

**FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY
FOUNDATION, INC.**
(A Discrete Component Unit of Florida Agricultural and Mechanical University)

NOTES TO FINANCIAL STATEMENTS

3. ENDOWMENTS

The Foundation's endowment consists of approximately 620 funds (projects) established for a variety of purposes. As required by generally accepted accounting principles (GAAP), net position associated with endowment funds are classified and reported based on donor-imposed restrictions.

Certain endowments that have been pledged but not yet received are not recognizable. The amounts of endowments that have been pledged but not yet received and excluded from recognition totals \$1,550,328 and \$687,539 for the years ended June 30, 2023 and 2022, respectively.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). These deficiencies can result from unfavorable market fluctuations and continued appropriation by the Foundation. We have interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. For year ended June 30, 2023, funds with original gift values of \$4,721,694, fair values of \$4,581,357 and deficiencies of \$140,337 were reported in net position with donor restrictions. For year ended June 30, 2022, funds with original gift values of \$5,890,617, fair values of \$5,493,984 and deficiencies of \$396,633 were reported in net position with donor restrictions.

Interpretation of Relevant Law

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

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

1. The duration and preservation of endowed funds;
2. The purposes of the Foundation and endowed funds;
3. General economic conditions;
4. The possible effect of inflation or deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the Foundation; and
7. The investment policy of the Foundation.

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

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3. ENDOWMENTS (Continued)

As a result of this interpretation, the Board classifies as permanently restricted net assets (a) the original value of gifts donated to a permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) the original value of other corpus additions including state match provided to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is nonexpendable Restricted Net Position is classified as Expendable restricted net position until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by Florida UPMIFA.

Investment Policy & Supervision

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

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

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

Asset Class	Target	Minimum	Maximum
Fixed Income	10%	5%	15%
Global Equities	40%	35%	45%
Private Markets	20%	10%	30%
Hedge Funds	20%	15%	25%
Real Estate	5%	0%	10%
Natural Resources	5%	0%	10%
Cash Equivalents	0%	0%	5%

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

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3. ENDOWMENTS (Continued)

Investment goals include the following:

- Preservation of Purchasing Power – After giving consideration to minimum annual gifts/contributions, to achieve annual total returns in excess of CPI +1% plus spending over the investment horizon in order to preserve purchasing power of Fund assets.
- An absolute rate of return of 7%.
- Long-Term Growth of Capital -To emphasize long-term growth of principal while controlling excessive risk. Short-term (one year or less) volatility of Total Fund values will be tolerated in as much as it is consistent with the volatility of a comparable market index.
- Liquidity - To ensure the ability of the Fund to meet all expected or unexpected annual cash flow needs by investing within the assets classes minimum and maximums and seeking to limit all hedge fund share classes with average lock ups of one year or less.

Spending Policy

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

The FAMU Foundation sets annual spending at a rate of 3.0% and the administrative fee rate at 1.5% for a total of 4.5% annual spending. Spending is distributed at the start of each fiscal year (July 1st).

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

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NOTES TO FINANCIAL STATEMENTS

3. ENDOWMENTS (Continued)

The following table presents the Foundation's endowments composition, changes, and net position classifications for year ended June 30, 2023.

	<u>Restricted Expendable</u>	<u>Permanently Restricted Nonexpendable</u>	<u>Total</u>
Endowment net assets (deficit), beginning of year	<u>\$ 13,090,250</u>	<u>\$ 98,387,043</u>	<u>\$ 111,477,293</u>
Investment return:			
Investment income	1,232,872	-	1,232,872
Net realized and unrealized gains	<u>5,307,562</u>	<u>-</u>	<u>5,307,562</u>
Total investment return	<u>6,540,434</u>	<u>-</u>	<u>6,540,434</u>
Contributions	-	3,518,546	3,518,546
Term endowments released	-	(4,388,551)	(4,388,551)
Appropriation of endowment assets for expenditure	<u>(3,769,638)</u>	<u>-</u>	<u>(3,769,638)</u>
Endowment net assets, end of year	<u>\$ 15,861,046</u>	<u>\$ 97,517,038</u>	<u>\$ 113,378,084</u>

The Endowment net assets end of year balance on this schedule does not tie to the 2023 nonexpendable endowments net position because the National Alumni Assoc. and Rattler Boosters (Fiduciary funds) endowment balances of \$2.7 million are reflected in the net position restricted for Fiduciary Funds on the Statements of Fiduciary Net Position. Also, the net receivables/payables for investments is reflected in nonexpendable endowments net position.

This schedule includes Fiduciary Fund endowment contributions of \$229,800, investment returns of \$179,734, and an appropriation of \$111,848 and is reported on the Statements of Changes in Fiduciary Net Position.

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NOTES TO FINANCIAL STATEMENTS

3. ENDOWMENTS (Continued)

The following table presents the Foundation's endowments composition, changes, and net position classifications for year ended June 30, 2022.

	<u>Restricted Expendable</u>	<u>Permanently Restricted Nonexpendable</u>	<u>Total</u>
Endowment net assets (deficit), beginning of year	<u>\$ 26,252,658</u>	<u>\$ 92,744,529</u>	<u>\$ 118,997,187</u>
Investment return:			
Investment income	464,750	-	464,750
Net realized and unrealized gains	<u>(9,679,974)</u>	<u>-</u>	<u>(9,679,974)</u>
Total investment return	<u>(9,215,224)</u>	<u>-</u>	<u>(9,215,224)</u>
Contributions	-	5,642,514	5,642,514
Appropriation of endowment assets for expenditure	<u>(3,947,184)</u>	<u>-</u>	<u>(3,947,184)</u>
Endowment net assets, end of year	<u>\$ 13,090,250</u>	<u>\$ 98,387,043</u>	<u>\$ 111,477,293</u>

The Endowment net assets beginning of year balance on schedule does not tie to the 2022 nonexpendable endowments net position because the National Alumni Assoc. and Rattler Boosters (Fiduciary funds) endowment balances of \$2.5 million are reflected in the net position restricted for Fiduciary Funds on the Statements of Fiduciary Net Position. Also, the net receivables/payables for investments is reflected in nonexpendable endowments net position.

This schedule includes Fiduciary Fund endowment contributions of \$242,659, investment returns of \$(230,274), and an appropriation of \$98,846 and is reported on the Statements of Changes in Fiduciary Net Position.

4. PLEDGES RECEIVABLE

Pledges receivable that are expected to be collected within one year are recorded at net realizable value. Pledges receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Pledges receivable include Fiduciary Funds of \$300 at June 30, 2023 and \$2,150 at June 30, 2022.

The discounts on those amounts are computed using the risk-free interest rates applicable to the years in which the promises are received. Pledges recorded during fiscal years 2023 and 2022 were discounted at a rate of 2%. Amortization of discounts is included as contribution revenue.

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4. PLEDGES RECEIVABLE (Continued)

Pledges receivable are only recorded for pledges which the collection is probable. If subsequent to initial recognition, changes in the estimated collectability of pledges occurs, an allowance for doubtful accounts is recorded.

Unconditional promises to give consist of the following:

		2023	2022
Pledges receivable	\$	4,045,737	2,544,551
Less: unamortized discount		80,915	50,891
Subtotal		3,964,822	2,493,660
Less: allowance for uncollectibles		69,338	35,227
Net unconditional promises to give	\$	3,895,484	2,458,433
Amount due in:			
Less than one (1) year	\$	2,159,782	1,034,076
One to five (5) years		1,246,957	1,405,746
More than five (5) years		638,998	104,729
Total	\$	4,045,737	2,544,551

5. CASH SURRENDER VALUE OF LIFE INSURANCE

The cash surrender value of life insurance policies is net of any outstanding policy loans and totaled \$74,944 and \$57,539 as of June 30, 2023 and 2022, respectively. The net death benefit value of the underlying life insurance in force was approximately \$1.4 million at June 30, 2023 and 2022. Various individuals have donated policies with the Foundation designated as beneficiary and owner; however, only the cash surrender value is reflected in the financial statements since the insured individuals can stop paying policy premiums at their discretion.

6. REAL ESTATE HELD FOR SALE

Contributions of real estate held for sale are generally recorded at their appraised value at the date of gift. Real estate held for sale is actively marketed with relators and is expected to be sold at a reasonable price.

The table below sets forth a summary of changes in real estate held for sale for the fiscal year ended June 30.

	2023	2022
Real estate held for sale, beginning of year	\$ 168,400	\$ 228,400
Donations	-	-
Disposals	-	60,000
Real estate held for sale, end of year	\$ 168,400	\$ 168,400

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7. LEASED ASSETS

The Foundation leases a piece of equipment for five years on October 17, 2019. The lease calls for monthly payments of \$175 on the 17th of every month, and the implicit interest rate is unknown. An incremental borrowing rate of 6.12% has been used. The lease conveys no ownership at the end of the lease term, contains a purchase option at fair market value, and requires no guarantee of residual value. The Foundation depreciates similar assets on a straight-line basis.

The following table presents the Foundation's lease asset and accumulated amortization by class of asset as of June 30, 2023.

<u>Lease Description</u>	<u>Role</u>	<u>Lease Type</u>	<u>Classification</u>	<u>Net Asset Balance</u>	<u>Accumulated Amortization</u>	<u>Gross Asset Balance</u>
Copier	Lessee	Operating	Copier	2,351	6,466	8,817

The following schedule summarizes the Foundation's lease liability and interest as of June 30, 2023.

<u>Year Ending June 30</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2020	\$ 1,040	\$ 360	\$ 1,400
2021	1,624	476	2,100
2022	1,723	377	2,100
2023	1,829	271	2,100
2024	1,941	159	2,100
2025	660	40	700
	<u>\$ 8,817</u>	<u>\$ 1,683</u>	<u>\$ 10,500</u>

8. SUBSCRIPTION ASSETS

The Foundation subscribes to use computer software for three years. The current subscription ends on September 29, 2023, and the Foundation has a new subscription that begins on September 30, 2023. The subscription contract calls for annual payments of \$125,209.26 on September 30th, and the implicit interest rate is unknown. An incremental borrowing rate of 4.55% has been used. The Foundation depreciates similar assets on a straight-line basis.

The following table presents the Foundation's subscription asset and accumulated amortization by class of asset as of June 30, 2023.

<u>Subscription Description</u>	<u>Net Asset Balance</u>	<u>Accumulated Amortization</u>	<u>Gross Asset Balance</u>
Software	373,160	205,020	578,180

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8. SUBSCRIPTION ASSETS (Continued)

The following schedule summarizes the Foundation's subscription liability and interest as of June 30, 2023.

Year Ending June 30	Principal Payments	Interest Payments	Total
2022	\$ 114,548	\$ 10,661	\$ 125,209
2023	119,760	5,449	125,209
2024	109,563	15,646	125,209
2025	114,548	10,661	125,209
2026	119,761	5,449	125,210
	\$ 578,180	\$ 47,866	\$ 626,046

9. CAPITAL ASSETS

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

	June 30, 2022	Additions	Disposals	June 30, 2023
Non-depreciable assets				
Land	\$ 27,000	\$ -	\$ -	\$ 27,000
Total non-depreciable assets	27,000	-	-	27,000
Depreciable assets				
Building	78,000	-	-	78,000
Capital Improvements	79,694	4,350	(1,414)	82,630
Equipment	168,363	-	(13,895)	154,468
Furniture and fixtures	24,575	-	(85)	24,490
Total depreciable assets	350,632	4,350	(15,394)	339,588
Accumulated depreciation	(214,228)	(17,104)	15,394	(215,938)
Net depreciable assets	136,404	(12,754)	-	123,650
Total Capital assets	\$ 163,404	\$ (12,754)	\$ -	\$ 150,650

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NOTES TO FINANCIAL STATEMENTS

9. CAPITAL ASSETS (Continued)

	June 30, 2021	Additions	Disposals	June 30, 2022
Non-depreciable assets				
Land	\$ 27,000	\$ -	\$ -	\$ 27,000
Total non-depreciable assets	<u>27,000</u>	<u>-</u>	<u>-</u>	<u>27,000</u>
Depreciable assets				
Building	78,000	-	-	78,000
Capital Improvements	69,240	10,454	-	79,694
Equipment	168,363	-	-	168,363
Furniture and fixtures	24,575	-	-	24,575
Total depreciable assets	<u>340,178</u>	<u>-</u>	<u>-</u>	<u>350,632</u>
Accumulated depreciation	<u>(196,244)</u>	<u>(17,984)</u>	<u>-</u>	<u>(214,228)</u>
Net depreciable assets	<u>143,934</u>	<u>(7,530)</u>	<u>-</u>	<u>136,404</u>
Total Capital assets	<u>\$ 170,934</u>	<u>\$ (7,530)</u>	<u>\$ -</u>	<u>\$ 163,404</u>

Total depreciation expense was \$17,104 and \$17,984 in 2023 and 2022, respectively. Total accumulated depreciation on June 30, 2023 and 2022 was \$215,938 and \$214,228, respectively.

10. LONG-TERM LIABILITIES

A summary of changes in long-term liabilities is as follows:

	Balance as of July 1, 2022	Additions	Reductions	Balance as of June 30, 2023	Due in one year
Lease liability	\$ 4,429	\$ -	\$ 1,829	\$ 2,600	\$ 1,941
Subscription liability	-	343,872	-	343,872	109,563
Deposits	4,687	-	-	4,687	-

	Balance as of July 1, 2021	Additions	Reductions	Balance as of June 30, 2022	Due in one year
Lease liability	\$ 6,152	\$ -	\$ 1,723	\$ 4,429	\$ 1,829
Scholarships	2,764,058	-	2,764,058	-	-
Deposits	5,687	-	1,000	4,687	-

Scholarships: For fiscal year ending June 30, 2022, the Foundation received a \$4.5M grant from the University for reimbursement of scholarships. The grant was used to reduce long-term scholarships payables.

Deposits: Deposits represent tenant security payments made by occupants of the Small Business Development Center and the FAMU Medical Marijuana Education Initiative for Minority Communities. Deposits become current in the year that the lease terminates.

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10. LONG-TERM LIABILITIES (Continued)

Lease liability: The Foundation leased a piece of equipment for five years on October 17, 2019. The aggregate amount of outstanding principal on all leases is \$2,600 as of the fiscal year ended June 30, 2023. The lease agreement is payable in monthly payments of \$175 through 2025. The liability for the lease was initially measured at the present value of the lease payments expected to be made during the lease term. The discount rate used to measure the liability was 6.12%. The related lease asset has a carrying value of \$2,351.

Subscription liability: The Foundation has entered into a software agreement over the prior fiscal years. The aggregate amount of outstanding principal on all agreements is \$343,872 as of the fiscal year ended June 30, 2023. The agreements are payable in annual installments of \$125,209 through 2025. The liability for the agreement was initially measured at the present value of the subscription payments expected to be made during the subscription term. The discount rate used to measure the liability was 4.55%. The related software subscription asset has a carrying value of \$373,160.

11. ADMINISTRATIVE FEES

The Foundation funds its operations and advancements programs through a series of fees. The fees are part of the Foundation's operating budget.

During the fiscal year ended June 30, the Foundation assessed the following fees:

	2023	2022
Fees assessed on pooled investments	\$ 1,239,371	\$ 1,148,679
Gift fees	729,893	750,851
Non-gift fees	147,270	117,244
Campaign assessment	352,800	-
Total fees	<u>\$ 2,469,334</u>	<u>\$ 2,016,774</u>

12. RELATED PARTY TRANSACTIONS

The Foundation executed a commercial lease with the Small Business Development Center (SBDC), a University office, as a tenant in the Foundation Building. The lease agreement requires SBDC to make monthly lease payments of \$3,000 to the Foundation through January 1, 2024. The Foundation executed a commercial lease with the FAMU Medical Marijuana Education Initiative for Minority Communities (FMMEI), a University office, as a tenant in the Foundation Building. The lease agreement requires FMMEI to make monthly lease payments of \$1,550 to the Foundation through January 1, 2024. The Foundation received \$47,000 and \$49,125 in lease payments from the University during the year ended June 30, 2023 and 2022, respectively. These amounts are included in miscellaneous income in the accompanying statement of activities.

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13. PRIOR PERIOD ADJUSTMENTS

The implementation of the GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* has resulted in a restatement of the previously reported June 30, 2022, that impacted total assets by \$146,442 and total liabilities by \$119,760 with a net impact on unrestricted net position of \$26,682.

14. SUBSEQUENT EVENTS

The Foundation has evaluated events and transactions for potential recognition or disclosure in the financial statements through September 27, 2023, the date which the financial statements were available to be issued. During the period from June 30, 2023 to September 27, 2023, the Foundation did not have any material recognizable subsequent events.

Supplemental Schedules

Florida Agricultural and Mechanical University Foundation, Inc.

STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2023 and 2022

	June 30, 2023					June 30, 2022				
	Program Services		Fundraising	Management & General	Total	Program Services		Fundraising	Management & General	Total
University Support	Scholarships and Grants	University Support				Scholarships and Grants				
Scholarships and grants	\$ -	\$ 4,633,560	\$ -	\$ -	\$ 4,633,560	\$ -	\$ 2,419,617	\$ -	\$ -	\$ 2,419,617
Salaries and fringe benefits	1,949,677	-	-	895,783	2,845,460	2,156,902	-	-	761,745	2,918,647
Contract services	2,483,558	-	-	59,192	2,542,750	1,777,566	-	-	52,080	1,829,646
Equipment purchases	315,212	-	132,089	39,313	486,614	320,872	-	137,516	117,977	576,365
Travel and meetings	457,438	-	152,970	85,907	696,315	420,582	-	167,184	55,130	642,896
Materials and supplies	533,996	-	200,275	35,153	769,424	717,048	-	281,316	23,542	1,021,906
Professional fees	442,179	-	158,650	219,374	820,203	551,786	-	194,831	121,258	867,875
Entertainment and dinners	1,013,915	-	300,770	109,808	1,424,493	741,511	-	280,041	66,571	1,088,123
Repairs and maintenance	22,496	-	9,641	89,250	121,387	179,512	-	71,047	66,649	317,208
Postage	654	-	280	534	1,468	2,201	-	943	7	3,151
Dues and subscriptions	111,745	-	-	4,210	115,955	98,745	-	-	-	98,745
Insurance	46,419	-	-	29,783	76,202	40,439	-	-	16,202	56,641
Equipment rental	122,223	-	-	6,455	128,678	91,313	-	-	2,081	93,394
Printing and advertising	87,689	-	23,559	5,867	117,115	152,611	-	43,799	785	197,195
Telephone	-	-	-	21,028	21,028	-	-	-	9,400	9,400
Rent	130,096	-	-	7	130,103	55,124	-	-	-	55,124
Depreciation & amortization	-	-	-	136,021	136,021	-	-	-	19,747	19,747
Utilities	-	-	-	50,339	50,339	-	-	-	47,781	47,781
Training and seminars	133,197	-	42,334	3,943	179,474	106,227	-	33,540	17,004	156,771
Taxes and licenses	9,769	-	3,924	791	14,484	16,400	-	7,028	19,301	42,729
Bank charges	68,409	-	-	10,089	78,498	66,075	-	-	12,652	78,727
Contributions	51,000	-	21,857	-	72,857	52,951	-	22,694	-	75,645
Donated In-Kind Donations	55,368	-	-	-	55,368	8,592.00	-	-	-	8,592
Other university support	4,442,735	-	-	-	4,442,735	960,358	-	-	-	960,358
Provision for uncollectible pledges	-	-	27,662	-	27,662	-	-	6,525	-	6,525
Interest expense	-	-	-	5,720	5,720	-	-	-	377	377
Miscellaneous	35,000	-	15,000	17	50,017	49,615	-	21,264	-	70,879
Total	\$ 12,512,775	\$ 4,633,560	\$ 1,089,011	\$ 1,808,584	\$ 20,043,930	\$ 8,566,430	\$ 2,419,617	\$ 1,267,728	\$ 1,410,289	\$ 13,664,064

MAJOR GIFTS PROGRAM
SCHEDULE OF RECEIPTS, EXPENDITURES, AND ENDOWMENT BALANCES
For Fiscal Year- 2022-2023
[Endowments submitted under the D.C.U. State Matching Program in accordance with F.S. 1011.94]

Name of Gift*	Beginning Corpus Balance	Beginning Net Balance 7/1/2022	Corpus Contributed During FY 22-23	Income and Interest Earnings	Expenditures	Other Expenditures & Transfers	Ending Corpus Balance	Ending Net Balance 06/30/2023
Sec Cen Camp 1, 4 & 5	\$ 450,000	\$ 835,878	\$ -	\$ 21,799	\$ 13,500	\$ 7,269	\$ 450,000	\$ 836,908
Sec Cen Camp 2 & 3	300,000	463,824	-	41,527	7,000	13,921	300,000	484,430
Sec Cen Camp 14	150,000	215,534	-	31,042	1,500	10,387	150,000	234,689
Sec Cen Camp 24	150,000	161,375	-	11,569		3,856	150,000	169,088
Sec Cen Camp 25	150,000	228,347	-	114,039		38,013	150,000	304,373
Sec Cen Camp 26	150,000	245,994	-	14,651	4,500	3,611	150,000	252,534
Sec Cen Camp 27	150,000	310,225	-	10,388	21,150	3,463	150,000	296,000
Sec Cen Camp 28	150,000	154,055	-				150,000	154,055
Sec Cen Camp 33	300,000	345,430	-	14,665		4,888	300,000	355,207
Sec Cen Camp 34	150,000	152,978	-				150,000	152,978
Sec Cen Camp 35	150,000	267,339	-	18,239	10,500	6,080	150,000	268,998
Sec Cen Camp 38-40	450,000	775,628	-	21,799.44		7,266	450,000	790,161
Sec Cen Camp 41-43	450,000	550,859	-	10,972.38		3,657	450,000	558,174
Sec Cen Camp 44-48	750,000	1,069,600	-	31,561.20		10,520	750,000	1,090,641
Sec Cen Camp 49-51	450,000	612,764	-	25,083.02		8,361.01	450,000	629,486
Sec Cen Camp 52-53	300,000	509,585	-	17,439.54	15,000	5,813.18	300,000	506,211
Sec Cen Camp 57	1,164,977	1,438,304	-	115,464.48	18,000	38,147.84	1,164,977	1,497,620
Sec Cen Camp 58	315,898	406,438	-	18,117.26		7,339.09	315,898	417,216
Sec Cen Camp 61	247,500	436,671	-				247,500	436,671
Sec Cen Camp 62	300,000	481,013	-	17,439.54	8,729.57	5,853.18	300,000	483,870
Sec Cen Camp 64	375,000	479,979	-	19,430.57	12,000.00	7,869.09	375,000	479,541
Sec Cen Camp 65	150,000	310,703	-	7,266.48		2,422.16	150,000	315,547
Sec Cen Camp 66	172,500	332,121	-	45,155.10		15,051.70	172,500	362,225
Sec Cen Camp 67	300,000	335,940	-	14,532.96		4,844.32	300,000	345,629
Sec Cen Camp 68	210,000	249,870	-	4,238.77		1,412.92	210,000	252,696
Sec Cen Camp 69	172,500	188,538	-	8,719.77		2,906.59	172,500	194,352
Sec Cen Camp 70	360,283	533,350	-	26,312.66	2,000.00	8,398.89	360,283	549,264
Sec Cen Camp 71	300,000	518,136	-	8,719.77	40,071.67	2,934.09	300,000	483,850
Sec Cen Camp 72	217,500	304,006	-	3,633.24		1,211.08	217,500	306,428
Sec Cen Camp 74	574,380	782,280	-	14,530.45		4,843.48	574,380	791,967
Sec Cen Camp 75	396,000	591,010	-	30,847.13	4,030.72	12,364.80	396,000	605,462
Balance Forward	\$ 9,906,538	\$ 14,287,775	\$ -	\$ 719,182	\$ 157,982	\$ 242,706	\$ 9,906,538	\$ 14,606,269

Name of Gift*	Beginning Corpus Balance	Beginning Net Balance 7/1/2022	Corpus Contributed During FY 22-23	Income and Interest Earnings	Expenditures	Other Expenditures & Transfers	Ending Corpus Balance	Ending Net Balance 06/30/2023
Balance Forward	\$ 9,906,538	\$ 14,287,775	\$ -	\$ 719,182	\$ 157,982	\$ 242,706	\$ 9,906,538	\$ 14,606,269
Sec Cen Camp 77	1,190,000	1,325,237	-	11,026.74			1,190,000	1,336,263
Sec Cen Camp 79	1,219,451	1,695,058	-	63,311.81	30,461.77	15,072.28	1,219,451	1,712,836
Sec Cen Camp 80	150,000	202,161	-				150,000	202,161
Sec Cen Camp 85	229,082	304,877	-	13,395.06	3,500.00	4,465.02	229,082	310,307
Sec Cen Camp 86	750,000	759,891	-				750,000	759,891
Sec Cen Camp 87	225,000	304,683	-	10,899.72		3,633.24	225,000	311,949
FAMU Endowment #1	411,200	523,526	-	32,179.16	-	10,726.40	411,200	544,979
FAMU Endowment #2	402,000	435,921	-	26,825.68		8,941.89	402,000	453,805
FAMU Endowment #3	320,997	448,055	-	17,412.75	-	5,804.25	320,997	459,663
FAMU Endowment #4	351,023	484,991	-	873.91	500.00	291.30	351,023	485,074
FAMU Endowment #5	187,500	267,059	-	7,295.20		2,431.73	187,500	271,923
Walt Disney World Family Law	225,000	501,118	-	15,744.04		5,248.01	225,000	511,614
FAMU Endowment #6	343,812	410,877	-	37,776.48	(17,500.00)	14,397.11	343,812	451,756
FAMU Endowment #7	358,495	416,859	-	65,858.38	46,164.70	23,091.28	358,495	413,462
Moot Court & Law Review Endt	1,275,000	1,337,087	-	61,817.65	97,900.63	20,755.88	1,275,000	1,280,248
FAMU Endowment #8	184,881	249,878	-				184,881	249,878
FAMU Endowment #9	183,393	249,502	-	10,385.82	-	3,461.94	183,393	256,426
FAMU Endowment #10	183,917	195,312	-	11,420.27		3,806.76	183,917	202,926
National Alumni Association	150,000	164,787	-				150,000	164,787
Walt Disney World Family Law	100,000	209,836	-	5,813.19		1,937.73	100,000	213,712
FAMU Endowment #11	640,919	622,426	-	29,858.49	5,542.72	10,132.83	640,919	636,609
Scholarship Endowment I	150,000	269,970	-	3,378.91		1,126.30	150,000	272,223
Scholarship Endowment 2 & 3	-	-	-				-	-
Scholarship Endowment 4 & 5	300,000	514,808	-	9,144.44	3,250.00	3,214.26	300,000	517,488
Scholarship Endowment 6 & 7	300,000	382,233	-	2,644.86	500.00	881.62	300,000	383,496
Corporate Banquet	150,000	179,932	-				150,000	179,932
Honeywell, Inc. Endowment	150,000	156,759	-				150,000	156,759
Arts Scholarship Endowment	300,000	408,108	-	14,532.96	8,000.00	4,844.32	300,000	409,797
Faculty & Staff Endowment	300,000	301,592	-				300,000	301,592
Journalism	450,000	530,609	-	27,064.26		9,021.42	450,000	548,652
Centennial I, II, III	450,000	510,839	-				450,000	510,839
SBI Endowments (Various)	13,781,873	18,543,317	-	822,897.34	584,055.00	274,312.38	13,781,873	18,507,847
TOTAL	\$ 35,320,081	\$ 47,195,084	\$ -	\$ 2,020,739	\$ 920,357	\$ 670,303	\$ 35,320,081	\$ 47,625,163

* SCCE - Second Century Campaign Endowment

Florida A&M University Foundation, Inc.
 EMINENT SCHOLARS CHAIRS
 SCHEDULE OF RECEIPTS, EXPENDITURES, AND ENDOWMENT BALANCES
 For Fiscal Year- 2022-2023
 [Endowments submitted under the D.C.U. State Matching Program in accordance with F.S. 1011.94]

Name of Gift*	Beginning Corpus Balance	Beginning Net Balance 7/1/2022	Corpus Contributed During FY 22-23	Income and Interest Earnings	Expenditures	Other Expenditures & Transfers	Ending Corpus Balance	Ending Net Balance 06/30/2023
Warner Lambert Chair	\$ 1,000,000	\$ 1,914,614	\$ -	\$ 48,443		\$ 16,149	\$ 1,000,000	\$ 1,946,908
Centennial Business Chair	1,000,000	1,460,799	-	48,443	30,531	16,155	1,000,000	1,462,556
Anheuser Busch Chair	1,000,000	1,199,535	-	48,443		16,149	1,000,000	1,231,829
Knight Chair for Student Achievement	1,762,440	2,082,641	-	111,703		24,823	1,762,440	2,169,521
Garth Reeves Chair	1,000,000	1,094,697	-	48,468		16,156	1,000,000	1,127,009
Foster-Edmond Chair	1,020,000	1,461,253	-	49,436		16,479	1,020,000	1,494,210
SBI Financial Services Chair	1,020,000	1,789,100	-	49,412		16,470	1,020,000	1,822,042
Carrie Meek Chair	1,020,000	2,058,164	-	49,412		16,470	1,020,000	2,091,106
Shirley A. Cunningham Jr. Endowed Chair	1,750,001	1,825,727	-	84,776	82,043	28,310	1,750,001	1,800,150
Sybil C. Mobley Endowed Chair	2,523,798	3,147,259	-	122,576	101,200	40,869	2,523,798	3,127,766
TOTAL CHAIRS	\$ 13,096,239	\$ 18,033,789	\$ -	\$ 661,112	\$ 213,774	\$ 208,030	\$ 13,096,239	\$ 18,273,097

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Florida Agriculture & Mechanical University Foundation, Inc.
Tallahassee, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, Statement of Cash Flows, Statements of Net Position - Fiduciary Funds, and Statement of Changes in Net Position - Fiduciary Funds of the Florida Agricultural & Mechanical University Foundation (The Foundation), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Foundation's basic financial statements, and have issued our report thereon dated October 2, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of Foundation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Miami, Florida
October 2, 2023

BCA Watson Rice LLP

Florida A&M University Foundation, Inc.
Schedule of Findings and Responses
June 30, 2023

There are no items related to State financial assistance required to be reported in the management letter.

Current Year Findings

None.

Prior Year Findings

None.