

**FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY
FOUNDATION, INC.**

(A Discrete Component Unit of Florida Agricultural and Mechanical University)

FINANCIAL STATEMENTS, INDEPENDENT AUDITOR'S REPORT THEREON,
AND SUPPLEMENTAL SCHEDULES
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024



**FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY
FOUNDATION, INC.**

(A Discrete Component Unit of Florida Agricultural and Mechanical University)

**FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

CONTENTS

Independent Auditor’s Report	1
Management’s Discussion and Analysis	4
Financial Statements	
Statement of Net Position	12
Statement of Revenues, Expenses and Changes in Net Position	13
Statement of Cash Flows	14
Statement of Fiduciary Net Position	16
Statement of Changes in Fiduciary Net Position	17
Notes to Financial Statements.....	18
Supplementary Information	
Statement of Functional Expenses.....	45
Major Gift Program	
–Schedule of Receipts, Expenses, and Endowment Balances	46
Eminent Scholars Chairs	
–Schedule of Receipts, Expenses, and Endowment Balances	48
Other Reports	
Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	49
Schedule of Findings and Recommendations	51

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and fiduciary activities of the Florida Agricultural & Mechanical University Foundation, Inc. (“the Foundation”), component unit of Florida Agricultural & Mechanical University, as of and for the year ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Foundation’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the Foundation, as of June 30, 2025 and 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with 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. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3–10 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an

opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Foundation’s basic financial statements. The accompanying supplementary information, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2025, on our consideration of the Foundation’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Foundation’s internal control over financial reporting and compliance.

Miami, Florida
October 1, 2025

BCA Watson Rice LLP

FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY FOUNDATION, INC.
(A Discrete Component Unit of Florida Agricultural and Mechanical University)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 and 2024

The management's discussion & analysis (MD&A) provides an overview of the financial position and activities of the Florida Agricultural and Mechanical University Foundation Inc. (the Foundation) for the years ended June 30, 2025 and 2024. This overview is required by Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements – and Management's Discussion & Analysis – For Public Colleges & Universities*. It should be read in conjunction with the financial statements and supporting notes thereto.

The Foundation is presented as a discrete component unit of the Florida Agricultural and Mechanical University (the University) and is certified as a direct support organization. The Foundation's purpose is to receive, hold, invest and administer charitable contributions for the University.

OVERVIEW OF FINANCIAL STATEMENTS

In accordance with GASB 35, *Basic Financial Statements-and Management's Discussion and Analysis-for Public Colleges and Universities*, this discussion and analysis is intended to serve as an introduction to the Foundation's basic financial statements, Fiduciary Fund financial statements, notes to the financial statements, and other required supplemental information. The accrual basis of accounting is used for presentations which is similar to most private-sector companies.

FIDUCIARY FUNDS

Fiduciary funds are used to account for resources held in a trustee or agency capacity for parties outside of the Foundation. Fiduciary funds are not reflected in the Foundation's financial statements because the resources of those funds are not available to support the Foundation's own programs. Fiduciary financial statements consist of a statement of fiduciary net position and a statement of changes in fiduciary net position.

STATEMENTS OF NET POSITION

The statement of net position reflects the assets and deferred outflows and liabilities and deferred inflows of the Foundation, using the accrual basis of accounting, and presents the financial position of the Foundation as of June 30, 2025 and 2024. The difference between total assets and total liabilities, net position, is one significant indicator of the Foundation's current financial condition. The changes in net position that occur over time indicate enhancement or deterioration in the Foundation's financial condition. Restricted net position is comprised of expendable and nonexpendable and consists of assets that have constraints placed upon their use either by external donors or creditors or through laws or regulations imposed through constitutional provisions or enabling legislature. Nonexpendable assets represent endowment assets whose principal cannot be spent and are required by the donor to be held in perpetuity. Unrestricted net position consists of net assets that do not meet the definition of restricted or net investment in capital assets.

FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY FOUNDATION, INC.
(A Discrete Component Unit of Florida Agricultural and Mechanical University)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 and 2024

STATEMENTS OF NET POSITION (continued)

The following schedule summarizes the Foundation's assets, liabilities, and net position at June 30, 2025 and the preceding two fiscal years:

Condensed Statements of Net Position

	2025	2024	2023
Assets			
Current assets	\$ 23,765,932	\$ 18,905,126	\$ 27,162,600
Noncurrent assets	202,508,571	187,884,653	155,479,974
Total assets	<u>226,274,503</u>	<u>206,789,779</u>	<u>182,642,574</u>
Liabilities			
Current liabilities	4,035,570	943,140	1,552,811
Noncurrent liabilities	141,931	124,447	239,655
Total liabilities	<u>4,177,501</u>	<u>1,067,587</u>	<u>1,792,466</u>
Net position			
Net investments in capital assets	142,367	144,723	150,650
Restricted			
Expendable	111,250,386	97,631,583	77,221,048
Non-expendable	106,266,817	103,508,653	99,594,257
Unrestricted	<u>4,437,432</u>	<u>4,437,233</u>	<u>3,884,117</u>
Total net position	<u>\$ 222,097,002</u>	<u>\$205,722,192</u>	<u>\$180,850,108</u>

The Foundation's assets totaled \$226.3 million as of June 30, 2025. This balance reflects an increase of \$19.5 million or 9.4%, compared to June 30, 2024. Current assets contribute \$23.8 million to total assets and consist primarily of funds available to meet current obligations and include cash, short-term investments, amounts due from related organizations and pledges or other receivables due within one year.

Noncurrent assets contribute \$202.5 million to the Foundation's total assets and consist primarily of restricted pledges receivable, and investments expected to be held beyond the next fiscal year. The total increase in assets of \$19.5 million is mainly attributable to the effect of investment gains. The Foundation's investments returned a positive 11.1% during the year ended June 30, 2025 compared to a positive 10.0% during the year ended June 30, 2024.

FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY FOUNDATION, INC.
(A Discrete Component Unit of Florida Agricultural and Mechanical University)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 and 2024

STATEMENTS OF NET POSITION (continued)

Total assets were \$206.8 million as of June 30, 2024. This balance reflects an increase of \$24.2 million or 13.2%, compared to June 30, 2023. Current assets decreased \$8.3 million, or 30.5% as attributed to transfer of cash to short term money market investment. Noncurrent assets increased \$32.4, or 20.8% over the previous year, mainly attributable to the effect of investment gains.

The Foundation's liabilities totaled \$4.2 million as of June 30, 2025. This balance reflects an increase of \$3.1 million, or 291.3%, as compared to June 30, 2024. Total liabilities include current obligations of \$4.0 million and \$142.0 thousand in noncurrent liabilities. The increase is mainly attributable to six months of unpaid scholarships coupled with two months of unpaid salaries versus one month at June 30, 2024. Current liabilities are comprised of amounts owed to the University and other vendors at year-end. Noncurrent liabilities consist of amounts due to other vendors beyond the next 12 months and rent security deposits.

Total liabilities were \$1.1 million as of June 30, 2024. This balance reflects a decrease of \$725.0 thousand, or -40.4%, as compared to June 30, 2023. Current obligations consisted of \$943.1 thousand and \$124.4 thousand in noncurrent liabilities. The decrease is mainly attributable to the reduction in scholarships payable.

The following table summarizes capital and SBITA assets as of June 30, 2025 and the preceding two fiscal years:

Capital and SBITA Assets			
	2025	2024	2023
Depreciable property and equipment, net	\$ 115,367	\$ 117,723	\$ 123,650
Non-depreciable assets, primarily land	27,000	27,000	27,000
Capital assets, net	\$ 142,367	\$ 144,723	\$ 150,650
SBITA assets, net	\$ 382,106	\$ 287,181	\$ 373,160
Total capital and SBITA assets	\$ 524,473	\$ 431,904	\$ 523,810

The Foundation has \$142.4 thousand and \$144.7 thousand of capital assets, included in noncurrent assets on the accompanying statement of net position, as of June 30, 2025 and 2024, respectively. These balances are net of accumulated depreciation of \$241.4 thousand and \$231.6 thousand, respectively.

The balance on June 30, 2025 is comprised of 7.0% land totaling \$27.0 thousand, 44.4% buildings and associated improvements totaling \$170.4 thousand, and the remaining 48.6% of other property and equipment. During fiscal year 2025, changes in capital assets related to an increase in equipment of \$7.4 thousand offset by depreciation expense of \$9.8 thousand.

FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY FOUNDATION, INC.
(A Discrete Component Unit of Florida Agricultural and Mechanical University)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 and 2024

STATEMENTS OF NET POSITION (continued)

The balance on June 30, 2024 is comprised of 18.7% land totaling \$27.0 thousand, 43.1% buildings and associated improvements totaling \$62.4 thousand, and the remaining 38.2% of other property and equipment. During fiscal year 2024, changes in capital assets related to an increase in capital improvements of \$9.8 thousand offset by depreciation expense of \$16.0 thousand.

The Foundation's SBITA assets were \$382.1 thousand as of June 30, 2025, and are included in noncurrent assets on the accompanying Statements of Net Position. This balance is net of accumulated amortization and reflects an increase of \$94.9 thousand, or 33.1%, compared to June 30, 2024. This increase is a result of the renewal of the three-year planned giving software arrangement and a three-year accounts payable management solution software arrangement that began in March 2025.

SBITA assets were \$287.2 thousand as of June 30, 2024. This balance reflects the three-year planned giving marketing software arrangement that began in July 2023, a three-year planned giving platform software arrangement that began in June 2022, and a three-year cloud-based fundraising and financial accounting platform software arrangement that began in September 2023, offset by amortization expense.

See Notes 9 and 10 for more details on the Foundation's capital and SBITA assets.

The balance on June 30, 2023 is comprised of 17.9% land totaling \$27.0 thousand, 69.4% buildings and associated improvements totaling \$104.5 thousand, and the remaining 12.7% of other property and equipment. During fiscal year 2023, changes in capital assets related to an increase in capital improvements of \$4.4 offset by depreciation expense of \$17.0.

The Foundation's overall change in net position during fiscal year 2025 was an increase of \$16.4 million, or 8.0% over the previous year, and is predominantly attributed to high market returns and the overall impact to investments. The Foundation's investments returned a positive 11.1% for the year ending June 30, 2025 compared to a positive 10.0% for the year ended June 30, 2024.

Changes in assets and liabilities during the fiscal year 2024 resulted in an overall increase in net position of \$24.9 million, or 14.0% over the prior year. This increase is predominantly attributed to high market returns and the overall impact of investments.

FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY FOUNDATION, INC.
(A Discrete Component Unit of Florida Agricultural and Mechanical University)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 and 2024

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The statement of revenues, expenses, and changes in net position depicts the Foundation's revenue and expense activity. GASB Statement No. 35 categorizes revenue and expenses as either operating or nonoperating. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid.

The following summarizes the Foundation's activity for the year ended June 30, 2025, and the preceding two fiscal years:

Condensed Statements of Revenues, Expenses and Changes in Net Position

	2025	2024	2023
Operating revenues	\$ 35,960,158	\$ 41,191,046	\$ 32,133,460
Less operating expenses	<u>22,343,512</u>	<u>20,233,358</u>	<u>20,043,930</u>
Operating income/(loss)	13,616,646	20,957,688	12,089,530
Contributions to permanent endowments	<u>2,758,164</u>	<u>3,914,396</u>	<u>3,632,806</u>
Net change in net position	16,374,810	24,872,084	15,722,336
Net position, beginning of year	<u>205,722,192</u>	<u>180,850,108</u>	<u>165,127,772</u>
Net position, end of year	<u><u>\$ 222,097,002</u></u>	<u><u>\$ 205,722,192</u></u>	<u><u>\$ 180,850,108</u></u>

The following summarizes the operating revenues by source that were used to fund operating activities for the year ended June 30, 2025, and the preceding two fiscal years:

Operating Revenues

	2025	2024	2023
Contributions	\$ 13,281,730	\$ 21,974,022	\$ 20,748,496
Investment income (loss)	20,833,196	16,621,554	9,473,450
Other operating revenues	<u>1,845,232</u>	<u>2,595,470</u>	<u>1,911,514</u>
Total operating revenues	<u><u>\$ 35,960,158</u></u>	<u><u>\$ 41,191,046</u></u>	<u><u>\$ 32,133,460</u></u>

Total operating revenues of \$36.0 million for the fiscal year ending June 30, 2025 includes contributions, investment earnings, and other operating revenues, including rental activity and miscellaneous operating activity. Contributions were \$13.3 million and represent 36.9% of total operating revenues; this reflects a decrease of \$8.7 million over 2024. The decrease is due to a decrease in cash gifts from Corporations and Foundations. Investment income was \$20.8 million representing 57.9% of total operating income; this reflects an increase of \$4.2 million over 2024, due primarily to increased market performance of all classes. Other operating revenues decreased \$750.2 thousand, mainly due to a decrease in funds received for Investing in Champions Packages.

FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY FOUNDATION, INC.
(A Discrete Component Unit of Florida Agricultural and Mechanical University)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 and 2024

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
(continued)

Total operating revenues of \$41.2 million for the fiscal year ended June 30, 2024 includes contributions, investment earnings, and other operating revenues, including rental activity and miscellaneous operating activity. Contributions were \$22.0 million and represent 53.3% of total operating revenues; this reflects an increase of \$1.2 million over 2023, the increase is due to an increase in net pledges and cash gifts. Investment income was \$16.6 million representing 40.4% of total operating income; this reflects an increase of \$7.1 million over 2023, due primarily to increased market performance of all classes. Other operating revenues increased \$684.0 thousand, mainly due to an increase in tuition payments and services performed by various university departments.

Expenses are categorized as operating or non-operating. The majority of the Foundation's expenses are operating expenses as defined by GASB Statement No. 35. GASB gives financial reporting entities the choice of reporting operating expenses in the functional or natural classifications. The Foundation has chosen to report the expenses by their functional classifications on the statement of revenues, expenses, and changes in net position.

The following summarizes the operating expenses by source that were used to fund operating activities for the year ended June 30, 2025, and the preceding two fiscal years:

Operating Expenses

	2025	2024	2023
University support	\$ 10,864,693	\$ 10,289,294	\$ 12,512,775
Scholarships and grants	7,887,126	6,577,604	4,633,560
Fundraising	1,711,937	1,476,576	1,089,011
Management and general	1,855,319	1,869,141	1,808,584
Total operating expenses	\$ 22,319,075	\$ 20,212,615	\$ 20,043,930

Total operating expenses of \$22.3 million for fiscal year 2025 include general support to the University, scholarship costs, fundraising, and management and general expenses related to support of the Foundation's mission. This balance reflects an increase of \$2.1 million, or 10.4% over the same period ending June 30, 2024. The increase was attributed mainly to scholarship awards and university executive salaries over \$250.0 thousand.

Total operating expenses of \$20.2 million for fiscal year 2024 include general support to the University, scholarship costs, fundraising, and management and general expenses related to support of the Foundation's mission. This balance reflects an increase of \$168.7 thousand, or 0.8% over the same period ended June 30, 2023.

FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY FOUNDATION, INC.
(A Discrete Component Unit of Florida Agricultural and Mechanical University)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 and 2024

STATEMENT OF CASH FLOWS

The Statement of Cash Flows provides additional information about the Foundation's financial results by reporting the major sources and uses of cash. This statement assists in evaluating the Foundation's ability to generate net cash flows, its ability to meet its obligations when they come due and its need for external financing. The statement of cash flows reconciles the Foundation's cash transactions. Cash flows from operating activities show the net cash used by ongoing operating activities of the Foundation. Cash flows from capital and related financing activities include changes associated with the long-term debt activities of the Foundation. Cash flows from investing activities show the net sources and uses of cash related to purchasing or selling investments and earnings income on those investments. For purposes of cash flow, the Foundation considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

The following summarizes the major sources and uses of cash for the fiscal year end June 30, 2025, and the preceding two fiscal years:

Condensed Statements of Cash Flows

	2025	2024	2023
Cash flows provided by (used in)			
Operating activities	\$ (2,107,552)	\$ 2,655,902	\$ 2,797,541
Investing activities	1,524,024	(14,599,304)	(1,245,230)
Capital and related financing activities	(280,186)	(77,729)	11,043
Non-capital financing activities	<u>2,758,164</u>	<u>3,914,396</u>	<u>3,632,806</u>
Change in cash and cash equivalents	1,894,450	(8,106,735)	5,196,160
Cash and cash equivalents, beginning of year	<u>13,998,137</u>	<u>22,104,872</u>	<u>16,908,712</u>
Cash and cash equivalents, end of year	<u><u>\$ 15,892,587</u></u>	<u><u>\$ 13,998,137</u></u>	<u><u>\$ 22,104,872</u></u>

Cash and cash equivalents increased by \$1.9 million during fiscal year 2025. Net cash flows from operating activities decreased by \$4.8 million, attributed to a decrease in cash contributions over fiscal year 2024. Net cash flow provided by investing activities reflects an increase of \$16.1 million primarily resulting from an increase in proceeds from sales of investments. Cash flows from capital and related financing activities decreased by \$202.5 thousand mainly due to disposition of capital assets. Cash flows from noncapital financing activities decreased by \$1.2 million, due to decreased endowment contributions.

FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY FOUNDATION, INC.
(A Discrete Component Unit of Florida Agricultural and Mechanical University)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 and 2024

STATEMENT OF CASH FLOWS *(continued)*

Cash and cash equivalents decreased by \$8.1 million during fiscal year 2024. Net cash flows from operating activities decreased by \$192.0 thousand, attributed to an increase in overall expenditures, as compared to fiscal year 2023. Net cash flow provided by investing activities reflects a decrease of \$13.3 million primarily resulting from an increase in purchase of investments. Cash flows from capital and related financing activities decreased by \$88.8 thousand mainly due to disposition of capital assets. Cash flows from noncapital financing activities increased by \$282.0 thousand, due to increased endowment giving.

ECONOMIC CONDITIONS AND OUTLOOK

The economic outlook of the Foundation is affected by several factors. Those factors include state support received from the University, charitable contributions, fundraising campaigns, financial markets, return on investments, recent tax law changes, the state of the overall economy and various other economic related factors.

Annual contributions and endowments have a direct impact on enhancing University programs. In 2025, the Foundation anticipates incremental growth in the endowment from new gifts and investment returns, and an incremental increase in incoming expendable gifts.

REQUEST FOR INFORMATION

Questions concerning information provided in the MD&A or elsewhere in June 30, 2025 financial statements and supporting notes thereto should be addressed to Florida Agricultural and Mechanical University Foundation Inc., 625 E. Tennessee Street, Suite 100, Tallahassee, Florida 32308.

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

STATEMENTS OF NET POSITION

For the Years Ended June 30, 2025 and 2024

	2025	2024
Assets		
Current assets		
Cash and cash equivalents	\$ 15,892,587	\$ 13,998,137
Investments	5,539,492	2,339,400
Accounts receivable	90,204	181,992
Prepaid expenses	718,460	476,725
Pledges receivable, net	1,525,189	1,908,872
Total current assets	23,765,932	18,905,126
Noncurrent assets		
Restricted assets		
Investments, net of current portion	200,893,317	184,547,981
Pledges receivable, net	731,298	2,594,117
Property held for sale	168,400	168,400
Cash surrender value of life insurance	185,190	141,663
Lease right of use asset, net	5,892	588
Subscription asset, net	382,106	287,181
Capital Assets		
Nondepreciable assets, primarily land	27,000	27,000
Depreciable property and equipment, net	115,368	117,723
Total noncurrent assets	202,508,571	187,884,653
Total assets	226,274,503	206,789,779
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	360,188	220,442
Scholarships payable	3,029,575	450,828
Salaries payable	448,672	135,934
Lease liability	2,490	659
Subscription liability	194,645	135,277
Total current liabilities	4,035,570	943,140
Noncurrent liabilities		
Lease liability	3,469	-
Subscription liability	133,775	119,760
Deposits	4,687	4,687
Total noncurrent liabilities	141,931	124,447
Total liabilities	4,177,501	1,067,587
Net Position		
Net investment in capital assets	142,367	144,723
Restricted		
Expendable	111,250,386	97,631,583
Nonexpendable endowments	106,266,817	103,508,653
Unrestricted net assets	4,437,432	4,437,233
Total net position	\$ 222,097,002	\$ 205,722,192

See accompanying notes to the financial statements.

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

**STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION**

For the Years Ended June 30, 2025 and 2024

	2025	2024
Operating revenues		
Contributions, net	\$ 13,281,730	\$ 21,974,022
Net realized and unrealized gain	16,509,067	13,197,048
Interest and dividends	4,324,129	3,424,506
Miscellaneous income	1,845,232	2,595,470
Total operating revenues	35,960,158	41,191,046
Operating expenses		
University support expenditures	10,864,693	10,289,294
Scholarships and grants	7,887,126	6,577,604
Fundraising	1,711,937	1,476,576
Management and general	1,855,319	1,869,141
Total operating expenses	22,319,075	20,212,615
Operating income	13,641,083	20,978,431
Nonoperating expenses		
Interest on capital asset related debt	249	159
Interest on SBITA liabilities	24,188	20,584
Total nonoperating expenses	24,437	20,743
Income before nonoperating revenues	13,616,646	20,957,688
Endowment Contributions		
Contributions to permanent endowments	2,758,164	3,914,396
Change in net position	16,374,810	24,872,084
Net position, beginning of year	205,722,192	180,850,108
Net position, end of year	\$ 222,097,002	\$ 205,722,192

See accompanying notes to the financial statements.

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

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2025 and 2024

	2025	2024
Cash flows from operating activities		
Receipts from contributions	\$ 15,256,268	\$ 20,813,879
Receipts from other operating activities	1,912,330	2,606,498
Payments for University support	(10,778,401)	(10,257,565)
Payments for scholarships and grants	(5,308,379)	(7,162,618)
Payments for fundraising activities	(1,711,937)	(574,071)
Payments for management and general activities	(1,477,433)	(2,770,221)
Net cash from (to) operating activities	(2,107,552)	2,655,902
Cash flows from investing activities		
Purchase for building improvements	-	(55,328)
Net Proceeds from sales and maturities of investments	(2,800,105)	(17,968,482)
Interest and dividends received	4,324,129	3,424,506
Net cash from (to) investing activities	1,524,024	(14,599,304)
Cash flows from capital and related financing activities		
Purchase of capital assets	(280,186)	(77,729)
Disposition of capital assets	-	-
Net cash (to) capital and related financing activities	(280,186)	(77,729)
Cash flows from noncapital financing activities		
Contributions for long-term endowments	2,758,164	3,914,396
Net cash from noncapital financing activities	2,758,164	3,914,396
Net change in cash	1,894,450	(8,106,735)
Cash and cash equivalents, beginning of year	13,998,137	22,104,872
Cash and cash equivalents, end of year	\$ 15,892,587	\$ 13,998,137

See accompanying notes to the financial statements.

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

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2025 and 2024

	2025	2024
Reconciliation of operating income to net cash from operating activities:		
Operating income	\$ 13,616,646	\$ 20,957,688
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	182,311	171,398
Donated securities	(236,255)	(353,026)
Interest and dividend income, net of fees	(4,324,129)	(3,424,506)
Net realized and unrealized gain (loss) on investments	(16,509,067)	(13,197,048)
Change in assets and liabilities:		
Pledge receivables	2,246,502	(607,805)
Cash surrender value of life insurance	(43,527)	(66,719)
Prepaid expenses	(241,735)	(11,935)
Other receivables	91,788	(87,266)
Accounts payables and accrued expenses	139,746	(13,792)
Scholarships payable	2,578,747	(585,014)
Salaries payable	312,738	(35,297)
Lease liability	5,300	(1,941)
Subscription liability	73,383	(88,835)
Net cash from operating activities	\$ (2,107,552)	\$ 2,655,902

See accompanying notes to the financial statements.

**FLORIDA AGRICULTURAL AND MECHANICAL UNIVERISTY
FOUNDATION, INC.
(Agency Fund)**

STATEMENTS OF FIDUCIARY NET POSITION

For the Years Ended June 30, 2025 and 2024

	2025	2024
Assets		
Restricted cash and cash equivalents	\$ 692,368	\$ 760,697
Restricted investments	4,000,931	3,509,931
Pledges receivable, net	750	-
Total restricted assets	4,694,049	4,270,628
 Net position restricted for Fiduciary funds	 \$ 4,694,049	 \$ 4,270,628

See accompanying notes to the financial statements.

**FLORIDA AGRICULTURAL AND MECHANICAL UNIVERISTY
FOUNDATION, INC.
(Agency Fund)**

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

For the Years Ended June 30, 2025 and 2024

	2025	2024
Additions		
Contributions, net	\$ 690,081	\$ 951,277
Realized and unrealized gain (loss)	350,746	286,650
Interest and dividends	54,701	40,515
Miscellaneous income	134,560	266,445
Dues and subscriptions	106,835	109,610
Total additions	1,336,923	1,654,497
Deductions		
University support expenditures	83	139,189
Scholarships and grants	445,412	433,147
Fundraising	13,982	374,048
Management and general	454,025	168,063
Total deductions	913,502	1,114,447
Change in net position	423,421	540,050
Net position restricted for agency funds		
Beginning of year	4,270,628	3,730,578
End of year	\$ 4,694,049	\$ 4,270,628

See accompanying notes to the financial statements.

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

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies of Florida Agricultural and Mechanical University Foundation, Inc. (Foundation), which affect significant elements of the accompanying financial statements.

Reporting entity – The Foundation is a direct support organization of Florida Agricultural and Mechanical University (University) pursuant to Section 1004.28, Florida Statutes and regulations thereunder at 6C-9.011 of the Florida Administrative Code. The Foundation is a non-profit Florida Corporation exempt from tax under Code Section 501(c)(3) of the Internal Revenue Code (IRC). The Foundation is organized and operated exclusively to receive, hold, invest, and administer property for the benefit of the Florida Agricultural and Mechanical University. The Florida Agricultural and Mechanical University Foundation, Inc. (the “Foundation”) is supported primarily through donor contributions, grants, and the State of Florida Department of Education’s Division of Colleges and Universities (“D.C.U.”).

The Foundation is considered a discrete component unit of the University due to the University’s budgetary oversight responsibility and due to the Foundation’s significant operational and financial relationships with the University.

In accordance with Florida Statute Chapter 1011.94, *University Major Gifts Program*, endowment contributions of \$100,000 or more, made after July 1, 1985, with income to be used to “support libraries and instruction and research programs”, are eligible for state match. The State of Florida has “temporarily suspended” funding for this program and did not appropriate any funds; therefore, no receivable has been recorded in the accompanying financial statements. The State is, however, still accepting matching requests.

During the years ended June 30, 2025 and 2024, the Foundation, under the matching program sponsored by the D.C.U. did not recognize any state matching revenues.

Financial Statements – As a discrete component unit of the University, the Foundation prepares its financial statements according to the provisions of GASB Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities*. This statement establishes accounting and financial reporting standards for public colleges and universities within the financial reporting guidelines for GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*.

These standards require public institutions to present management’s discussion and analysis, basic financial statements, notes to the financial statements, and required supplementary information other than MS&A.

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

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement focus and basis of accounting – The financial statements of the Foundation have been prepared following the financial reporting requirements of GASB Statement No. 35, which use the economic resources measurement focus and the accrual basis of accounting. One exception is the fiduciary fund type, as an agency fund it cannot be said to have a measurement focus since it does not report equity. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

Operating and nonoperating activities – Operating revenues and expenses are those that represent ongoing activities of the Foundation, as well as ongoing activities that are in support of the operations of the University. Operating activities relate to the Foundation’s principal function, which is to receive, hold, invest, and administer property for the benefit of the University. Operating revenues also include rental revenue from leasing of Foundation owned facilities. Nonoperating activities include certain revenue sources that provide additional funding not included in operating revenues and include endowment contributions.

Fundraising – Costs associated with fundraising activities are reported as fundraising expenses in the accompanying statements of revenues, expenses and changes in net position. Included are all direct costs associated with fundraising activities and allocable costs of activities that include both fundraising and program or management and general functions.

Cash and cash equivalents – For purposes of reporting cash flows, cash and cash equivalents include uninvested cash in bank and certificates of deposits with maturities of three months or less to be cash and cash equivalents.

Investments – Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of net position. Non-traditional and alternative investments without readily determinable fair values are valued at the net asset value of shares or units held by the Foundation at year end based on their trade dates. Real estate fund investments are stated primarily at current appraised values. Unrealized gains and losses are included in the changes in net assets.

The Foundation has two pools of investments, an Operating Pool and an Endowment Pool. Operating funds expected to be held five years or more are commingled with the endowment pool and invested as per asset allocation guidelines in the Foundation’s Long Term Investment Policy. The Foundation’s Investment Policy is discussed more in Note 7. To preserve the investments’ long-term purchasing power, the Foundation makes available to be spent each year a percentage of the average market value of the participating funds for the twelve (12) preceding quarters as authorized by the Foundation’s Board to fund operations. The FAMU Foundation sets annual spending at a rate of 4.5%.

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

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating funds expected to be held more than one year are invested in the Operating Pool as per asset allocation guidelines in the Foundation's Short/Intermediate Term Investment and Cash Management Policy.

Fair Values of Financial Instruments – The following methods and assumptions were used by the Foundation in estimating its fair value disclosures for financial instruments:

Cash, cash equivalents, short-term investments, and promises to give due in less than one year, other accounts receivable, and accounts payable: the carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

Fair values of long-term investments are discussed at Note 3.

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 estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein and disclosures of contingent assets and liabilities. Actual results could differ from those estimates. Significant estimates include the probability of collection for unconditional promises to give, and the valuation of securities.

Revenue Recognition – In accordance with Governmental Accounting Standards Board (GASB) statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*, the Foundation recognizes revenue when all applicable eligibility requirements, including time requirements, are met, provided that the promise is verifiable and the resources are measurable and probable of collection. Contributions to Permanent Endowments are recognized as revenue when the eligibility criteria for a contribution to an endowment are met, when the Foundation receives the contribution. Therefore, no revenue or receivable is recognized prior to receipt. Resources transmitted before the eligibility requirements are met are reported as deferred inflows.

Accounts Receivable – Accounts receivable from operations are stated at their net realizable value. Management considers all accounts receivable balances to be fully collectable. As such, no allowance for uncollectable amounts have been recorded as of June 30, 2025 and June 30, 2024.

Pledges Receivable – In accordance with GASB Statement No 33, *Accounting and Financial Reporting for Nonexchange Transactions*, pledges receivable are only recorded when all applicable eligibility requirements, including time requirements, are met, provided that the promise is verifiable, measurable, and probable. If subsequent to initial recognition, changes in the estimated collectability of pledges occurs, an allowance for doubtful accounts is recorded. Additional accounting policies are disclosed in Note 5.

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

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid Expenses – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the Foundation’s Financial Statements.

Property Held for Resale – The Foundation receives contributions in the form of real estate with donor intentions that the properties are to be sold and proceeds from the sale are to benefit the Foundation or the University. Real estate held for sale are recorded at fair value less estimated costs to sell.

Capital Assets – Capital assets include, property, plant, and equipment. The Foundation’s threshold for capitalizing property, plant, and equipment is \$1,000. Capital assets are recorded at cost or estimated historical cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets. The ranges of useful lives are as follows:

Assets	Years
Buildings and improvements	5 - 30
Equipment and furniture	3 - 10

Other property consists principally of land and is not subject to depreciation.

Donated Property – Donations of property are recorded as support at their acquisition value upon receipt. Such donations are reported as unrestricted support 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 property are reported as restricted support. In the absence of donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation makes no provision for depreciation of such real property. These amounts are also reflected within program service expenses on the statement of revenues, expenses, and changes in net position for the transfer of the in-kind contributions to the University or maintained on the statement of net position as property held for resale when appropriate. There was no real property donated during the year ended 2025 and 2024. Total tangible property donations received in fiscal years 2025 and 2024 were approximately \$20,160 and \$270,490, respectively.

Impairment – Property, plant and equipment are reviewed for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss shall be recognized only if the carrying amount of a long-lived asset is not recoverable and exceeds its fair value. Pursuant to these guidelines, management has determined that no impairments existed at June 30, 2025 and 2024.

Cash Surrender Value of Life Insurance Policies – Various individuals have donated life insurance policies with the Foundation designated as beneficiary and owner. The cash surrender value of the policy is reflected in the accompanying financial statements.

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

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases – The Foundation capitalizes costs associated with the payment of noncancelable long-term leases. The lease asset is measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The lease liability is measured at the present value of payments expected to be made during the lease term, less any incentives received from the vendor.

Subscription-based information technology arrangements (SBITA) – The Foundation capitalizes costs associated with the payment of software subscription agreements (SBITA) greater than one year. The asset is measured as the sum of: (1) the initial subscription liability amount; (2) payments made to the SBITA vendor before the commencement of the subscription term; and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The subscription liability is initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments are discounted using the interest rate the SBITA vendor charges the Foundation, which may be implicit, or the Foundation’s incremental borrowing rate if the interest rate is not readily determinable.

Income taxes – The Foundation is exempt from Federal income taxes under section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). However, the Foundation is subject to income tax on unrelated business income. The Foundation is classified as an organization operated for the benefit of a college or university owned or operated by a governmental unit described in Section 170(b)(1)(A)(iv).

The Foundation has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes (ASC 740) and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Foundation.

Expenses incurred for program activities and supporting services are reported in the statement of revenues, expenses and changes in net position.

Functional Expenses – The Foundation, being a Direct Support Organization (“DSO”) for the Florida Agricultural and Mechanical University (the “University”), was established to aid in the advancement of the University’s objectives and purposes. Part of the Foundation’s commitment to the University is to provide assistance in the various activities or programs of the University.

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

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Foundation reports expenses by functional classification, whereby expenses are categorized by program activities and supporting services. Program activities include direct and indirect costs associated with activities carried out for the fulfillment of the objectives of the Foundation. Supporting services relate to costs incurred other than those classified under program activities. The Foundation has the following functional expense categories, of which, the first two are program services:

University support – charges include expenses incurred for scholarship administration, seminars, and marketing, on behalf of the University.

Scholarships and grants – charges include payment of tuition, fees, room and board, books and stipends for students in various academic disciplines.

Fundraising – charges include expenses incurred for travel, events and other operating costs to support fundraising efforts.

Management and general – charges represent operating expenses including salaries, materials and supplies for programs supported through the Foundation.

Compensated absences, other postemployment benefits and pension liability – Employees of the University earn the right to be compensated during absences for annual leave (vacation) and sick leave pursuant to Section 6C-5.920, Florida Administrative Code. Leave earned is accrued to the credit of the employee and records are kept on each employee's unpaid (unused) leave balance. Employees also accrue retirement benefits for pension and other post-employment benefits over the time of employment at the University. Since all the employees who work for the Foundation are considered employees of the University, this compensated absences liability, along with liabilities for pensions and other postemployment benefits, is reported by the University and therefore is not reflected on the Foundation's financial statements.

Net position – Net position is the difference between assets and deferred outflows less liabilities and deferred inflows of the Foundation. Net position is classified and displayed in three components:

- (i) Net investments in capital assets – consists of capital assets, net of accumulated depreciation and reduced by the outstanding balance of debt resulting from the acquisition, construction, or improvement of the assets.

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

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- (ii) (ii) Restricted – consists of net position that has constraints placed upon their use either by external donors or creditors or through laws, regulations or constraints imposed by law through constitutional provisions or enabling legislation, reduced by any liabilities to be paid from these assets. Restricted assets are displayed in two components – expendable and nonexpendable. Expendable represents funds that are subject to donor, grantor or other outside party restrictions to use for the benefit of various programs at the University and includes the expendable portion of endowment funds. These programs include student scholarships, faculty and staff support, research funding, funding for facilities and general college support. Nonexpendable represents the nonexpendable portion (corpus) of endowment funds that are subject to donor, grantor or other outside party restrictions for the benefit of various programs at the University. These programs include student scholarships, faculty and staff support, research funding, funding for facilities and general college support. The corpus of the permanent endowments is retained and reported in nonexpendable, while the net earnings or losses on endowment funds are included in the expendable funds.

- (iii) Unrestricted – consists of net position that does not meet the definition of “restricted” or “Net investment in capital assets.”

When both restricted and unrestricted net position is available for use, it is the Foundation’s policy to use the restricted resources first, then unrestricted resources as they are needed.

Recent accounting pronouncements – In December 2023, the GASB issued Statement No. 102, Certain Risk Disclosures, effective for fiscal years beginning after June 15, 2024. This statement defines concentrations and constraints that may limit a government’s ability to obtain resources or control spending, provides criteria for governments to determine if disclosure related to those risks is required, and lays out the required not disclosure content. The Foundation has fully adopted GASB 102 in its financial statements as of July 1, 2024.

In April 2024, the GASB issued Statement No. 103, Financial Reporting Model Improvements. This statement focuses on key areas of improvement for the current financial reporting model, including enhancements of management’s discussion and analysis (MD&A), presentation of the proprietary fund statement of revenues, expenses and changes in net position, budgetary comparison information requirement changes, and other issues. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

In September 2024, the GASB issued Statement No. 104, Disclosure of Certain Capital Assets, effective for fiscal years beginning after June 15, 2025. This statement requires four types of assets to be disclosed separately: lease assets reported under Statement No. 87, Leases; intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements; subscription assets reported under Statement No. 96, Subscription-Based Information Technology Arrangements; and intangible assets other than those three. This statement also requires disclosure of the ending balance,

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

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

historical cost, and accumulated depreciation by major class of asset for capital assets held for sale, along with the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class. A capital asset is a capital asset held for sale if the government has decided to pursue the sale of the asset and it is probable the sale will be finalized within one year of the financial statement date. The Foundation has fully adopted GASB 104 in its financial statements as of July 1, 2024.

The Foundation is currently evaluating the impact of the adoption of these standards on its financial statements. The Foundation has considered the new un-adopted guidance and does not believe that any other new or modified guidance will have a material impact on the Foundation's reported net position or activities in the near term.

2. CASH AND INVESTMENTS

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. Duration uses the present value of cash flows, weighted for those cash flows as a percentage of the investment's full price.

Credit Risk – Credit risk is the risk that an issuer or other counterparty will not fulfill its obligations. As further described in Note 4, The Foundation's investment policy provides a structure for the portfolio that is designed to minimize credit risk.

The value of the Foundation's deposits and investments, with their respective credit ratings and effective durations, is as follows:

<u>June 30, 2025</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Duration</u>
Short-term bond fund	\$ 2,720,448	AAA	Less than one year
Domestic Fixed Income	9,064,289	AAA	One to five years
Domestic Fixed Income	460,375	AA	One to five years
Domestic Fixed Income	1,897,340	A	One to five years
Domestic Fixed Income	5,018,742	BBB	One to five years
Total	<u>\$ 19,161,194</u>		

<u>June 30, 2024</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Duration</u>
Govt Money Market	\$ 14,925,300	AAA	N/A
Domestic Fixed Income	5,956,113	AAA	Greater than five years
Domestic Fixed Income	390,159	A-	Greater than five years
Domestic Fixed Income	135,640	A-	One to five years
Domestic Fixed Income	118,182	BBB+	Greater than five years
Total	<u>\$ 21,525,394</u>		

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

NOTES TO FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (Continued)

The following investments are held through alternative investments in funds and are not directly subject to credit risk:

Alternative Investments*

	2025	2024
	<u>Fair Value</u>	<u>Fair Value</u>
Domestic Fixed Income	\$ 2,719,819	\$ 2,757,173
International Fixed Income	1,408,817	1,514,896
Hedge Funds	86,896,186	73,117,030
Private debit	3,227,834	2,787,973
Total	<u>\$ 94,252,656</u>	<u>\$ 80,177,072</u>

***Alternative investments** consist of funds that may include underlying securities including equities, fixed income, real estate, and other types of investments. The schedule above only reflects the credit risk related to debt-type securities that are directly held by the Foundation and are measured at NAV per share using the practical expedient or its equivalent.

Custodial Credit Risk - Custodial Credit Risk is the risk that in the event of a bank failure or the failure of the counterparty, the Foundation's deposits may not be returned to it, or it may not be able to recover the value of its investments that are in the possession of an outside party. On June 30, 2025 and 2024, the Foundation has accounts in financial institutions with balances of \$16,334,955 and \$14,508,834 in excess of the Federal Deposit Insurance Corporation's insurance coverage of \$250,000, respectively. Included in these amounts are Fiduciary funds of \$692,368 on June 30, 2025 and \$760,697 on June 30, 2024. In addition, the Foundation had balances of \$209,933,740 and \$189,897,312 respectively, on June 30, 2025 and 2024 in excess of the Securities Investor's Protection Corporation ("SIPC") insurance coverage of \$500,000. Included in these amounts are Fiduciary funds of \$4,000,931 on June 30, 2025 and \$3,509,931 on June 30, 2024. Invested securities and cash are also covered by the brokerage custodian and its parent company for amounts in excess of the SIPC limit. Management believes no material risk of loss will be sustained from holding these assets with these institutions.

	Cash	Investments, and real estate
Balance at 6/30/2025	\$ 16,584,955	\$ 210,433,740
Insured Coverage	<u>250,000</u>	<u>500,000</u>
Amount Uninsured and uncollateralized	<u>\$ 16,334,955</u>	<u>\$ 209,933,740</u>
Balance at 6/30/2024	\$ 14,758,834	\$ 190,397,312
Insured Coverage	<u>250,000</u>	<u>500,000</u>
Amount Uninsured and uncollateralized	<u>\$ 14,508,834</u>	<u>\$ 189,897,312</u>

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

NOTES TO FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk – Per GASB Statement No. 40, Deposit and Investment Risk Disclosures – an Amendment of GASB Statement No. 3, concentration credit risk is defined as the risk of loss attributed to the magnitude of a government’s investment in a single issuer. As of June 30, 2025 and 2024, the Foundation does not have any single issuer that represent a greater than 5% long-term investment portfolio.

Foreign Currency Risk – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. As of June 30, 2025 and 2024, the Foundation does not have any foreign currency exposure.

Investments – The Foundation maintains master investment accounts for primarily all of its investments. Realized and unrealized gains and losses from securities in the master investment accounts are allocated to the individual net asset accounts based on the relationship of the market value of each net asset account to the total market value of the master investment accounts, as adjusted for additions to or deductions from those accounts.

The Foundation invests the majority of its excess operating cash. Operating pool investments consisted of \$73,217,500 for the year ended June 30, 2025, is 35.0% of investments. Operating pool investments consisted of \$64,723,738 for the year ended June 30, 2024, is 34.3% of investments.

Endowment pool investments consisted of \$135,683,264 for the year ended June 30, 2025, is 65.0% of investments. Fiduciary fund endowments totaling \$4,000,931 are included in this amount. Endowment pool investments consisted of \$124,140,599 for the year ended June 30, 2024, is 65.7% of investments. Fiduciary fund endowments totaling \$3,509,931 are included in this amount.

Real estate property consisted of \$1,532,976, for the year ended June 30, 2025, is 0.7% of investments. Real estate property consisted of \$1,532,976, for the year ended June 30, 2024, is 0.8% of investments.

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

NOTES TO FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (Continued)

The following schedule summarizes the investment activity for the year ended June 30, 2025 and 2024.

	2025	2024
Investment returns, net of fees		
Interest and dividend income	\$ 3,593,046	\$ 2,719,095
Net realized gain/(loss)	4,754,748	2,366,354
Change in net unrealized (loss)	12,105,065	11,117,345
Consulting fees	(651,726)	(586,946)
Total investment returns, net	19,801,133	15,616,848
Other investment activities		
Incoming gifts	236,255	353,026
Cash deposits	-	16,000,000
Cash withdrawals	-	-
Real estate improvements	-	55,328
Total investment activity	\$ 20,037,388	\$ 32,024,202

The fiduciary fund actively invests cash inconformity with the Foundation's Investment Policy. These funds are pooled with other investments.

The fiduciary fund has unrealized gains/losses on investments of \$249,103 and \$235,015, realized gains of \$101,643 and \$51,635 interest and dividend income of \$54,701 and \$40,515, as well as investment fees of \$13,982 and \$12,240 as of June 30, 2025 and 2024, respectively. These funds are included in the table above.

3. FAIR VALUE MEASUREMENTS

The Foundation's investments are stated at 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 measurement date. In determining fair value, the Foundation uses various methods including market and income approaches. Based on these approaches, the Foundation often uses certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborates, or generally unobservable inputs.

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

NOTES TO FINANCIAL STATEMENTS

3. FAIR VALUE MEASUREMENTS (Continued)

The Foundation uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

GASB Statement No. 72, *Fair Value Measurement and Application* establishes a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation methodology for an asset or liability as of the measurement date. The valuation hierarchy assigns highest priority to Level 1 measurements, and lowest priority to Level 3 measurements. The three levels are defined as follows:

Level 1 Financial assets and liabilities whose values are based on unadjusted quoted prices in active markets for identical assets or liabilities. Instruments in this category include money market funds and common stocks traded on exchanges such as the New York Stock Exchange.

Level 2 Financial assets and liabilities whose values are based on quoted prices for similar assets or liabilities in active markets. In addition, they may include quoted prices for identical or similar assets or liabilities in markets that are not active. Instruments in this category include some corporate and municipal bonds that may not be traded frequently and real estate property.

Level 3 Financial assets and liabilities whose values are based on unobservable inputs for the asset or liability. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value using the best information available under the circumstances. Instruments in this category include investments in hedge funds and real estate funds.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes to the methodologies used at June 30, 2025 and 2024.

Corporate stocks and Commingled funds (equities and fixed income) – Valued at quoted market prices, which for commingled funds represents the net asset value of shares held by the Foundation at year end.

Mutual Funds/Short-term investments – Valued at quoted market prices, which for commingled funds represents the net asset value of shares held by the Foundation at year end.

Corporate bonds and government issues (domestic and foreign) – Investments classified as Level 1 are based on quoted market prices from independent pricing vendors.

Investments classified as Level 2 are based upon independent pricing models or other model-based valuation techniques, such as the present value of the stream of expected cash flows adjusted for security's credit rating and other factors. Other factors may include items, such as credit loss assumptions.

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

NOTES TO FINANCIAL STATEMENTS

3. FAIR VALUE MEASUREMENTS (Continued)

Hedge Funds and Real Estate Funds – Valued at the net asset value of the units held by the Foundation at year end, as reported by the investment manager.

Limited Partnerships – Investments in limited partnerships for which there is no readily determinable fair value are classified as Level 3, as the valuation is based on significant unobservable inputs. To estimate fair value, the Foundation uses the net asset value of the limited partnerships.

Real Estate Property – The Foundation administrative building is valued at cost plus improvements and allocated 15% to fixed assets and 85% to investments. The Foundation's risk with respect to this property is mitigated by the Foundation's general liability insurance, and property and casualty insurance, as well as the insurance provided by tenants pursuant to lease agreements. Donated real property provides net operating income that is sufficient to cover the cost of preventive maintenance, capital improvements, operating reserves, and the educational activities that the donor specified when the property was donated. The Foundation holds donated property valued at the fair market value as of the date of the contribution.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth, by level, within the fair value hierarchy, amounts recorded in the Foundation's financial statements at fair value as of June 30, 2025 and 2024, This table includes Fiduciary Funds of \$4,000,931 and \$3,509,931 respectively:

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

NOTES TO FINANCIAL STATEMENTS

3. FAIR VALUE MEASUREMENTS (Continued)

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
June 30, 2025				
Common Stocks	\$ 82,226,356	\$ -	\$ -	\$ 82,226,356
Corporate Bonds	29,664,060	1,134,081	-	30,798,141
Real Estate Property	-	1,532,976	-	1,532,976
Cash / Money Market Funds	1,621,218	-	-	1,621,218
Accrued Interest / Unsettled Transactions	2,393	-	-	2,393
Total assets in the fair value hierarchy	113,514,027	2,667,057	-	116,181,084
Investments measured at net asset value	-	36,571,781	57,680,875	94,252,656
Total Investments at fair value	\$ 113,514,027	\$ 39,238,838	\$ 57,680,875	\$ 210,433,740

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
June 30, 2024				
Common Stocks	\$ 91,981,148	\$ -	\$ -	\$ 91,981,148
Corporate Bonds	8,336,916	-	-	8,336,916
U.S. Government Securities	2,731,686	3,235,319	-	5,967,005
Real Estate Property	-	1,532,976	-	1,532,976
Cash / Money Market Funds	2,357,751	-	-	2,357,751
Accrued Interest / Unsettled Transactions	67,740	-	-	67,740
Total assets in the fair value hierarchy	105,475,241	4,768,295	-	110,243,536
Investments measured at net asset value	-	31,615,341	48,538,435	80,153,776
Total Investments at fair value	\$ 105,475,241	\$ 36,383,636	\$ 48,538,435	\$ 190,397,312

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

NOTES TO FINANCIAL STATEMENTS

3. FAIR VALUE MEASUREMENTS (Continued)

The following is a description of the significant investment strategies of each major category of investments that calculate net asset value per share and are not in an active market (Level 3 measurements):

Hedge Funds, Fund of Funds and Limited Partnership Funds- To provide capital appreciation and generate high returns at reduced risk through aggressively managed portfolio of investments using advanced investment strategies.

Real Estate Funds – To provide capital appreciation and generate high returns through a professionally managed private Real Estate Investment Trust portfolio that approximates the investment risks and returns for private commercial real estate.

Real Estate Property – To provide net operating income that is sufficient to cover the cost of preventive maintenance, capital improvements, operating reserves, and the educational activities that the donor specified when the property was donated. The Foundation’s risk with respect to this property is mitigated by the Foundation’s general liability insurance, and property and casualty insurance, as well as the insurance provided by tenants pursuant to lease agreements.

While these financial instruments may contain varying degrees of risk, the Foundation’s risk with respect to such transactions is limited to its capital balance in each investment. The financial statements of the investees are audited annually by independent auditors.

The following table discloses all investments whose value is calculated using NAV (or its equivalent), as a practical expedient for funds held at June 30, 2025 and 2024.

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
<u>Fixed income</u>				
Private credit	\$ 6,928,752		Daily	2 days
<u>Equities</u>				
Domestic equities	\$ 12,582,120		Quarterly	45 days
International equities	10,911,786		Monthly	5 days
<u>Limited partnerships</u>				
Venture capital	8,821,566	\$ 2,205,609	Duration of Partnership	N/A
Private equity	16,402,864	6,587,723	Duration of Partnership	N/A
Private credit	4,128,636	2,804,077	Duration of Partnership	N/A
Real estate fund	3,227,834	307,262	Duration of Partnership	N/A
Hedge funds	31,249,098		Monthly/Quarterly	45-90 days
Total investments at June 30, 2025	\$ 94,252,656	\$ 11,904,671		

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

NOTES TO FINANCIAL STATEMENTS

3. FAIR VALUE MEASUREMENTS (Continued)

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
<u>Fixed income</u>				
Private credit	\$ 6,482,133		Daily	2 days
<u>Equities</u>				
Domestic equities	\$ 10,201,790		Quarterly	45 days
International equities	9,107,419		Monthly	5 days
<u>Limited partnerships</u>				
Venture capital	7,477,948	\$ 1,037,607	Duration of Partnership	N/A
Private equity	10,430,516	3,385,936	Duration of Partnership	N/A
Private credit	4,272,069	3,147,478	Duration of Partnership	N/A
Real estate fund	2,787,973	550,507	Duration of Partnership	N/A
Hedge funds	29,393,928		Monthly/Quarterly	45-90 days
Total investments at June 30, 2024	\$ 80,153,776	\$ 8,121,528		

The table below sets forth a summary of changes in the fair value of the Foundation's Level 3 assets for the fiscal years ended June 30, 2025 and 2024:

	<u>Commingled Funds and Limited Partnerships</u>	<u>Real Estate and Real Estate Fund</u>	<u>Total</u>
Balance June 30, 2023	\$ 43,507,817	\$ 1,658,363	\$ 45,166,180
Sales	(400,038)	(175,494)	(575,532)
Purchases	10,080,818	1,064,347	11,145,165
Net realized and unrealized gains (losses)	2,875,292	240,757	3,116,049
Transfers in/(out) from level 1	(4,720,146)	888,853	(3,831,293)
Balance June 30, 2024	<u>51,343,743</u>	<u>3,676,826</u>	<u>55,020,569</u>
Sales	(1,520,179)	(90,922)	(1,611,101)
Purchases	7,541,942	243,245	7,785,187
Net realized and unrealized gains (losses)	3,127,434	287,538	3,414,972
Balance June 30, 2025	<u>\$ 60,492,940</u>	<u>\$ 4,116,687</u>	<u>\$ 64,609,627</u>

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

NOTES TO FINANCIAL STATEMENTS

4. ENDOWMENTS

The Foundation's endowment consists of approximately 656 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 \$621,820 and \$1,251,736 for the years ended June 30, 2025 and 2024, 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, 2025, amounts deficient in 2024 were fully recovered due to favorable market fluctuations. For year ended June 30, 2024, funds with original gift values of \$786,264, fair values of \$772,846 and deficiencies of \$13,418 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.

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

NOTES TO FINANCIAL STATEMENTS

4. 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.

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

NOTES TO FINANCIAL STATEMENTS

4. 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.

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

NOTES TO FINANCIAL STATEMENTS

4. ENDOWMENTS (Continued)

The following table presents the Foundation's endowments composition, changes, and net position classifications for year ended June 30, 2025.

	Restricted Expendable	Permanently Restricted Nonexpendable	Total
Endowment net assets, beginning of year	\$ 22,439,625	\$ 101,700,975	\$ 124,140,600
Investment return:			
Investment income	1,407,313	-	1,407,313
Net realized and unrealized gains	12,007,878	-	12,007,878
Total investment return	13,415,191	-	13,415,191
Contributions	-	2,995,385	2,995,385
Appropriation of endowment assets for expenditure	(4,867,912)	-	(4,867,912)
Endowment net assets, end of year	\$ 30,986,904	\$ 104,696,360	\$ 135,683,264

The Endowment net assets end of year balance on this schedule does not tie to the 2025 nonexpendable endowments net position because the National Alumni Assoc. and Rattler Boosters (Fiduciary funds) endowment balances of \$4.0 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 \$237,221, investment returns of \$391,465, and an appropriation of \$137,686 and is reported on the Statements of Changes in Fiduciary Net Position.

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

NOTES TO FINANCIAL STATEMENTS

4. ENDOWMENTS (Continued)

The following table presents the Foundation's endowments composition, changes, and net position classifications for year ended June 30, 2024.

	<u>Restricted Expendable</u>	<u>Permanently Restricted Nonexpendable</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 15,861,046	\$ 97,517,038	\$ 113,378,084
Investment return:			
Investment income	1,017,418	-	1,017,418
Net realized and unrealized gains	10,098,086	-	10,098,086
Total investment return	11,115,504	-	11,115,504
Contributions	-	4,183,937	4,183,937
Appropriation of endowment assets for expenditure	(4,536,925)	-	(4,536,925)
Endowment net assets, end of year	\$ 22,439,625	\$ 101,700,975	\$ 124,140,600

The Endowment net assets beginning of year balance on schedule does not tie to the 2024 nonexpendable endowments net position because the National Alumni Assoc. and Rattler Boosters (Fiduciary funds) endowment balances of \$3.0 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 \$256,802, investment returns of \$314,925, and an appropriation of \$121,408 and is reported on the Statements of Changes in Fiduciary Net Position.

5. 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 \$750 at June 30, 2025 and \$0 at June 30, 2024.

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 2025 and 2024 were discounted at a rate of 2%. Amortization of discounts is included as contribution revenue.

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

NOTES TO FINANCIAL STATEMENTS

5. 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:

	2025	2024
Pledges receivable	\$ 2,551,743	\$ 4,648,294
Less: unamortized discount	51,035	92,966
Subtotal	2,500,708	4,555,328
Less: allowance for uncollectibles	243,471	52,339
Net unconditional promises to give	\$ 2,257,237	\$ 4,502,989
Amount due in:		
Less than one (1) year	\$ 1,525,189	\$ 2,594,117
One to five (5) years	220,083	1,386,166
More than five (5) years	806,471	668,011
Total	\$ 2,551,743	\$ 4,648,294

6. CASH SURRENDER VALUE OF LIFE INSURANCE

The cash surrender value of life insurance policies is net of any outstanding policy loans and totaled \$185,190 and \$141,663 as of June 30, 2025 and 2024, respectively. The net death benefit value of the underlying life insurance in force was approximately \$1.6 million at June 30, 2025 and \$1.4 million June 30, 2024. 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.

7. REAL ESTATE INTENDED TO BE SOLD

Contributions of real estate intended to be sold are generally recorded at their appraised value at the date of gift. Real estate intended to be sold 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 intended to be sold for the fiscal year ended June 30.

	2025	2024
Real estate intended to be sold, beginning of year	\$ 168,400	\$ 168,400
Donations	-	-
Disposals	-	-
Real estate intended to be sold, end of year	\$ 168,400	\$ 168,400

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

NOTES TO FINANCIAL STATEMENTS

8. 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 Foundation renewed the copier lease on October 17, 2024 for three years. The monthly lease payments of \$228.02 are due on the 17th of every month, and the implicit interest rate is unknown. An incremental borrowing rate of 4.12% has been used. The lease conveys no ownership at the end of the lease term.

The following table presents the Foundation's lease asset and accumulated amortization by class of asset as of June 30, 2025.

<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	0	8,817	8,817
Copier- New Lease	Lessee	Operating	Copier	5,892	1,684	7,576

The following table presents the Foundation's lease asset and accumulated amortization by class of asset as of June 30, 2024.

<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	\$ 588	\$ 8,229	\$ 8,817

The following schedule summarizes the Foundation's lease liability and interest as of June 30, 2025.

<u>Year Ending June 30</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2025	\$ 2,276	\$ 248	\$ 2,524
2026	2,491	246	2,737
2027	2,593	143	2,736
2028	876	36	912
	<u>\$ 8,236</u>	<u>\$ 673</u>	<u>\$ 8,909</u>

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

NOTES TO FINANCIAL STATEMENTS

9. SBITA ASSETS AND LIABILITIES

A summary of changes in SBITA assets for the years ended June 30th is shown below:

<u>June 30, 2025</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
SBITA assets	\$ 411,837	\$ 265,765	\$ -	\$ 677,601
Less, accumulated amortization	(124,656)	(170,840)	-	(295,495)
Total SBITA assets, net	<u>\$ 287,181</u>	<u>\$ 94,925</u>	<u>\$ -</u>	<u>\$ 382,106</u>

<u>June 30, 2024</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
SBITA assets	\$ 411,837	\$ -	\$ -	\$ 411,837
Less, accumulated amortization	(90,336)	(34,320)	-	(124,656)
Total SBITA assets, net	<u>\$ 321,501</u>	<u>\$ (34,320)</u>	<u>\$ -</u>	<u>\$ 287,181</u>

The Foundations' SBITA assets consist of amortization expense totaling \$170,840 and \$34,320 and is included in operating expenses on the accompanying Statements of Revenues, Expenses and Changes in Net Position for the years ended June 30, 2025 and 2024, respectively.

A summary of changes in SBITA liabilities for the years ended June 30th, is shown below:

<u>June 30, 2025</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
SBITA liabilities	\$ 255,037	\$ 239,261	\$ (165,878)	\$ 328,420

<u>June 30, 2024</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
SBITA liabilities	\$ 411,836	\$ -	\$ (156,799)	\$ 255,037

A summary of the principal and interest amounts for the remaining SBITA arrangements is as follows as of June 30th:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 46,157	\$ 5,352	\$ 51,509
2026	199,417	12,917	212,334
2027	82,846	3,825	86,671
Total	<u>\$ 328,420</u>	<u>\$ 22,094</u>	<u>\$ 350,514</u>

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

NOTES TO FINANCIAL STATEMENTS

10. 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, 2024	Additions	Disposals	June 30, 2025
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	92,394	-	-	92,394
Equipment	154,468	7,432	-	161,900
Furniture and fixtures	24,490	-	-	24,490
Total depreciable assets	349,352	7,432	-	356,784
Accumulated depreciation	(231,629)	(9,787)	-	(241,416)
Net depreciable assets	117,723	(2,355)	-	115,368
Total Capital assets	\$ 144,723	\$ (2,355)	\$ -	\$ 142,368

	June 30, 2024	Additions	Disposals	June 30, 2025
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	82,630	9,764	-	92,394
Equipment	154,468	-	-	154,468
Furniture and fixtures	24,490	-	-	24,490
Total depreciable assets	339,588	9,764	-	349,352
Accumulated depreciation	(215,938)	(15,691)	-	(231,629)
Net depreciable assets	123,650	(5,927)	-	117,723
Total Capital assets	\$ 150,650	\$ (5,927)	\$ -	\$ 144,723

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

NOTES TO FINANCIAL STATEMENTS

10. CAPITAL ASSETS (Continued)

Total depreciation expense was \$9,787 and \$15,691 in 2025 and 2024, respectively. Total accumulated depreciation on June 30, 2025 and 2024 was \$241,416 and \$231,629, respectively.

11. LONG-TERM LIABILITIES

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

	Balance as of July 1, 2024	Additions	Reductions	Balance as of June 30, 2025	Due in one year
Lease liability	\$ 659	\$ 7,576	\$ 2,276	\$ 5,959	\$ 2,490
Subscription liability	255,037	239,261	165,878	328,420	133,775
Deposits	4,687	-	-	4,687	-

	Balance as of July 1, 2023	Additions	Reductions	Balance as of June 30, 2024	Due in one year
Lease liability	\$ 2,600	\$ -	\$ 1,941	\$ 659	\$ 659
Subscription liability	343,872	67,965	156,800	255,037	135,277
Deposits	4,687	-	-	4,687	-

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.

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 \$659 as of the fiscal year ended June 30, 2024. 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 \$588.

Subscription liability: The Foundation has entered into three software agreements over the prior fiscal years. The aggregate amount of outstanding principal on all agreements is \$255,037 as of the fiscal year ended June 30, 2024. The agreements are payable in annual installments of \$125,209 and \$21,672 through 2025 and 2024 respectively. The liability for the agreements 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 liabilities was 4.55%. The related software subscription assets have a carrying value of \$287,181.

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

NOTES TO FINANCIAL STATEMENTS

12. 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:

	2025	2024
Fees assessed on pooled investments	\$ 1,340,784	\$ 1,254,549
Gift fees	655,091	795,375
Non-gift fees	112,287	157,832
Campaign assessment	329,228	408,557
Total fees	<u>\$ 2,437,390</u>	<u>\$ 2,616,313</u>

13. RELATED PARTY TRANSACTIONS

The Foundation considers the University and the University’s direct support organizations (DSOs) to be related parties for the purpose of the financial statements. The Foundation is the primary fundraiser for the University; in return, the University provides monetary support. The Foundation receives administrative and fundraising support from the University pertaining to expenses for salaries and related benefits that are funded as part of the University support.

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, 2026. The Foundation executed a commercial lease with the FAMU Medical Marijuana Education Initiative for Minority Communities (FMMI), a University office, as a tenant in the Foundation Building. The lease agreement requires FMMI to make monthly lease payments of \$1,550 to the Foundation through January 1, 2026. The Foundation received \$54,600 and \$54,600 in lease payments from the University during the year ended June 30, 2025 and 2024, respectively. These amounts are included in miscellaneous income in the accompanying statement of activities.

14. SUBSEQUENT EVENTS

The Foundation has evaluated events and transactions for potential recognition or disclosure in the financial statements through October 1, 2025, the date which the financial statements were available to be issued. During the period from June 30, 2025 to October 1, 2025, 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, 2025 and 2024

	June 30, 2025					June 30, 2024				
	Program Services		Management & General	Nonoperating	Total	Program Services		Management & General	Nonoperating	Total
	University Support	Scholarships and Grants				University Support	Scholarships and Grants			
Scholarships and grants	\$ -	\$ 7,887,126	\$ -	\$ -	\$ 7,887,126	\$ -	\$ 6,577,604	\$ -	\$ -	\$ 6,577,604
Salaries and fringe benefits	3,825,880	-	840,872	-	4,666,752	2,853,160	-	1,035,841	-	3,889,001
Contract services	964,871	-	24,413	-	989,284	1,398,203	-	3,727	-	1,401,930
Equipment purchases	333,346	-	16,063	-	490,729	436,759	-	183,645	-	636,327
Travel and meetings	527,702	-	141,213	-	861,561	498,679	-	161,490	-	766,368
Materials and supplies	791,155	-	326,816	-	1,143,015	658,777	-	275,370	-	955,464
Professional fees	634,191	-	234,434	-	1,065,125	530,120	-	203,729	-	864,153
Entertainment and dinners	1,158,659	-	418,681	-	1,709,243	1,101,534	-	374,296	-	1,594,011
Repairs and maintenance	108,033	-	44,934	-	275,054	69,749	-	25,519	-	210,877
Postage	4,568	-	1,864	-	6,432	1,524	-	653	-	3,329
Dues and subscriptions	233,990	-	-	-	233,990	188,416	-	-	-	192,541
Insurance	12,059	-	37,195	-	49,254	24,966	-	-	-	50,643
Equipment rental	104,350	-	508	-	104,858	138,594	-	-	-	143,432
Printing and advertising	206,856	-	38,616	-	273,473	132,917	-	25,518	-	168,391
Telephone	-	-	-	-	-	-	-	-	-	12,131
Rent	44,538	-	13	-	44,551	71,422	-	-	-	71,428
Depreciation & amortization	-	-	182,898	-	182,898	-	-	171,399	-	171,399
Utilities	-	-	64,946	-	64,946	-	-	46,455	-	46,455
Training and seminars	154,534	-	26,874	-	241,429	133,406	-	51,084	-	212,872
Taxes and licenses	44,008	-	886	-	62,830	25,487	-	9,248	-	45,026
Bank charges	85,306	-	15,903	-	101,209	78,433	-	-	-	88,061
Contributions	87,287	-	37,409	-	124,696	55,825	-	31,786	-	87,611
Donated In-Kind Donations	20,160	-	-	-	20,160	203,770.00	-	-	-	203,770
Other university support	1,523,200	-	-	-	1,523,200	1,684,661	-	-	-	1,684,661
Provision for uncollectible pledges	-	-	-	-	197,260	-	-	130,999	-	130,999
Interest expense	-	-	-	24,437	24,437.00	-	-	-	20,743	20,743
Miscellaneous	-	-	-	-	-	2,892	-	1,239	-	4,131
Total	\$ 10,864,693	\$ 7,887,126	\$ 1,855,319	\$ 24,437	\$ 22,343,512	\$ 10,289,294	\$ 6,577,604	\$ 1,476,576	\$ 20,743	\$ 20,233,358

MAJOR GIFTS PROGRAM
SCHEDULE OF RECEIPTS, EXPENDITURES, AND ENDOWMENT BALANCES
For Fiscal Year- 2024-2025
[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 7/1/2024	Corpus Contributed During FY 24-25	Income and Interest Earnings	Expenditures	Other Expenditures & Transfers	Ending Corpus Balance	Ending Net Balance 06/30/2025
Sec Cen Camp 1, 4 & 5	\$ 450,000	\$ 838,030	\$ -	\$ 22,713	\$ 13,503	\$ 7,572	\$ 450,000	\$ 839,668
Sec Cen Camp 2 & 3	300,000	476,832	-	13,971	3,000	4,657	300,000	483,146
Sec Cen Camp 14	150,000	239,091	158	6,854	-	2,285	150,158	243,818
Sec Cent Camp 24	150,000	172,762	-	6,025	-	2,008	150,000	176,779
Sec Cen Camp 25	150,000	310,212	-	9,071	-	3,024	150,000	316,259
Sec Cen Camp 26	150,000	256,408	300	8,419	-	2,517	150,300	262,610
Sec Cen Camp 27	150,000	301,696	-	7,551	-	2,517	150,000	306,730
Sec Cen Camp 28	150,000	157,898	414	6,015	-	2,006	150,414	162,321
Sec Cen Camp 33	300,000	365,045	-	15,282	-	5,094	300,000	375,233
Sec Cen Camp 34	150,000	159,139	-	9,570	-	3,190	150,000	165,519
Sec Cen Camp 35	150,000	271,779	-	7,181	1,289	2,394	150,000	275,277
Sec Cen Camp 38-40	450,000	802,185	-	22,716	4,500	7,572	450,000	812,829
Sec Cen Camp 41-43	450,000	565,535	-	11,434	-	3,811	450,000	573,158
Sec Cen Camp 44-48	750,000	1,111,813	-	32,888	-	10,963	750,000	1,133,738
Sec Cen Camp 49-51	450,000	644,110	-	22,716	-	7,572	450,000	659,254
Sec Cen Camp 52-53	300,000	502,910	-	18,173	1,500	6,058	300,000	513,525
Sec Cen Camp 57	1,164,977	1,496,817	3,024	48,825	5,819	16,291	1,168,001	1,526,556
Sec Cen Camp 58	315,898	427,369	-	17,407	737	5,802	315,898	438,237
Sec Cen Camp 61	247,500	442,154	-	12,731	4,000	4,244	247,500	446,641
Sec Cen Camp 62	300,000	487,731	-	18,173	2,373	6,058	300,000	497,473
Sec Cen Camp 64	375,000	491,649	20,234	21,810	15,405	7,877	395,234	510,411
Sec Cen Camp 65	150,000	320,422	-	7,572	-	2,524	150,000	325,470
Sec Cen Camp 66	172,500	368,813	-	6,271	-	2,090	172,500	372,994
Sec Cen Camp 67	300,000	355,378	-	15,144	-	5,048	300,000	365,474
Sec Cen Camp 68	210,000	259,706	-	10,727	-	3,576	210,000	266,857
Sec Cen Camp 69	172,500	199,741	-	8,371	-	2,790	172,500	205,322
Sec Cen Camp 70	360,283	553,162	-	18,251	3,843	6,105	360,283	561,465
Sec Cen Camp 71	300,000	474,923	-	9,086	2,393	3,029	300,000	478,587
Sec Cen Camp 72	217,500	314,719	-	12,878	-	1,262	217,500	326,335
Sec Cen Camp 74	574,380	810,707	-	32,693	2,553	10,660	574,380	830,187
Sec Cen Camp 75	396,000	608,549	539	22,105	7,781	8,183	396,539	615,229
Balance Forward	\$ 9,906,538	\$ 14,787,284	\$ 24,669	\$ 482,623	\$ 68,696	\$ 158,779	\$ 9,931,207	\$ 15,067,102

Name of Gift*	Beginning Corpus Balance	Beginning Net Balance 7/1/2024	Corpus Contributed During FY 24-25	Income and Interest Earnings	Expenditures	Other Expenditures & Transfers	Ending Corpus Balance	Ending Net Balance 06/30/2025
Balance Forward	\$ 9,906,538	\$ 14,787,284	\$ 24,669	\$ 482,623	\$ 68,696	\$ 158,779	\$ 9,931,207	\$ 15,067,102
Sec Cen Camp 77	1,190,000	1,371,403	-	61,584	9,065	20,539	1,190,000	1,403,383
Sec Cen Camp 79	1,219,451	1,715,472	-	75,981	90,113	19,042	1,219,451	1,682,298
Sec Cen Camp 80	150,000	208,322	-	9,570		3,190	150,000	214,702
Sec Cen Camp 85	229,082	295,214	1,078	13,958	6,430	6,283	230,160	297,537
Sec Cen Camp 86	750,000	790,697	-	47,852		15,951	750,000	822,598
Sec Cen Camp 87	225,000	417,951	-	11,358		3,786	225,000	425,523
FAMU Endowment #1	411,200	544,037	535	24,535	5,065	8,988	411,735	555,054
FAMU Endowment #2	402,000	471,422	-	29,913	3,457	9,975	402,000	487,903
FAMU Endowment #3	320,997	470,624	-	27,286	2,000	6,462	320,997	489,448
FAMU Endowment #4	351,023	491,686	-	17,884	817	5,961	351,023	502,792
FAMU Endowment #5	187,500	274,285	-	15,012	2,500	3,687	187,500	283,110
Walt Disney World Family Law	225,000	518,926	-	11,358		3,786	225,000	526,498
FAMU Endowment #6	343,812	438,498	3,537	21,138	6,941	7,683	347,349	448,549
FAMU Endowment #7	358,495	453,727	37,625	92,342	15,300	32,019	358,495	536,375
Moot Court & Law Review Endt	1,275,000	1,298,865	-	64,416	51,231	21,544	1,275,000	1,290,506
FAMU Endowment #8	184,881	254,182	-	9,346	3,611	3,120	184,881	256,797
FAMU Endowment #9	183,393	253,937	383	11,679	4,404	4,473	183,776	257,122
FAMU Endowment #10	183,917	208,903	-	11,900		3,967	183,917	216,836
National Alumni Association	150,000	169,835	1,610	7,848		2,616	151,610	176,677
Walt Disney World Family Law	100,000	216,962	-	5,048		1,683	100,000	220,327
FAMU Endowment #11	640,919	651,256	11,306	65,612	10,137	22,704	652,225	695,333
Scholarship Endowment I	150,000	276,141	-	6,086		2,029	150,000	280,198
Scholarship Endowment 2 & 3	-	-	-				-	-
Scholarship Endowment 4 & 5	300,000	524,953	5,040	12,676	4,026	4,703	305,040	533,940
Scholarship Endowment 6 & 7	300,000	392,419	-	16,967	2,000	5,656	300,000	401,730
Corporate Banquet	150,000	184,807	-	7,572		2,524	150,000	189,855
Honeywell, Inc. Endowment	150,000	155,883	-	6,815	3,684	2,272	150,000	156,742
Arts Scholarship Endowment	300,000	413,046	-	15,144	7,000	5,048	300,000	416,142
Faculty & Staff Endowment	300,000	308,576	-	15,166	5,859	5,063	300,000	312,820
Journalism	450,000	485,540	-	23,162	21,354	7,721	450,000	479,627
Centennial I, II, III	450,000	516,835	-	9,313		3,104	450,000	523,044
SBI Endowments (Various)	13,781,873	18,986,341	-	857,865	38,271	285,962	13,781,873	19,519,973
TOTAL	\$ 35,320,081	\$ 48,548,029	\$ 85,783	\$ 2,089,009	\$ 361,961	\$ 690,320	\$ 35,368,239	\$ 49,670,541

* SCCE - Second Century Campaign Endowment

Florida A&M University Foundation, Inc.
 EMINENT SCHOLARS CHAIRS
 SCHEDULE OF RECEIPTS, EXPENDITURES, AND ENDOWMENT BALANCES
 For Fiscal Year- 2024-2025
 [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 7/1/2024	Corpus Contributed During FY 24-25	Income and Interest Earnings	Expenditures	Other Expenditures & Transfers	Ending Corpus Balance	Ending Net Balance 06/30/2025
Warner Lambert Chair	\$ 1,000,000	\$ 1,979,249	\$ -	\$ 50,479	\$ -	\$ 16,826	\$ 1,000,000	\$ 2,012,902
Centennial Business Chair	1,000,000	1,495,054	-	50,479		16,826	1,000,000	1,528,707
Anheuser Busch Chair	1,000,000	1,264,326	-	50,479		16,826	1,000,000	1,297,979
Knight Chair for Student Achievement	1,762,440	2,256,946	-	116,398		25,866	1,762,440	2,347,478
Garth Reeves Chair	1,000,000	1,159,523	-	50,505	38,701	16,835	1,000,000	1,154,492
Foster-Edmond Chair	1,020,000	1,527,374	-	51,514		17,171	1,020,000	1,561,717
SBI Financial Services Chair	1,020,000	1,855,189	-	51,489		17,163	1,020,000	1,889,515
Carrie Meek Chair	1,020,000	2,124,253	-	51,489		17,163	1,020,000	2,158,579
Shirley A. Cunningham Jr. Endowed Chair	1,750,001	1,749,703	-	88,339	50,861	29,446	1,750,001	1,757,735
Sybil C. Mobley Endowed Chair	2,523,798	3,064,446	50,000	127,728	-	42,576	2,573,798	3,199,598
TOTAL CHAIRS	\$ 13,096,239	\$ 18,476,063	\$ 50,000	\$ 688,900	\$ 89,562	\$ 216,700	\$ 13,146,239	\$ 18,908,701

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 Agricultural & 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 business-type activities and fiduciary activities of Florida Agricultural & Mechanical University Foundation, Inc (“the Foundation”), as of and for the year ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Foundation’s basic financial statements, and have issued our report thereon dated October 1, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered The 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 The Foundation’s internal control. Accordingly, we do not express an opinion on the effectiveness of The 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 the 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 1, 2025

Florida A&M University Foundation, Inc.
Schedule of Findings and Responses
June 30, 2025

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.