDATION
(A Texas Nonprofit Corporation)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

total cash maintained by the Foundation in all banks as of December 31, 2015 and 2014 was \$546,971 and \$625,600, respectively, of which cash of \$296,971 and \$375,600 was uninsured by the FDIC as of December 31, 2015 and 2014, respectively.

3. PROMISES TO GIVE

The following table sets forth the components of promises to give as of December 31, 2015 and 2014:

2015	Promises to give - due within one year	Promises to give - due in one to five years	Total
Temporarily restricted	\$ 176,708	\$ 164,135	\$ 340,843
Less: unamortized discounts	-	(17,623)	(17,623)
Promises to give, net	<u>\$ 176,708</u>	<u>\$ 146,512</u>	<u>\$ 323,220</u>

2014	Promises to give - due within one year	Promises to give - due in one to five years	Total
Temporarily restricted	\$ 319,720	\$ 195,283	\$ 515,003
Less: unamortized discounts	-	(13,072)	(13,072)
Promises to give, net	<u>\$ 319,720</u>	<u>\$ 182,211</u>	<u>\$ 501,931</u>

Promises to give with due dates extending beyond one year are discounted using a prime rate prevailing at the date of donation. The effective prime rate as of and during the years ended December 31, 2015 and 2014 was 3.25%.

PRAIRIE VIEW A&M FOUNDATION
(A Texas Nonprofit Corporation)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

4. INVESTMENTS

The Foundation's investments as of December 31, 2015 and 2014 are as follows:

Investment Type	2015		2014	
	Cost	Market Value	Cost	Market Value
Money Market Mutual Fund	\$ 76,399	\$ 76,399	\$ 13,151	\$ 13,151
Total	<u>\$ 76,399</u>	<u>\$ 76,399</u>	<u>\$ 13,151</u>	<u>\$ 13,151</u>

Investment (loss)/income for fiscal years 2015 and 2014 is summarized as follows:

	December 31,	
	2015	2014
Investments at market value, end of year	\$ 76,399	\$ 13,151
Investments at cost, end of year	76,399	13,151
Change	<u>\$ -</u>	<u>\$ -</u>
Unrealized gain, end of year	\$ -	\$ -
Unrealized gain, beginning of year	-	62,448
Unrealized (loss)/gain for the year	\$ -	\$ (62,448)
Realized (loss)/gain for the year	(608)	56,585
Interest and dividend income	4	7,387
Total investment (loss)/income for the year	<u>\$ (604)</u>	<u>\$ 1,524</u>

5. FAIR VALUE MEASUREMENTS

U.S. GAAP requires that certain assets and liabilities be reported at fair value and establishes a hierarchy that prioritizes inputs used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the reporting date.

PRAIRIE VIEW A&M FOUNDATION
(A Texas Nonprofit Corporation)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

Certain financial assets of the Foundation are measured at fair value on a recurring basis. The three levels of the fair value hierarchy are as follows:

Level 1 – Quoted prices (unadjusted) are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 – Pricing inputs include significant inputs that are generally less observable or from unobservable sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

The fair value measurement level of an asset or liability within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Financial instruments measured at fair value on a recurring basis at December 31, 2015 were as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Market Mutual Fund	\$ 76,399	\$ -	\$ -	\$ 76,399
Total	<u>\$ 76,399</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,399</u>

Financial instruments measured at fair value on a recurring basis at December 31, 2014 were as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Market Mutual Fund	\$ 13,151	\$ -	\$ -	\$ 13,151
Total	<u>\$ 13,151</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,151</u>

Investments are exposed to various risks such as interest rate risks, market and credit risks. Because of these risks, 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 statement of financial position and the statement of activities.

PRAIRIE VIEW A&M FOUNDATION
(A Texas Nonprofit Corporation)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

6. PROPERTY AND EQUIPMENT

The following is a summary of property and equipment, less accumulated depreciation, as of December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Equipment	\$ 12,804	\$ 11,162
Accumulated depreciation	(5,024)	(5,024)
Property and equipment, net	<u>\$ 7,780</u>	<u>\$ 6,138</u>

There was no depreciation expense for the years ended December 31, 2015 and 2014.

7. NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>December 31,</u>	
	<u>2015</u>	<u>2014</u>
Building of Sports Complex	\$ 534,997	\$ 885,652
Scholarships	210,690	167,042
Athletics	14,161	14,210
	<u>\$ 759,848</u>	<u>\$ 1,066,904</u>

Unrestricted net assets amounted to \$231,701 and \$161,614 as of December 31, 2015 and December 31, 2014, respectively, and are available to support the programs and activities of the Foundation.

8. COMMITMENTS AND CONTINGENCIES

The Foundation hired an Executive Director during year ended December 31, 2015. The contract between the Foundation and the Executive Director states that if the Executive Director is terminated without cause within the first two years of employment, the Foundation will pay a severance equal to a maximum of three months' salary.

PRAIRIE VIEW A&M FOUNDATION
(A Texas Nonprofit Corporation)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

9. RELATED PARTY TRANSACTIONS

The University in cooperation with the Foundation, has desired to significantly expand its development efforts, thus, expanding private support and increase discretionary funds for the University. To accomplish these objectives, it was mutually agreed between the Texas A&M University System, the University and the Foundation to apply a one-time six percent (6%) development fee (the “fee”) on all gifts to the University and/or the Foundation with certain exceptions. The fee is taken from the first available income from endowed gifts and from the principal of non-endowed gifts. Eighty-five percent (85%) of the fee is used to support the Foundation’s operations and fifteen percent (15%) is used to support the University’s development activities. The University maintains a “Development Account” for this purpose. The portion of the fees due to the Foundation for contributions collected by the University on behalf of the Foundation is deposited in the Development Account. The portion of the fees due to the University for contributions collected by the Foundation is directly withdrawn by the University from the Development Account. Any remaining balance in the Development Account belongs to the Foundation and can be used by the Foundation to support its operations. The total development fee paid to the Foundation amounted to \$96,460 and \$100,700 for the years ended December 31, 2015 and 2014, respectively. The Foundation utilizes a portion of the fee amount for its operations. The remaining balance as of December 31, 2015 and 2014 amounted to \$0 and \$0, respectively, that was held in the Development Account by the University and has been presented as a receivable from the University in the statement of financial position. In addition, as of December 31, 2015 and 2014, the Foundation has a payable outstanding of \$3,428 and \$2,051, respectively, to remit the .9% development fee for gifts collected directly by the Foundation to the University. The Foundation also has a payable outstanding of \$82,637 to remit donations to the University.

In February 2012, the Foundation entered into an agreement with the Board of Regents of the University to lease office space and utilities (excluding telephone and internet) in the University’s College of Nursing building located in Houston, Texas. The initial lease agreement expired on August 31, 2012, but has been renewed for the past two years. The Foundation has the option to further renew the lease agreement for an additional two year term. In consideration for the Foundation’s support of the educational undertakings of the University, all rent has been waived.

The Board of Trustees of the Foundation has mutually agreed to support the Foundation by making cash and in-kind contributions. Pursuant to this commitment, the Foundation has received \$193,082 and \$260,736 in cash contributions from certain members of the Board of Trustees for the years ended December 31, 2015 and 2014, respectively.

On April 14, 2014, the Board of Trustees approved a \$1.5 million cash guarantee to meet the University’s mandate to begin construction of the Prairie View A&M University Football

PRAIRIE VIEW A&M FOUNDATION
(A Texas Nonprofit Corporation)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

Stadium and Field House. This guarantee was satisfied during the year ending December 31, 2014.

10. SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 29, 2016 the date financial statements were available to be issued. No changes were made, or are necessary to be made, to the financial statements, as a result of this evaluation.

**Help us win and
continue our legacy!**

Make a recurring donation online at www.HelpPVBuild.org



Prairie View A&M Foundation

6436 Fannin St.

Room 112

Houston, TX 77030

If you have questions call us at: 800.707.8138

www.pvamf.org