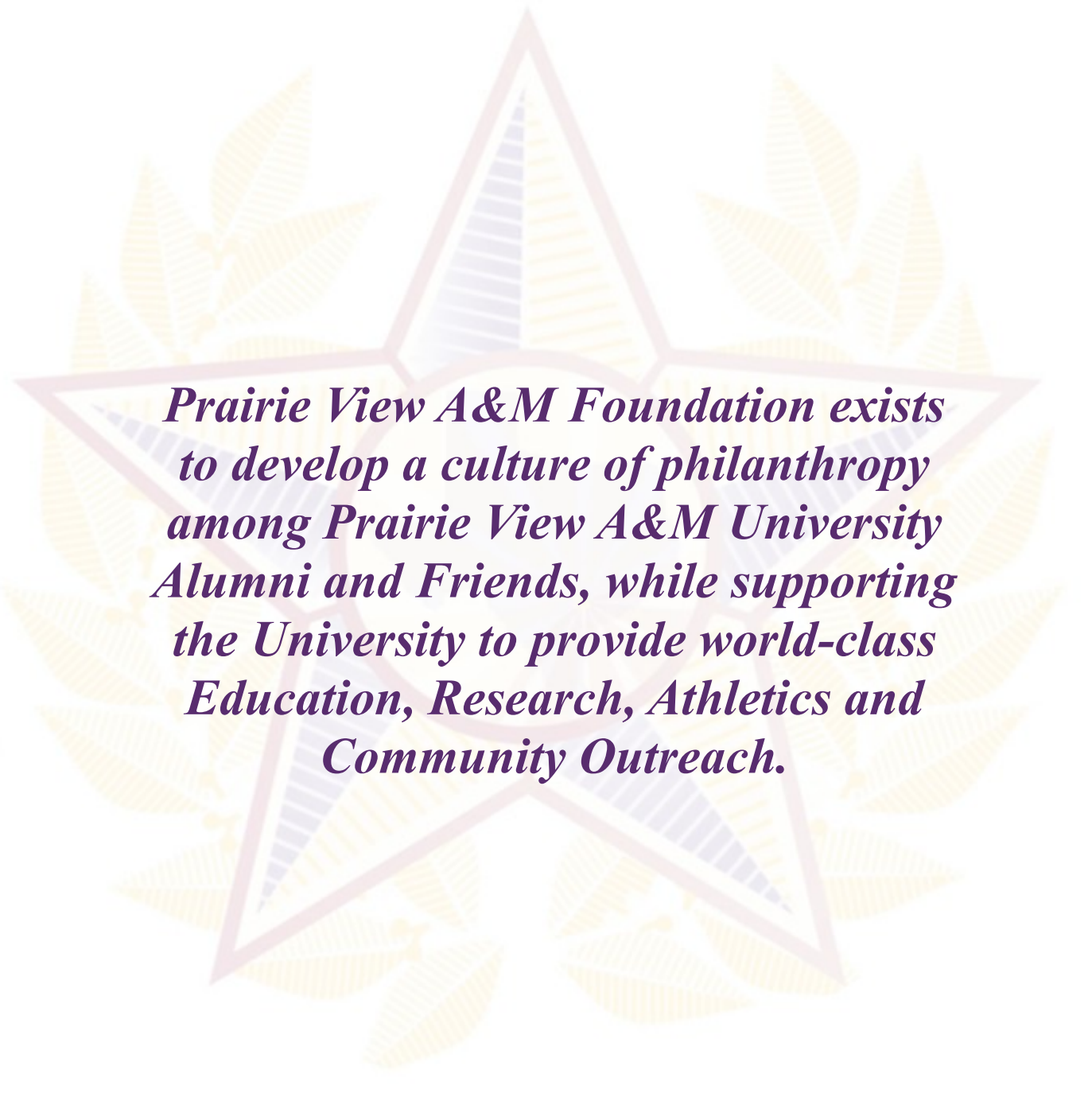




# The Legacy Continues

ANNUAL REPORT 2012-2013





*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

The Prairie View A&M Foundation Board, Staff and I are again proud to deliver our 2012 – 2013 annual audit report. The assessment of our operational process and execution are viewed as acceptable, of that repeated accomplishment, we are Proud.

Years of work have produced two important dates for the Prairie View Family. We plan to start construction on the Stadium and Athletic Building on December 17, 2014. All projections are we will receive the “keys” to the Stadium and Athletic Building June 15, 2016. A new era will arrive at Prairie View A&M University – The Legacy will continue!

We are experiencing a growing donor base, our Alumni are responding with increasing frequency. We appreciate your past giving and we request that you continue to share generously with us as you have in the past.

On another front, I need your assistance. I need you to convince your classmates and fellow Panthers to give. As you meet in the normal course of the day, ask them “Are you Helping PV Build, Are you working to meet the Student Challenge?”

The Vision is within reach, soon the vision will rise from turf were so may Legends and Greats played – Prairie View will have a new Stadium!

Sincerely,

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

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, Ken Houston, Nathelyne Archie Kennedy, Frederick Newhouse, John Osby, Lawrence Sampleton, Dr. George Wright

## Board of Trustees

Roy G. Perry - Chairman and President  
Terrence Gee - Vice Chairman/Vice President  
John Osby - Vice Chairman/Vice President  
Terrence Gee -Treasurer  
Phyllis Darden-Caldwell - Secretary  
Attorney Ricky Anderson - Trustee  
Lt. Gen. (Ret) Marvin D. Brailsford - Trustee  
Ernest Collins - Trustee  
Janis Hadnott - Trustee  
Ken Houston - Trustee  
Carl Jackson - Trustee  
Nathelyne Archie Kennedy - Trustee  
Frederick Newhouse - Trustee  
Lawrence Sampleton - Trustee  
Rathel Whittaker - Trustee  
Dr. George C. Wright – President PVAMU  
Dr. Corey Bradford – PVAMU Representative  
Lt. Col. (Ret) Benny Lockett – PVAMU NAA Representative

## Staff

Rita Houston - Office Administration  
Jean Urynowicz - Projects/Contracts



*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, 2013 and 2012**

**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, 2013 and 2012, 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, 2013 and 2012, 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 & Sons LLP". The signature is written in a cursive, flowing style.

Houston, Texas  
August 12, 2014

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

**STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2013 AND 2012**

	<b>2013</b>	<b>2012</b>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash	\$ 606,108	\$ 199,614
Investments	639,817	-
Promises to give	151,902	101,881
Receivable from related party	47,954	30,347
Other receivables	650	650
<b>Total current assets</b>	1,446,431	332,492
<b>Non-Current Assets:</b>		
Cash restricted for construction of Sports Complex	-	243,082
Investments restricted for construction of Sports Complex	-	206,090
Promises to give, net	182,346	126,357
Property and equipment, net	4,789	2,784
<b>Total non-current assets</b>	187,135	578,313
<b>TOTAL ASSETS</b>	\$ 1,633,566	\$ 910,805
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 3,217	\$ 14,073
Payable to related party	45,671	10,414
<b>Total current liabilities</b>	48,888	24,487
<b>TOTAL LIABILITIES</b>	48,888	24,487
<b>Net Assets:</b>		
Unrestricted	143,929	129,412
Temporarily restricted	1,440,749	756,906
<b>Total net assets</b>	1,584,678	886,318
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 1,633,566	\$ 910,805

*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, 2013**

	Unrestricted	Temporarily Restricted	Total
<b>Revenues and support</b>			
Contributions	\$ 97,408	\$ 740,270	\$ 837,678
Investment income	73,105	-	73,105
Net assets released from restriction	56,427	(56,427)	-
	226,940	683,843	910,783
<b>Expenses</b>			
Program Services:			
Distribution to the University	56,427	-	56,427
Total program services	56,427	-	56,427
Support Services:			
General and administrative expenses	155,996	-	155,996
Total support services	155,996	-	155,996
Total expenses	212,423	-	212,423
<b>Change in net assets</b>	14,517	683,843	698,360
<b>Net assets, beginning of the year</b>	129,412	756,906	886,318
<b>Net assets, end of the year</b>	\$ 143,929	\$ 1,440,749	\$ 1,584,678

*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
<b>Revenues and support</b>			
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
<b>Expenses</b>			
Support Services:			
General and administrative expenses	198,999	-	198,999
Total support services	198,999	-	198,999
Total expenses	198,999	-	198,999
<b>Change in net assets</b>	(64,348)	294,437	230,089
<b>Net assets, beginning of the year</b>	193,760	462,469	656,229
<b>Net assets, end of the year</b>	\$ 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)

**STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	<b>2013</b>	<b>2012</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 698,360	\$ 230,089
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	-	2,602
Increase in promises to give, net	(106,010)	(75,645)
(Increase)/decrease in receivable from related party	(17,607)	8,214
Increase in other receivables	-	(650)
(Decrease)/increase in accounts payable	(10,856)	9,089
Increase in payable from related party	35,257	10,414
Increase in net unrealized/realized investment gains	(62,923)	-
<b>Total adjustments</b>	(162,139)	(45,976)
<b>Net cash provided by operating activities</b>	\$ 536,221	\$ 184,113
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(423,832)	(206,090)
Purchase of equipments	(2,006)	(3,229)
Sale of investments	53,029	-
<b>Net cash used in investing activities</b>	(372,809)	(209,319)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Change in cash restricted for construction of Sports Complex	243,082	19,039
<b>Net cash provided by financing activities</b>	243,082	19,039
<b>NET CHANGE IN CASH</b>	406,494	(6,167)
<b>CASH, BEGINNING OF THE YEAR</b>	199,614	205,781
<b>CASH, END OF THE YEAR</b>	\$ 606,108	\$ 199,614

*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, 2013 AND 2012**

**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, 2013 AND 2012**

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 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, 2013 and 2012 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.

**PRAIRIE VIEW A&M FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

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, 2013 and 2012, 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, 2013 and 2012 was \$0 and \$27,225, respectively, and represented free use of office space provided by the University.

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 as at December 31, 2013 and 2012.

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, 2013 and 2012. 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



**PRAIRIE VIEW A&M FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

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 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 2010 and 2012 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. There were no significant accounting estimates included in the financial statements.

New Accounting Pronouncement

In April 2013, the FASB issued Accounting Standards Update (ASU) 2013-06 – Not-for-Profit Entities (Topic 958), *Services Received from Personnel of an Affiliate*, which requires a not-for-profit entity to recognize all services received from personnel of an affiliate at either (a) the cost recognized by the affiliate for the personnel providing that service or (b) the fair value of that service. If the recipient not-for-profit entity is required to provide a performance indicator, the entity should report an increase in net assets associated with the services rendered as an equity transfer. This update will be effective for the Foundation’s 2015 annual financial statements and

**PRAIRIE VIEW A&M FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

management does not anticipate that this update will significantly affect the Foundation's 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 total cash maintained by the Foundation in all banks as of December 31, 2013 and 2012 was \$473,865 and \$431,229, respectively, of which cash of \$223,865 and \$0 were uninsured by the FDIC as of December 31, 2013 and 2012, respectively. 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 following table sets forth the components of promises to give as of December 31, 2013 and 2012:

<b>2013</b>	<b>Promises to give - due within one year</b>	<b>Promises to give - due in one to five years</b>	<b>Total</b>
Temporarily restricted	\$ 151,902	\$ 197,283	\$ 349,185
Less: unamortized discounts	-	(14,937)	(14,937)
Promises to give, net	<u>\$ 151,902</u>	<u>\$ 182,346</u>	<u>\$ 334,248</u>
<b>2012</b>	<b>Promises to give - due within one year</b>	<b>Promises to give - due in one to five years</b>	<b>Total</b>
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>

**PRAIRIE VIEW A&M FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

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, 2013 and 2012 was 3.25%.

**4. INVESTMENTS**

The Foundation's investments as of December 31, 2013 and 2012 are as follows:

<b>Investment Type</b>	<b>2013</b>		<b>2012</b>	
	<b>Cost</b>	<b>Market Value</b>	<b>Cost</b>	<b>Market Value</b>
Money Market Fund	\$ 148,832	\$ 148,832	\$ 25,944	\$ 25,944
Mutual funds	428,537	490,985	175,005	180,146
Total	<u>\$ 577,369</u>	<u>\$ 639,817</u>	<u>\$ 200,949</u>	<u>\$ 206,090</u>

Investment (loss)/income for fiscal years 2013 and 2012 are summarized as follows:

	<b>December 31,</b>	
	<b>2013</b>	<b>2012</b>
Investments at market value, end of year	\$ 639,817	\$ 206,090
Investments at cost, end of year	577,369	200,949
Change	<u>\$ 62,448</u>	<u>\$ 5,141</u>
Unrealized gain, end of year	62,448	5,141
Unrealized gain/(loss), beginning of year	5,141	-
Unrealized gain for the year	57,307	5,141
Realized gain for the year	5,616	-
Interest and dividend income	10,182	1,574
Total investment income for the year	<u>\$ 73,105</u>	<u>\$ 6,715</u>

**5. FAIR VALUE MEASUREMENTS**

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**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

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, 2013 were as follows:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Mutual funds	\$ 490,985	\$ -	\$ -	\$ 490,985
Money market mutual fund	148,832	-	-	148,832
<b>Total</b>	<b>\$ 639,817</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 639,817</b>

Financial instruments measured at fair value on a recurring basis at December 31, 2012 were as follows:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Mutual funds	\$ 180,146	\$ -	\$ -	\$ 180,146
Money market mutual fund	25,944	-	-	25,944
<b>Total</b>	<b>\$ 206,090</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 206,090</b>

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, 2013 AND 2012**

**6. PROPERTY AND EQUIPMENT**

The following is a summary of property and equipment, less accumulated depreciation, as of December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Equipment	\$ 9,813	\$ 7,808
Accumulated depreciation	(5,024)	(5,024)
Property and equipment, net	<u>\$ 4,789</u>	<u>\$ 2,784</u>

Depreciation expense for the years ended December 31, 2013 and 2012 amounted to \$0 and \$2,602, respectively.

**7. NET ASSETS**

Temporarily restricted net assets are available for the following purposes:

	<u>December 31,</u>	
	<u>2013</u>	<u>2012</u>
Building of Sport Complex	\$ 1,356,779	\$ 677,410
Scholarships	70,210	66,136
Athletics	13,760	13,360
	<u>\$ 1,440,749</u>	<u>\$ 756,906</u>

Unrestricted net assets amounted to \$143,929 and \$129,412 as of December 31, 2013 and December 31, 2012, respectively, and are available to support the programs and activities of the Foundation.

**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

**PRAIRIE VIEW A&M FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

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 \$54,693 and \$18,555 for the years ended December 31, 2013 and December 31, 2012, respectively. The Foundation utilizes a portion of the fee amount for its operations and the remaining balance as of December 31, 2013 and 2012 amounted to \$47,954 and \$30,347, 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, 2013 and 2012, the Foundation has a payable outstanding of \$10,421 and \$8,491, respectively, to remit the 6% development fee for gifts collected directly by the Foundation to the University. The Foundation also has a payable outstanding of \$35,250 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 Foundation recognized this free use of space as in-kind revenue and expense of \$0 and \$27,225 for the years ended December 31, 2013 and 2012, respectively.

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 \$165,935 and \$56,306 in cash contributions from certain members of the Board of Trustees for the years ended December 31, 2013 and 2012, respectively.

The Foundation paid \$0 and \$7,200 during the years ended December 31, 2013 and 2012, respectively, as professional fees to a relative of a member of the Board of Trustees for services provided.

**9. SUBSEQUENT EVENTS**

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**

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Stadium and Field House. This guarantee is expected to be satisfied during the year ending December 31, 2014.

Management has evaluated subsequent events through August 12, 2014; 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](http://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](http://www.pvamf.org)