



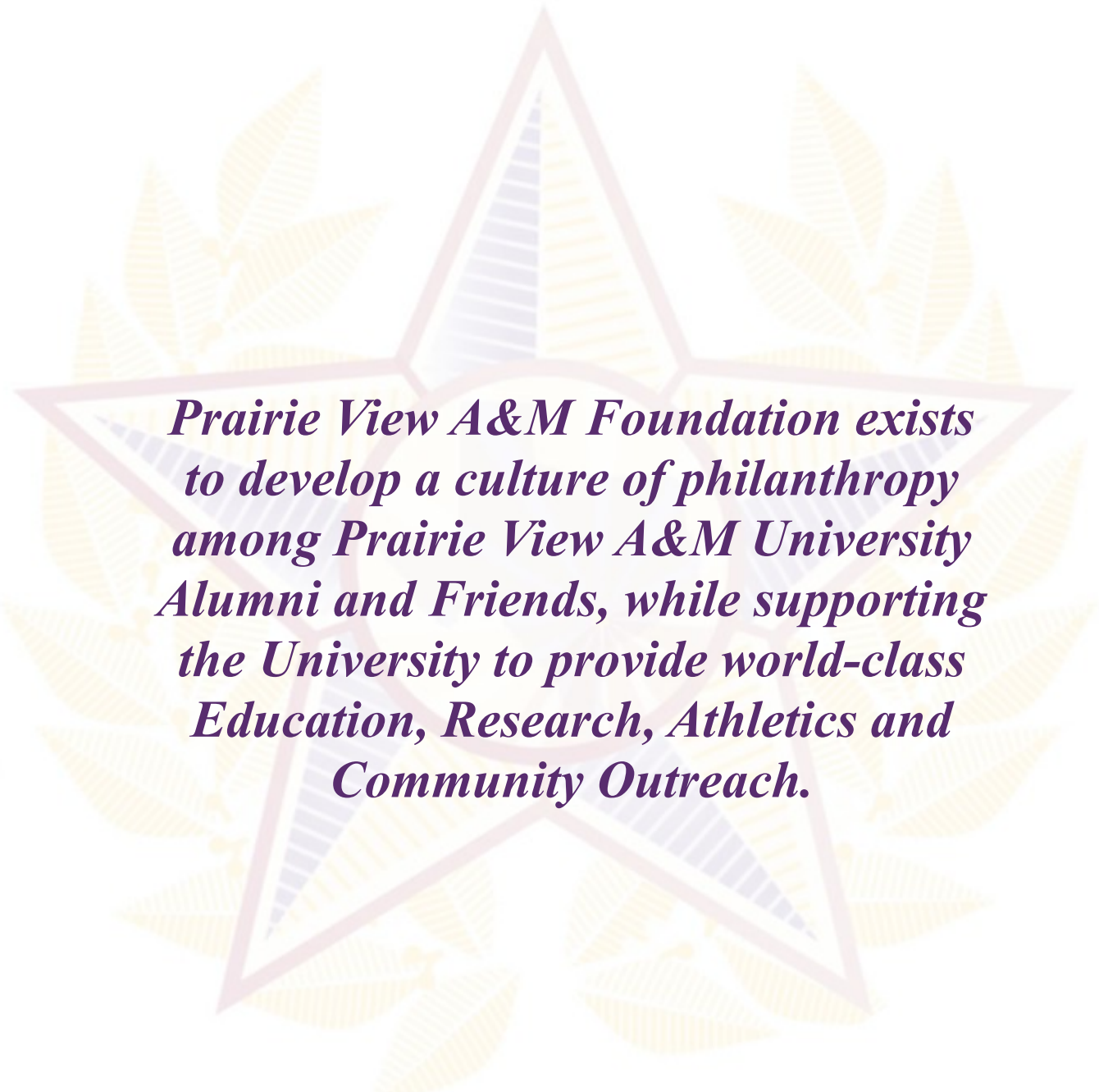
Prairie View A&M Foundation

Growing Greatness Through Giving

2010/2011

Financial Report





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.

Executive Summary

Dear Alums, Friends and Colleagues:

On behalf of the Prairie View A&M Foundation Board of Directors, I am pleased to provide you with this annual report of our progress to date. I hope you will take the time to understand our challenge and lend us your full support. Whether you are alumni, friends, or interested observers, you are welcome to join us as we endeavor to strengthen this historic institution. While Prairie View A&M University has an established reputation for producing lawyers, engineers, nurses, business leaders, military officers, and educators, we must not rest on our laurels. This great university needs all of us to continue in a tradition that began more than 135 years ago. Your contributions and support will help us create a new tradition: Growing Greatness Through Giving!

As the PVAMF continues to lay the groundwork to build a sports complex, and renovate, preserve and protect existing facilities, we have built the infrastructure and framework to model transparent fundraising practices. We will be good stewards of the resources you give or help us raise on behalf of Prairie View A&M University. This challenge will require us to work together and it is too important to give it less than our best efforts. Building a sports complex is an opportunity to improve our facilities and attract the best students as we endeavor to match the excellence that has become a part of the Prairie View story both on and off the field.

We appreciate your interest and welcome your involvement. We invite you to review our website, and ask a fellow alum, friend or co-worker to give either a one-time or recurring gift to the Prairie View A&M Foundation. Together, we will rise to this important challenge that will position our alma mater for future greatness.

Sincerely,



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



*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...”*



*Left to right: Joe Herbert (Legal Counsel), Benny Lockett, Terrence Gee, Janis Hadnott, Ernest Collins, Roy Perry, Carl Jackson, Phyllis Darden-Caldwell, Marvin Brailsford, Dr. Corey Bradford, Ray Whittaker
Not pictured: Nathelyne Archie Kennedy, Don Clark, Frederick Newhouse, Kenneth Houston, Jerry LeVias, Lawrence Sampleton, Dr. George Wright*

Board of Trustees

Roy G. Perry - Chairman and President
Nathelyne Archie Kennedy - Vice Chairman/Vice President
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Don Clark - Assistant Secretary
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Lt. Gen. (Ret) Marvin D. Brailsford - Trustee
Ernest Collins - Trustee
Terrence Gee - Trustee
Janis McDowell Hadnott - Trustee
Kenneth Houston - Trustee
Carl Jackson - Trustee
Jerry LeVias - Trustee
Lawrence Sampleton - Trustee
Ray Whittaker – Trustee
Dr. George Wright – President PVAMU
Dr. Corey Bradford – PVAMU Representative
Lt. Col. (Ret.) Benny Lockett – PVAMU NAA Representative

Staff

Accountant - Ursula Dorsey
Accountant - Erin Patterson
Web Master / Database Mgr - Joyce Johnson
Projects / Contracts - Jean Urynowicz

Prairie View A&M University has thrived for more than 130 years producing thousands of engineers, educators, nurses, doctors, lawyers, military officers and business leaders. When you support the Prairie View A&M Foundation, you become a Legacy Builder. Your tax deductible contribution, whether it is a one-time donation or a recurring donation will help to continue the legacy that is Prairie View.

Our current challenge is to build a new Sports Complex and renovate, preserve and protect existing facilities to ensure our connection to the past.

Why a Sports Complex? Athletics provides a bridge between the current student population, alumni and the general population. We are extremely proud of the Panthers teams that consistently compete and qualify at the highest level of collegiate sports. However, to attract the best student athletes from around the nation and continue our legacy, Prairie View A&M University must develop facilities representative of our capabilities as Champions.

Your donation, when combined with the donations of others like us will make this dream a reality. Construction will be managed in several phases and includes a stadium, an athletic office and training building, new basketball and volleyball practice facilities and upgrades to the Nicks Arena.

Please contact your friends and classmates and ask them to join you and other alumni and friends of PVAMU by contributing a gift to help build our stadium. Their support will make a difference!

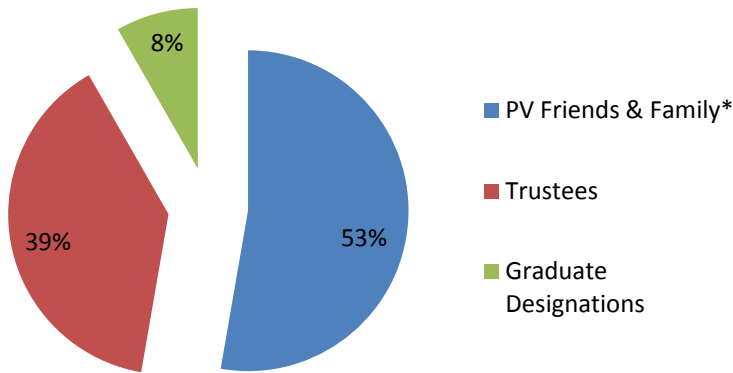
Donate today and start your legacy of giving by joining, in *"Growing Greatness Through Giving"*.

Donations may be made online at
www.HelpPVBuild.org

Your
Support
Will
Make A
Difference

DOLLAR CONTRIBUTION BY DONOR TYPE

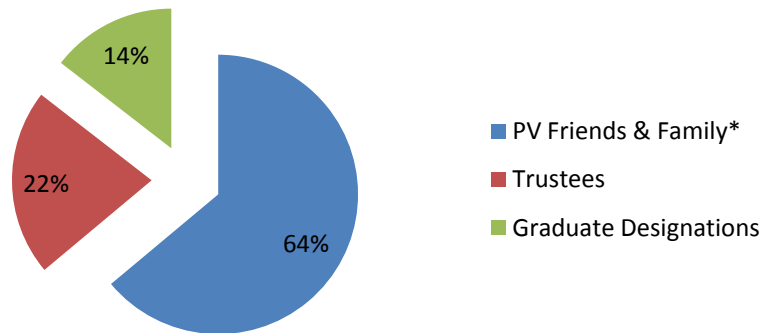
2010 Donations



...Our Donor base is shifting . As the word gets out we are seeing a larger percentage of PV Grads and their Friends and Family.

Are you passing the word to your Contacts?

2011 Donations



*This may include Graduates who have not indicated with their donation that they are an Alumni

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

**Independent Auditors' Report and
Financial Statements**

December 31, 2011 and 2010

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

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DECEMBER 31, 2011 and 2010

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statements of financial position of the Prairie View A&M Foundation (the "Foundation"), a Texas nonprofit corporation, as of December 31, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our 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, 2011 and 2010, 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.

McConnell & Jones LLP

Houston, Texas
November 1, 2012

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

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2011 AND 2010

	2011	2010
ASSETS		
Current Assets:		
Cash	\$ 467,902	\$ 279,653
Promises to give, net	21,630	-
Receivable from PVAMU	38,561	-
Total current assets	528,093	279,653
Non-Current Assets:		
Promises to give, net	130,963	-
Property and equipment, net	2,157	2,688
Total non-current assets	133,120	2,688
TOTAL ASSETS	\$ 661,213	\$ 282,341
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 4,984	\$ -
Total current liabilities	4,984	-
TOTAL LIABILITIES	4,984	-
Net Assets:		
Unrestricted	193,760	183,632
Temporarily restricted	462,469	98,709
Total net assets	656,229	282,341
TOTAL LIABILITIES AND NET ASSETS	\$ 661,213	\$ 282,341

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, 2011

	Unrestricted	Temporarily Restricted	Total
Revenues and support			
Contributions	\$ 102,193	\$ 363,760	\$ 465,953
In-kind revenue	810	-	810
	103,003	363,760	466,763
Expenses			
Support Services:			
General and administrative expenses	92,875	-	92,875
Total support services	92,875	-	92,875
	92,875	-	92,875
Change in net assets	10,128	363,760	373,888
Net assets, beginning of the year	183,632	98,709	282,341
Net assets, end of the year	\$ 193,760	\$ 462,469	\$ 656,229

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, 2010

	Unrestricted	Temporarily Restricted	Total
Revenues and support			
Contributions	\$ 80,972	\$ 91,654	\$ 172,626
Total revenues and support	80972	91,654	172,626
Expenses			
Support Services:			
General and administrative expenses	71,313	-	71,313
Total support services	71,313	-	71,313
Total expenses	71,313	-	71,313
Change in net assets	9,659	91,654	101,313
Net assets, beginning of the year	173,973	7,055	181,028
Net assets, end of the year	\$ 183,632	\$ 98,709	\$ 282,341

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, 2011 AND 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 373,888	\$ 101,313
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,526	896
Non-cash equipment donation	-	(3,584)
Increase in promises to give	(152,593)	-
Increase in receivable from PVAMU	(38,561)	-
Increase in accounts payable	4,984	-
Total adjustments	(184,644)	(2,688)
Net cash provided by operating activities	\$ 189,244	\$ 98,625
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of investments	-	(58,100)
Purchase of assets	(995)	-
Net cash used in investing activities	(995)	(58,100)
NET CHANGE IN CASH	188,249	156,725
CASH, BEGINNING OF THE YEAR	279,653	122,928
CASH, END OF THE YEAR	\$ 467,902	\$ 279,653
NON-CASH INVESTING ACTIVITIES		
Non-cash equipment donation	\$ -	\$ 3,584

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, 2011 AND 2010

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.

Financial Statement Presentation

The Foundation’s financial statements are presented in accordance with 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.

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. Revenues

PRAIRIE VIEW A&M FOUNDATION

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

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, 2011 and 2010 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 assists 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, 2011 and 2010, the Foundation did not have any contributed services meeting the criteria for recognition in the financial statements, and accordingly, no value was recorded.

Receipt 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, 2011 and

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

2010 was \$810 and \$0, respectively, and represented travel expenses for business development activities.

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. There were no cash equivalents at December 31, 2011 and 2010.

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. Donated assets received by the Foundation during the years ended December 31, 2011 and 2010 were \$0 and \$3,584, respectively. 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.

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 749 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.

PRAIRIE VIEW A&M FOUNDATION

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

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. There were no significant accounting estimates included in the financial statements.

New Accounting Pronouncements

In February 2010, FASB issued ASU 2010-09 - *Subsequent Events (Topic 855), Amendments to Certain Recognition and Disclosure Requirements*, which established principles and requirements for subsequent events and applies to accounting for and disclosure of subsequent events not addressed in other applicable GAAP. The Foundation has made the required disclosures in Note 7 below.

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, it maintains deposits at federally insured banks and strives to minimize its exposure to custodial credit risk. Balances in interest bearing accounts at the banks are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. All balances in non-interest bearing accounts at the banks are insured by the FDIC as of December 31, 2011 and 2010. The total cash maintained by the Foundation in those banks as of December 31, 2011 and 2010 was \$465,702 and \$225,828, respectively, and were classified under non-interest bearing accounts. Hence, the Foundation was not exposed to custodial credit risk as of December 31, 2011 and 2010. Cash reported in the statements of financial position is different from the cash at banks due to outstanding checks and similar reconciling items.

3. PROMISES TO GIVE

The Foundation did not have any promises to give as of December 31, 2010. The following table sets forth the components of promises to give as of December 31, 2011:

	Promises to give - due within one year	Promises to give - due in one to five years	Total
Unrestricted	\$ 1,525	\$ -	\$ 1,525
Temporarily restricted	20,105	145,900	166,005
Less: unamortized discounts	-	(14,937)	(14,937)
Promises to give, net	<u>\$ 21,630</u>	<u>\$ 130,963</u>	<u>\$ 152,593</u>

PRAIRIE VIEW A&M FOUNDATION

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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 year ended December 31, 2011 was 3.25%.

4. PROPERTY AND EQUIPMENT

The following is a summary of property and equipment, less accumulated depreciation, as of December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Equipment	\$ 4,579	\$ 3,584
Accumulated depreciation	(2,422)	(896)
Property and equipment, net	<u>\$ 2,157</u>	<u>\$ 2,688</u>

Depreciation expense for the years ended December 31, 2011 and 2010 amounted to \$1,195 and \$896, respectively.

5. NET ASSETS

Unrestricted net assets amounted to \$193,760 and \$183,632 as of December 31, 2011 and December 31, 2010, respectively, and are available to support the programs and activities of the Foundation. Temporarily restricted net assets are available for the following purposes:

	<u>December 31,</u>	
	<u>2011</u>	<u>2010</u>
Building of Sport Complex	\$ 413,434	\$ 93,174
Scholarships	35,675	4,675
Athletics	13,360	860
	<u>\$ 462,469</u>	<u>\$ 98,709</u>

6. RELATED PARTY TRANSACTIONS

The University in cooperation with the Foundation has desired to significantly expand its development effort, 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.

PRAIRIE VIEW A&M FOUNDATION

(A Texas Nonprofit Corporation)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

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 remainder balance in the Development Account belongs to the Foundation and can be used by the Foundation to support its operations. Actual implementation of the fee occurred during 2011 and the total development fee excluding the portion due to the University amounted to \$60,651. The Foundation utilized a portion of the fee amount for its operations during 2011 and the remainder balance as of December 31, 2011 amounted to \$38,561 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.

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 \$58,650 and \$14,330 in cash contributions from certain members of the Board of Trustees for the years ended December 31, 2011 and 2010, respectively.

The Foundation paid \$3,256 and \$6,129 during the years ended December 31, 2011 and 2010, respectively, as professional fees to a relative of a member of the Board of Trustees for services provided.

7. SUBSEQUENT EVENTS

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 was then renewed for an additional one year. The Foundation has the option to further renew the lease agreement for an additional three years term. In consideration for the Foundation's support of the educational undertakings of the University, all rent has been waived.

Management has evaluated subsequent events through November 1, 2012; 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!**

Thank you for donating online at www.HelpPVBuild.com



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

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