

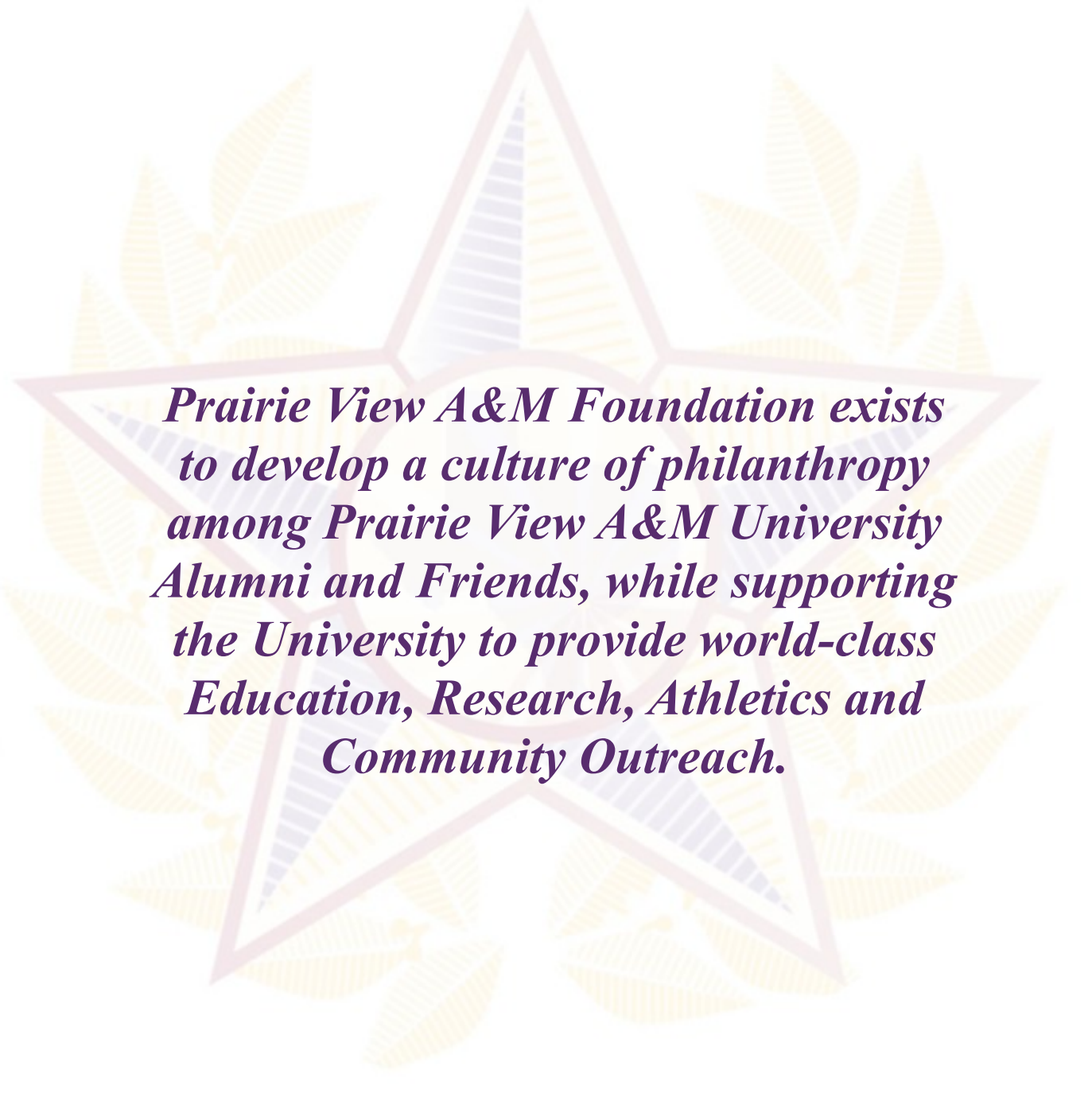


Prairie View A&M Foundation

Growing Greatness Through Giving

2011/2012
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.

A Note from our Chairman

Dear Alums, Friends and Colleagues:

The Prairie View A&M Foundation team and I are proud to deliver our 2011 – 2012 annual audit report. As is our expectation and intent going forward, find included a satisfactory audit.

Being a goal driven team, the excitement generated by another audit success is only exceeded by the fact we need just under \$10 Million to start construction on our football stadium and field house.

Donors, we've never been closer! Our students have set the groundwork to propel our University into the future. The Prairie View A&M Students, future Alumni, have accepted a fee increase to support the construction of athletic facilities on campus. By a 90% affirmative vote, our students agreed to a fee increase that could be as much as \$180.00 per student per semester to support the construction of sports facilities on our campus. The first facility in line for support by the fee is our Football Stadium and Fieldhouse. Even with this superlative action by our students, we need your continued gifts for achieve roughly \$10 Million to start construction.

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



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

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*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 Auditors' Report and
Financial Statements**

December 31, 2012 and 2011

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

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INDEPENDENT AUDITORS' 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, 2012 and 2011, 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the 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, 2012 and 2011, 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.

A handwritten signature in blue ink that reads "McConnell & Sonos LLP". The signature is written in a cursive, flowing style.

Houston, Texas
October 5, 2013

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

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2012 AND 2011

	2012	2011
ASSETS		
Current Assets:		
Cash	\$ 199,614	\$ 205,781
Promises to give	101,881	21,630
Receivable from related party	30,347	38,561
Other receivables	650	-
Total current assets	332,492	265,972
Non-Current Assets:		
Cash restricted for construction of Sports Complex	243,082	262,121
Investments restricted for construction of Sports Complex	206,090	-
Promises to give, net	126,357	130,963
Property and equipment, net	2,784	2,157
Total non-current assets	578,313	395,241
TOTAL ASSETS	\$ 910,805	\$ 661,213
 LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 14,073	\$ 4,984
Payable to related party	10,414	-
Total current liabilities	24,487	4,984
TOTAL LIABILITIES	24,487	4,984
Net Assets:		
Unrestricted	129,412	193,760
Temporarily restricted	756,906	462,469
Total net assets	886,318	656,229
TOTAL LIABILITIES AND NET ASSETS	\$ 910,805	\$ 661,213

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, 2012

	Unrestricted	Temporarily Restricted	Total
Revenues and support			
Contributions	\$ 100,711	\$ 294,437	\$ 395,148
In-kind revenue	27,225	-	27,225
Investment income	6,715	-	6,715
	134,651	294,437	429,088
Expenses			
Support Services:			
General and administrative expenses	198,999	-	198,999
Total support services	198,999	-	198,999
	198,999	-	198,999
Change in net assets	(64,348)	294,437	230,089
Net assets, beginning of the year	193,760	462,469	656,229
Net assets, end of the year	\$ 129,412	\$ 756,906	\$ 886,318

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
Total expenses	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)

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 230,089	\$ 373,888
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,602	1,526
Increase in promises to give, net	(75,645)	(152,593)
Decrease/(increase) in receivable from related party	8,214	(38,561)
Decrease in other receivables	(650)	-
Increase in accounts payable	9,089	4,984
Increase in payable from related party	10,414	-
	(45,976)	(184,644)
Net cash provided by operating activities	\$ 184,113	\$ 189,244
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(206,090)	-
Purchase of equipment	(3,229)	(995)
Net cash used in investing activities	(209,319)	(995)
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in cash restricted for construction of Sports Complex	19,039	(168,947)
Net cash provided by/(used in) financing activities	19,039	(168,947)
NET CHANGE IN CASH	(6,167)	19,302
CASH, BEGINNING OF THE YEAR	205,781	186,479
CASH, END OF THE YEAR	\$ 199,614	\$ 205,781

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, 2012 AND 2011

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.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

Conditional promises to give cash or other assets are not recognized until 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, 2012 and 2011 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, 2012 and 2011, the Foundation did not have any contributed services meeting the criteria for recognition in the financial statements, and accordingly, no value was recorded.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

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, 2012 and 2011 was \$27,225 and \$810, respectively, and represented free use of office space provided by the University and travel expenses for business development activities, respectively.

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, 2012 and 2011.

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, 2012 and 2011. 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.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

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.

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 Pronouncement

In October 2012, the FASB issued Accounting Standards Update (ASU) 2012-05 – Statement of Cash Flows (Topic 230), *Not-for-Profit Entities: Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows*, which requires a not-for-profit entity to classify cash receipts from the sale of donated financial assets consistently with cash donations received in the statement of cash flows if those cash receipts were from the sale of donated assets that upon receipt were directed without any limitations for sale imposed by the not-for-profit entity and were converted nearly immediately into cash. This update will be effective for the Organization's 2013 annual financial statements. Management does not anticipate that this update will significantly affect the Organization's financial statements.

Reclassification

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

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. The total cash and cash equivalents in the bank as of December 31, 2012 and 2011 was \$431,229 and \$465,702, respectively, of which cash equivalents of \$25,944 and \$0 were invested in a Money Market Mutual Fund (MMMF) as of December 31, 2012 and 2011, respectively, and were not insured nor guaranteed by the FDIC because those cash equivalents are interest-bearing and are not considered deposits by FDIC. Cash reported in the statements of financial position is different from the cash at banks due to outstanding checks and similar reconciling items.

The MMMF balance of \$25,944 as of December 31, 2012 is not insured against loss in value; however, the Securities Investors Protection Corporation (“SIPC”), a non-government entity, replaces such securities in customer accounts held by its members up to \$500,000, including up to \$100,000 in cash, if a member bank or bank brokerage subsidiary fails.

3. PROMISES TO GIVE

The following table sets forth the components of promises to give as of December 31, 2012 and 2011:

2012	Promises to give - due within one year	Promises to give - due in one to five years	Total
Temporarily restricted	101,881	141,294	243,175
Less: unamortized discounts	-	(14,937)	(14,937)
Promises to give, net	<u>\$ 101,881</u>	<u>\$ 126,357</u>	<u>\$ 228,238</u>

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, 2012 AND 2011

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, 2012 and 2011 was 3.25%.

4. INVESTMENTS

The Foundation's investments as of December 31, 2012 and 2011, are as follows:

<u>Investment Type</u>	<u>2012</u>		<u>2011</u>	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
Money Market Fund	\$ 25,944	\$ 25,944	\$ -	\$ -
Mutual funds	175,005	180,146	-	-
Total	<u>\$ 200,949</u>	<u>\$ 206,090</u>	<u>\$ -</u>	<u>\$ -</u>

Investment (loss)/income for fiscal years 2012 and 2011 are summarized as follows:

	<u>December 31,</u>	
	<u>2012</u>	<u>2011</u>
Investments at market value, end of year	\$ 206,090	\$ -
Investments at cost, end of year	200,949	-
Change	<u>\$ 5,141</u>	<u>\$ -</u>
Unrealized gain, end of year	5,141	-
Unrealized gain/(loss), beginning of year	-	-
Unrealized gain for the year	5,141	-
Interest and dividend income	1,574	-
Total investment income for the year	<u>\$ 6,715</u>	<u>\$ -</u>

5. FAIR VALUE MEASUREMENTS

U.S. generally accepted accounting principles (U.S. GAAP) require 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, 2012 AND 2011

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, 2012 were as follows:

	Level 1	Level 2	Level 3	Total
Mutual funds	180,146	-	-	180,146
Money market fund	25,944	-	-	25,944
Total	206,090	-	-	206,090

The Foundation did not have investments in financial instruments measured at fair value on a recurring basis as at December 31, 2011.

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, 2012 AND 2011

6. PROPERTY AND EQUIPMENT

The following is a summary of property and equipment, less accumulated depreciation, as of December 31, 2012 and 2011:

	2012	2011
Equipment	\$ 7,808	\$ 4,579
Accumulated depreciation	(5,024)	(2,422)
Property and equipment, net	\$ 2,784	\$ 2,157

Depreciation expense for the years ended December 31, 2012 and 2011 amounted to \$2,602 and \$1,526, respectively.

7. NET ASSETS

Unrestricted net assets amounted to \$129,412 and \$193,760 as of December 31, 2012 and December 31, 2011, respectively, and are available to support the programs and activities of the Foundation. Temporarily restricted net assets are available for the following purposes:

	December 31,	
	2012	2011
Building of Sport Complex	\$ 677,410	\$ 413,434
Scholarships	66,136	35,675
Athletics	13,360	13,360
	\$ 756,906	\$ 462,469

8. 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. 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

PRAIRIE VIEW A&M FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

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. The total development fee paid to the Foundation amounted to \$18,555 and \$60,651 for the years ended December 31, 2012 and December 31, 2011, respectively. The Foundation utilizes a portion of the fee amount for its operations and the remainder balance as of December 31, 2012 and 2011 amounted to \$30,347 and \$38,561, 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, 2012 and 2011, the Foundation has a payable outstanding of \$8,491 and \$0, respectively, to remit the 6% development fee for gifts collected directly by the Foundation 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 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. The Foundation recognized this free use of space as in-kind revenue and expense of \$27,225 in the current fiscal year.

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 \$56,306 and \$58,650 in cash contributions from certain members of the Board of Trustees for the years ended December 31, 2012 and 2011, respectively.

The Foundation paid \$7,200 and \$3,256 during the years ended December 31, 2012 and 2011, respectively, as professional fees to a relative of a member of the Board of Trustees for services provided.

9. SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 5, 2013; 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

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If you have questions call us at: 800.707.8138

www.pvamf.org