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**UNIVERSITY OF NEW ORLEANS FOUNDATION**

Consolidated Financial Statements and Schedules

December 31, 2014 and 2013

With Independent Auditors' Report Thereon

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# UNIVERSITY OF NEW ORLEANS FOUNDATION

December 31, 2014 and 2013

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\* GASB schedules in format prescribed by the Foundation.

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
University of New Orleans Foundation

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of the University of New Orleans Foundation, (a nonprofit organization) (the Foundation) and its subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2014 and 2013, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated statement of financial position of the University of New Orleans Foundation as of December 31, 2014 and 2013, and the consolidated statement of changes in its net assets and its consolidated statement of cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 26 through 33 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets, and cash flows of the individual organizations. The supplementary information included in Schedules 1 through 3, and the GASB Schedules on pages 35 through 52 is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated 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 June 26, 2015, on our consideration of the Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 the Foundation's internal control over financial reporting and compliance.

*Robert W. White & Nettenville*

Metairie, Louisiana  
June 26, 2015

**UNIVERSITY OF NEW ORLEANS FOUNDATION**

Consolidated Statement of Financial Position

As of December 31, 2014 and 2013

		Assets	
		2014	2013
Current assets:			
Cash and cash equivalents (Note 1 and 14)	\$	727,580	\$ 4,551,533
Investments (Note 2)		3,192,585	-
Restricted assets:			
Cash and cash equivalents (Note 1)		1,465,264	1,542,688
Investments (Note 2, 8, 12, and 13)		-	4,083,652
Unconditional promises to give, net (Note 3)		237,212	362,744
Accounts receivable		753,247	241,748
Contributions receivable		246,089	565,547
Grants receivable		582,003	205,429
Notes receivable		-	20,743
Deferred charges and prepaid expenses		39,506	41,158
Total current assets		<u>7,243,486</u>	<u>11,615,242</u>
Noncurrent assets:			
Restricted assets:			
Investments (Note 2, 12, and 13)		73,396,834	74,262,634
Unconditional promises to give, net (Note 3)		116,020	64,750
Real estate, net (Note 4)		9,440,567	12,121,223
Property and equipment, net (Note 5)		16,301	38,722
Other noncurrent assets		164,063	108,523
Total noncurrent assets		<u>83,133,785</u>	<u>86,595,852</u>
Total assets	\$	<u><u>90,377,271</u></u>	\$ <u><u>98,211,094</u></u>
<u>Liabilities and Net Assets</u>			
Current liabilities:			
Accounts payable and accrued liabilities	\$	2,563,811	\$ 2,229,536
Amounts held in custody for others (Note 11)		692,690	641,127
Current portion of bonds payable		179,000	170,000
Transfer of Trust (Note 8)		-	4,083,652
Other current liabilities - due to University (Note 11)		333,980	738,888
Total current liabilities		<u>3,769,481</u>	<u>7,863,203</u>
Noncurrent liabilities:			
Amounts invested for others (Note 9 and 13)		19,539,925	19,214,228
Bonds payable, net of current portion (Note 6)		188,000	367,000
Total noncurrent liabilities		<u>19,727,925</u>	<u>19,581,228</u>
Total liabilities		<u>23,497,406</u>	<u>27,444,431</u>
Net assets:			
Unrestricted		12,274,114	16,996,381
Temporarily restricted (Note 7, 8, and 13)		24,336,461	24,425,272
Permanently restricted (Note 7, 8, and 13)		30,269,290	29,345,010
Total net assets		<u>66,879,865</u>	<u>70,766,663</u>
Total liabilities and net assets	\$	<u><u>90,377,271</u></u>	\$ <u><u>98,211,094</u></u>

The accompanying notes are an integral part of these financial statements.

**UNIVERSITY OF NEW ORLEANS FOUNDATION**

Consolidated Statement of Activities

For the years ended December 31, 2014 and 2013

	2014				2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily restricted	Permanently restricted	Total
<b>Support and revenue:</b>								
Contributions	\$ 1,155,815	\$ 2,056,190	\$ 775,597	\$ 3,987,602	\$ 4,378,080	\$ 2,737,863	\$ 762,831	\$ 7,878,774
Contribution of property improvements (Note 11)	-	-	-	-	1,542,265	-	-	1,542,265
Grants	1,064,941	-	-	1,064,941	1,242,013	-	-	1,242,013
Investment income (loss) (Note 2)	347,976	1,761,207	(11,851)	2,097,332	1,141,832	4,786,980	18,545	5,947,357
Service fees (Note 1)	869,190	238,266	6,863	1,114,319	757,905	174,907	7,075	939,887
Salary support - R&T Foundation (Note 1 and 11)	-	-	-	-	546,612	-	-	546,612
Gain on sale of asset (Note 4)	-	-	-	-	1,858,294	-	-	1,858,294
Other income	1,436,873	-	191	1,437,064	996,433	6,000	-	1,002,433
Total support and revenue before net assets released from restrictions/transferred	4,874,795	4,055,663	770,800	9,701,258	12,463,434	7,705,750	788,451	20,957,635
Net assets released from restrictions/transferred:								
Net assets released from restrictions (Note 8)	4,528,050	(4,511,556)	(16,494)	-	6,200,699	(6,200,699)	-	-
Transfers	(537,056)	367,082	169,974	-	(200)	601,400	(601,200)	-
Total net assets released/transferred	3,990,994	(4,144,474)	153,480	-	6,200,499	(5,599,299)	(601,200)	-
Total revenue and support	8,865,789	(88,811)	924,280	9,701,258	18,663,933	2,106,451	187,251	20,957,635
<b>Expenses:</b>								
Program support (Note 10)	8,253,092	-	-	8,253,092	11,899,017	-	-	11,899,017
Property operations (Note 10)	613,002	-	-	613,002	649,596	-	-	649,596
Salaries and benefits (Note 11)	-	-	-	-	546,612	-	-	546,612
Dues and subscriptions	61,127	-	-	61,127	40,287	-	-	40,287
Meetings	32,874	-	-	32,874	40,952	-	-	40,952
Travel	1,872	-	-	1,872	2,669	-	-	2,669
Office operations	65,505	-	-	65,505	51,668	-	-	51,668
Professional services	686,981	-	-	686,981	543,415	-	-	543,415
Depreciation and amortization	315,836	-	-	315,836	364,412	-	-	364,412
Donation of property (Note 4)	-	-	-	-	879,341	-	-	879,341
Impairment loss (Note 4)	3,542,611	-	-	3,542,611	-	-	-	-
Other	15,156	-	-	15,156	32,983	-	-	32,983
Total expenses	13,588,056	-	-	13,588,056	15,050,952	-	-	15,050,952
Change in net assets	(4,722,267)	(88,811)	924,280	(3,886,798)	3,612,981	2,106,451	187,251	5,906,683
Net assets at beginning of year	16,996,381	24,425,272	29,345,010	70,766,663	13,383,400	22,318,821	29,157,759	64,859,980
Net assets at end of year	\$ 12,274,114	\$ 24,336,461	\$ 30,269,290	\$ 66,879,865	\$ 16,996,381	\$ 24,425,272	\$ 29,345,010	\$ 70,766,663

The accompanying notes are an integral part of these financial statements.

**UNIVERSITY OF NEW ORLEANS FOUNDATION**

Consolidated Statement of Cash Flows

For the year ended December 31, 2014

	2014	2013
Cash flows from operating activities:		
Change in net assets	\$ (3,886,798)	\$ 5,906,683
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation and amortization	315,836	364,412
Gain on sale of asset	-	(1,858,294)
Impairment loss	3,542,611	-
Contribution of property improvements	-	(1,542,265)
Donation of property	-	879,341
Realized gain on investments, net	(5,289,379)	(2,541,871)
Unrealized loss on investments, net	4,147,012	(2,346,447)
Restricted long-term contributions pledged	(342,522)	(174,100)
Recovery of bad debt expense	20,079	(98,677)
Changes in assets and liabilities:		
Accounts, contributions, grants, and notes receivable	(547,878)	3,951,164
Other assets	(56,111)	12,948
Accounts payable, accrued liabilities, and other liabilities	(19,070)	357,480
Net cash used in operating activities	(2,116,220)	2,910,374
Cash flows from investing activities:		
Capitalized costs of improvements to real estate, property, and equipment	(1,153,140)	(1,350,275)
Proceeds from sales of real estate, property, and equipment	-	3,225,000
Purchases of investments, net	-	(10,309,622)
Sales of investments, net	2,899,233	-
Change in amounts invested for others - noncurrent, net	(3,757,955)	5,025,866
Net cash used in investing activities	(2,011,862)	(3,409,031)
Cash flows from financing activities:		
Collections of contributions restricted for long-term purposes	396,705	620,360
Repayment of bonds payable and capital lease obligation	(170,000)	(636,441)
Net cash provided by financing activities	226,705	(16,081)
Change in cash	(3,901,377)	(514,738)
Cash and cash equivalents including restricted cash at beginning of year	6,094,221	6,608,959
Cash and cash equivalents including restricted cash at end of year	\$ 2,192,844	\$ 6,094,221
Composition of cash and cash equivalents:		
Unrestricted - cash and cash equivalents	\$ 727,580	\$ 4,551,533
Restricted - cash and cash equivalents	1,465,264	1,542,688
	\$ 2,192,844	\$ 6,094,221
<b>SUPPLEMENTAL NON-CASH FLOW DISCLOSURE:</b>		
Cash paid during the year for interest	\$ 45,533	\$ 37,113
Contribution of property improvements	\$ -	\$ (1,542,265)
Donation of property	\$ -	\$ 879,341

The accompanying notes are an integral part of these financial statements



# UNIVERSITY OF NEW ORLEANS FOUNDATION

## Notes to Consolidated Financial Statements

December 31, 2014 and 2013

### (1) Summary of Significant Accounting Policies

#### (a) *History and Organization*

The University of New Orleans Foundation (UNOF), a registered non-profit corporation in Louisiana, was established in 1984 with a mission of serving the University of New Orleans (the University) by raising private sector funds for the advancement of the University. During the year ended December 31, 2013, the Foundation created three wholly owned subsidiaries, University of New Orleans Foundation Real Estate Company, L.L.C. (UNOFREC), University of New Orleans Foundation Working Interest, L.L.C. (UNOFWI), and University of New Orleans Foundation Royalty Company, L.L.C. (UNOFRC), (collectively, the Foundation), which are disregarded entities for income tax purposes. The purpose of the subsidiaries is to receive and hold funds and property for the advancement of the University.

The consolidated financial statements of the Foundation have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The consolidated financial statements include the financial statements of UNOF and its three wholly-owned controlled subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation. The significant accounting policies followed in the preparation of the accompanying consolidated financial statements are described below.

#### (b) *Financial Statement Presentation*

The Foundation follows the provisions for not-for-profit organizations and includes three basic consolidated financial statements and the classifications of resources into three separate classes of net assets as follows:

- Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.
- Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time.
- Permanently restricted net assets - Net assets subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled and removed by actions of the Foundation pursuant to those stipulations.

#### (c) *Cash and Cash Equivalents*

For the purposes of the Consolidated Statement of Cash Flows, the Foundation considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

#### (d) *Unconditional Promises to Give*

Unconditional promises to give are recognized as revenue in the period received. Promises to give are recorded at their realizable value if they are expected to be collected in one year and at their fair value if they are expected to be collected in more than one year. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. An allowance for doubtful accounts has been established based on management's assessment of collectability.

# UNIVERSITY OF NEW ORLEANS FOUNDATION

## Notes to Consolidated Financial Statements

December 31, 2014 and 2013

### (1) Summary of Significant Accounting Policies (continued)

#### (e) *Investments*

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated statement of financial position. Income or loss on investments, including realized and unrealized gains and losses on investments, interest and dividends, are allocated ratably to the participating funds. Investment gains on restricted net assets are classified consistent with the related investment income unless specific donor or legal restrictions dictate otherwise.

Realized gains and losses, and declines in value judged to be other than temporary, are included in net appreciation (depreciation) of investments. Realized gains and losses on the sales of securities are determined using the specific-identification method. A decline in the fair value of investments below cost that is deemed to be other than temporary results in a charge to change in net assets and the establishment of a new cost basis for the investment.

#### (f) *Real Estate*

Real estate is held for investment, development, or sale purposes and is recorded at cost or fair market value on the date acquired. Depreciation of real estate (excluding land) is calculated on the straight-line basis ranging from 5 years to 20 years for improvements and equipment, and ranging from 20 years to 40 years for buildings.

#### (g) *Property and Equipment*

Assets acquired are stated at cost, net of accumulated depreciation. Assets donated are carried at fair market value on the date of donation, net of accumulated depreciation. Depreciation of property, furnishings, and equipment is provided over the estimated useful lives of the respective assets on the straight-line basis ranging from 3 years to 7 years for vehicles and equipment.

Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. When items of property or equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts, and any gain or loss is included in income.

#### (h) *Impairment of Long-Lived Assets*

Impairment of long-lived assets is tested whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. The carrying value of a long-lived asset is considered impaired when the anticipated undiscounted cash flow from such asset is separately identifiable and is less than its carrying value. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair market value of the long-lived asset. Fair market value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved. Losses on long-lived assets to be disposed of are determined in a similar manner, except that fair market values are reduced for the cost to dispose. The Foundation recognized impairment during the year ended December 31, 2014 of \$3,542,611 as discussed in Note 4.

# UNIVERSITY OF NEW ORLEANS FOUNDATION

## Notes to Consolidated Financial Statements

December 31, 2014 and 2013

### (1) Summary of Significant Accounting Policies (continued)

#### (i) *Amounts Invested for Others and Amounts Held for Others*

Amounts invested for others represent funds held in trust for others. These amounts are not owned by the Foundation (see Note 9). The Foundation considers unexpended income from these funds as amounts invested for others. In addition, the Foundation administers the financial assets and maintains the financial records of other entities affiliated with the University, which are amounts held for others and not owned by the Foundation (see Note 11).

#### (j) *Restricted and Unrestricted Revenue*

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Fee revenue primarily relates to fees earned by the Foundation for managing the investments on behalf of the University. Service fee revenue is recognized on a quarterly basis as a percentage of the investment balances.

#### (k) *Fundraising Expenses*

All expenses associated with fundraising activities are expensed as incurred, including any expenses related to fundraising appeals in a subsequent year. Total supporting services expenses related to fundraising for the years ended December 31, 2014 and 2013 was \$924,788 and \$622,717, respectively.

#### (l) *Income Taxes*

Income taxes have not been provided for in the consolidated financial statements as the Foundation was organized as a non-profit organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and is, therefore, of tax exempt status. Income taxes have not been provided for the three LLCs. Based on review of the entities where the Foundation has an ownership interest, management has determined that no tax expense or tax liability as of December 31, 2014 and 2013 should be provided for in the consolidated financial statements.

The Foundation applies a “more-likely-than-not” recognition threshold for all tax uncertainties. This approach only allows the recognition of those tax benefits that have a greater than 50% likelihood of being sustained upon examination by the taxing authorities. As a result of implementing this approach, the Foundation has reviewed its tax positions and determined there were no outstanding or retroactive tax positions with less than a 50% likelihood of being sustained upon examination by the taxing authorities. Therefore, the implementation of this standard has not had a material effect on the Foundation. The Foundation’s tax return for the year ended December 31, 2014 has not yet been filed.

# UNIVERSITY OF NEW ORLEANS FOUNDATION

## Notes to Consolidated Financial Statements

December 31, 2014 and 2013

### (1) Summary of Significant Accounting Policies (continued)

#### (m) Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the useful lives of fixed assets, the valuation of fixed assets, and investments.

#### (n) Reclassifications

Certain amounts in the 2013 financial statements have been reclassified to conform to 2014 reporting.

### (2) Investments

Investments are reported in the accompanying consolidated statement of financial position as current investments of \$3,192,585 and \$4,083,652 and noncurrent investments of \$73,396,834 and \$74,262,634 at December 31, 2014 and December 31, 2013, totaling \$76,589,419 and \$78,346,286.

The composition of investments, stated at fair value, at December 31, was as follows:

	2014	2013
Fixed income	\$ 11,080	\$ 9,424,244
Common and preferred stocks	1,463,077	11,274,504
Mutual funds (Note 12)	70,296,552	50,746,623
International stocks	1,529,855	2,303,194
REITS	-	1,000,213
Oil and gas interests	76,343	75,027
Land	3,212,512	3,522,481
	<u>\$ 76,589,419</u>	<u>\$ 78,346,286</u>

Investment income is reported net of investment expenses in the accompanying consolidated financial statements. Net investment income consisted of the following for the years ended December 31, 2014 and 2013:

	2014	2013
Interest and dividends	\$ 1,110,939	\$ 1,360,238
Realized gains, net	5,289,379	2,541,871
Unrealized gains/(losses), net	(4,147,012)	2,346,445
Investment related expenses	(155,974)	(301,197)
	<u>\$ 2,097,332</u>	<u>\$ 5,947,357</u>

# UNIVERSITY OF NEW ORLEANS FOUNDATION

## Notes to Consolidated Financial Statements

December 31, 2014 and 2013

### (3) Unconditional Promises to Give

Unconditional promises to give are included in the consolidated financial statements as unconditional promises to give and revenue of the appropriate net asset categories.

As of December 31 2014 and 2013, unconditional promises to give were expected to be realized in the following periods:

	2014	2013
In one year or less – current	\$ 237,212	\$ 362,744
Noncurrent		172,820
Between one year and five years	212,770	
In five years or more	22,650	22,500
Less:		
Present value discount (5%)	(57,065)	(55,130)
Allowances for uncollectible pledges	(62,335)	(75,440)
Noncurrent promises to give, net	116,020	64,750
Promises to give, net	\$ 353,232	\$ 427,494

Unconditional promises to give have the following restrictions:

	2014	2013
Unrestricted	\$ 20,055	\$ -
Temporarily restricted by donor imposed stipulations for university programs, activities, and building construction	267,141	359,814
Endowment for university programs and activities	66,036	67,680
	\$ 353,232	\$ 427,494

Unconditional promises to give are reported in the accompanying consolidated statement of financial position as current promises of \$237,212 and \$362,744 and noncurrent promises of \$116,020 and \$64,750 at December 31, 2014 and 2013, respectively.

### (4) Real Estate

As of December 31, 2014 and 2013, the Foundation held several real estate properties totaling \$9,440,567 and \$12,121,223, these balances are net of \$1,854,248 and \$2,672,779 in accumulated depreciation. The following is a summary of the properties at December 31, 2014 and 2013.

In November 1993, the Foundation acquired by donation a 120,000 square foot office building located in downtown New Orleans. In 2012, the Foundation entered into an agreement to sell the property which was subsequently sold in 2013 at no gain or loss.

# UNIVERSITY OF NEW ORLEANS FOUNDATION

## Notes to Consolidated Financial Statements

December 31, 2014 and 2013

### **(4) Real Estate (continued)**

On December 30, 1994, the Foundation purchased a complex of buildings in the Lee Circle area of downtown New Orleans from a private company. During the year ended December 31, 2013, the Foundation sold one the buildings in the Lee Circle area for \$2,225,000 at a gain of \$1,858,294 as shown in the Consolidated Statement of Activities.

The remainder of the property is being used for the Ogden Museum of Southern Art ("Ogden Museum") and to support the teaching mission of the UNO Fine Arts Department.

The Patrick F. Taylor Memorial Library (Taylor Library) phase of the Ogden Museum was financed with private funds. Through December 31, 2014 and 2013, the Foundation had expended \$4.5 million in construction related costs to renovate this historic building. A separate entity that governs the Ogden Museum, The Ogden Museum of Southern Art, Inc. (the Museum Board), operates and supports the Ogden Museum, and the Foundation is no longer funding or operating the Museum. Pursuant to an operating agreement between the Foundation and the Museum Board, the Foundation makes the Taylor Library available to the Museum.

During 2014, the University of New Orleans Foundation had the Taylor Library appraised by a third party. The appraiser indicated that the Taylor Library property was encumbered by a variety of use and development rights agreements and property restrictions which could materially impair the manner of use and the market value of the interest held by UNOF. A range of values was provided by this third party appraiser based upon a set of assumptions relative to the property use and development rights and/or obligations and restrictions that may survive a transfer of UNOF's property interest.

Based upon the appraiser's evaluation, the Foundation has recognized an impairment loss of \$3,542,611 representing the write down of the Taylor Library property to a net book value of \$100,000, UNOF's estimate of net realizable value based upon the appraiser's report.

In December 1996, an act of donation was executed whereby a collection of artwork was donated to the Foundation. In 2004, the Foundation and the donor executed a new agreement, which stated that it superseded the 1996 Act of Donation and modified the list of works of art donated to the Foundation. In addition, the 2004 Act of Donation conditioned the continued ownership of the art by the Foundation upon, among other things, completion of the Taylor Library by January 1, 2006 and construction of a passageway connecting the Taylor Library to Goldring Hall by the same date. A significant portion of the donated artwork has been loaned by the Foundation to the Museum for display in Goldring Hall, which is owned by the University of New Orleans. Due to the Foundation's policy on not capitalizing art collections, the Foundation has not recorded an amount for the art in the consolidated financial statements.

In addition, the Foundation made a portion of this real estate available to the Museum Board in order for the Museum Board to build a passageway connecting Goldring Hall and the Taylor Library. At the earlier of the passageway being completed or the end of the lease term, the ownership of the real estate was to be transferred to the third party at no cost to that third party. Work on the passageway has been completed. The ownership of the real estate was transferred to that third party during the year ended December 31, 2013 in the amount of \$879,341. Following the transfer, the Foundation has retained a right of access to the passageway portion of the property.

# UNIVERSITY OF NEW ORLEANS FOUNDATION

## Notes to Consolidated Financial Statements

December 31, 2014 and 2013

### (4) Real Estate (continued)

In July 2001, the Foundation purchased from a private company a 108,000 square foot building in support of the University of New Orleans film program and named the building the Robert E. Nims Center for Entertainment Arts (the "Nims Center") in honor of its primary benefactor. The property was purchased for approximately \$1.8 million, which was entirely financed through the issuance of bonds (see Note 6). The Foundation has entered into a cooperative endeavor agreement with the University, whereby the University reimburses the Foundation approximately \$200,000 annually for the use of the Nims Center from July 1, 2000 through June 30, 2016.

In August 2005, the Foundation acquired by donation a 73,152 square foot building adjacent to the Nims Center which was originally valued at approximately \$1.5 million. Through December 31, 2014 and 2013, the Foundation had expended \$5.7 million and \$5.6 million in construction related costs to improve this building.

During fiscal year 2012, the Foundation purchased the property for the UNO President's official residence. The residence is being leased to the University for \$1 per year for 30 years. The purchase of the property was internally financed through a Board approved loan of \$619,995 from the Foundation's general endowment funds to the unrestricted fund, which bears interest at a fixed rate of 4% and is being paid in monthly installments of principal and interest totaling \$2,946 over a thirty year period. Fifty percent of the annual cost of the principal and interest of approximately \$35,000 is received from University of New Orleans Research and Technology Foundation, Inc. (the "R&T"), an affiliated entity. The building and improvements are being depreciated over 30 years.

Real estate held for investment, development, or sale consisted of the following at December 31:

	2014	2013
Chevron:		
Land	\$ 129,000	\$ 129,000
Building	231,788	231,788
Official Residence:		
Land	167,800	167,800
Building and improvements	504,895	504,895
Nims Center Complex:		
Land	721,500	721,500
Building and improvements	4,999,014	4,962,904
Work in progress	4,440,818	3,323,788
Lee Circle Properties:		
Taylor Library land	100,000	249,136
Taylor Library	-	4,503,191
	11,294,815	14,794,002
Less accumulated depreciation	(1,854,248)	(2,672,779)
	\$ 9,440,567	\$ 12,121,223

Depreciation expense on real estate for the years ended December 31, 2014 and 2013 was \$291,186 and \$332,198, respectively.

**UNIVERSITY OF NEW ORLEANS FOUNDATION**

Notes to Consolidated Financial Statements

December 31, 2014 and 2013

**(5) Property and Equipment**

Property and equipment consisted of the following as of December 31, 2014 and 2013:

	2014	2013
Equipment - furniture	\$ 30,544	\$ 30,544
Equipment - other	356,008	356,008
	386,552	386,552
Less accumulated depreciation	(370,251)	(347,830)
	\$ 16,301	\$ 38,722

Depreciation expense on property and equipment for the years ended December 31, 2014 and 2013 was \$22,421 and \$29,985, respectively. The property and assets shown above are owned by the Foundation, but the majority of these assets are used by the University of New Orleans in support of its educational and research activities.

**(6) Bonds Payable**

Bonds payable consisted of the following as of December 31, 2014 and 2013:

	2014	2013
Bond payable to a bank, interest payable semi-annually, principal payable in annual installments ranging from \$170,000 to \$188,000, bearing interest at 2.093%, due in 2016. These bonds are secured by land and building related to the Nims Center (see Note 4).	\$ 367,000	\$ 537,000
Less amounts payable currently	(179,000)	(170,000)
Long-term portion	\$ 188,000	\$ 367,000

Annual maturities of debt are as follows as of December 31, 2014:

Year Ending	Amount
2015	\$ 179,000
2016	188,000
Total	\$ 367,000



# UNIVERSITY OF NEW ORLEANS FOUNDATION

## Notes to Consolidated Financial Statements

December 31, 2014 and 2013

### (6) Bonds Payable (continued)

Interest expense related to bonds payable during the year ended December 31, 2014 and 2013 was \$9,750 and \$13,205. Depreciation and amortization expense in the Consolidated Statement of Activities includes \$2,229 on the bond payable for the years ended December 31, 2014 and 2013.

Interest paid as shown on the Consolidated Statement of Cash Flows includes interest paid in the amount of \$23,907 on the termination of the capital lease during the year ended December 31, 2013.

### (7) Net Assets

Temporarily and permanently restricted net assets are restricted to the following at December 31:

	2014	2013
Temporarily restricted:		
Building funds	\$ 959,213	\$ 1,882,680
Scholarships	4,458,085	4,623,485
Faculty- salary supplements	1,820,846	1,756,492
Research	6,329,910	6,085,341
Educational studies program	4,596,910	4,885,230
Departmental development	6,171,497	5,192,044
Total temporarily restricted	\$ 24,336,461	\$ 24,425,272
Permanently restricted:		
Scholarships	\$ 4,091,565	\$ 3,834,507
Faculty - salary supplements	4,296,837	3,757,200
Research	10,251,779	10,132,061
Educational studies program	10,219,368	10,213,041
Departmental development	1,409,741	1,408,201
Total permanently restricted	\$ 30,269,290	\$ 29,345,010

### (8) Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring program related expenses satisfying the restricted purposes specified by donors for the years ended December 31, 2014 and 2013.

The Ernest C. and Yvette C. Villere Chair in Neuroscience – The University of New Orleans - Trust was created on March 8, 1991 for the sole benefit of the LSU Board of Supervisors (the “Board of Supervisors”) acting on behalf of the University of New Orleans. At the time of the gift, the Board of Supervisors was the governing authority of the University. In 2012, the governing authority was changed to the University of Louisiana Board. The Trust was funded by a \$600,000 donation from private sources. Pursuant to the Louisiana Board of Regents Support Fund Endowed Chair Program, the private funds were supplemented by a \$400,000 gift to the Trust.

# UNIVERSITY OF NEW ORLEANS FOUNDATION

## Notes to Consolidated Financial Statements

December 31, 2014 and 2013

### **(8) Net Assets Released from Restrictions (continued)**

The Trust Instrument provides that the funds placed in the Trust were to be used to establish and fund a chair at the University for the study of the cause and care of retinal degeneration (the "Villere Chair"). The chair is currently vacant due to the University's lack of the facilities necessary to perform such research. Therefore, the University, with the agreement of the other trustee, has determined that the purpose of the trust could best be achieved by transferring the trust funds to the Louisiana State University Health Sciences Foundation ("LSUHSC Foundation") for the sole purpose of establishing, funding, and administering the Villere Chair at the LSUHC Foundation.

At the end of 2013, the Trustees were in process of gaining the necessary approval from the University of Louisiana Board of Supervisors to proceed with the termination of the Trust and transferring the net assets to the LSUHSC Foundation. At December 31, 2013, the Trust balance of \$4,083,652 is reflected as a liability in the consolidated financial position. The Trust was transferred in November 2014.

### **(9) The Louisiana Endowment Trust Fund for Endowed Chairs and Professorships**

One of the Foundation's primary objectives is to raise and manage funds to provide endowed professorships and chairs to the University. The Louisiana Endowment Trust Fund for Endowed Chairs and Professorships was created by the Louisiana legislature in 1983 to provide state funds to eligible public and private institutions which would be responsible for providing matching funds obtained from gifts.

Endowed professorships are established at \$100,000 and endowed chairs at \$1,000,000, with the Board of Regents providing 40% of the funding once the Foundation has acquired 60% of the principal through private gifts.

The University is allowed to apply for the 40% match while maintaining the 60% private gift in the Foundation. Funds are pooled for investment purposes in the Foundation, but the Board of Regents' 40% match is recognized as a liability to the University under the caption "Amounts invested for others." The amount invested for others in noncurrent liabilities at December 31, 2014 and 2013, that was attributable to the Endowed Chairs and Professorships, was \$19,539,925 and \$19,214,228.

**UNIVERSITY OF NEW ORLEANS FOUNDATION**

Notes to Consolidated Financial Statements

December 31, 2014 and 2013

**(10) Program Expenses**

Program expenses during the year ended December 31, 2014, were incurred for:

	<u>Program Support</u>	<u>Property Operations</u>	<u>Total Expenses</u>
Transfers to the University and related organizations	\$ 5,968,704	\$ 136,796	\$ 6,105,500
Interest expense	-	9,750	9,750
Contract services	576,769	69,844	646,613
Official functions	335,381	891	336,272
Personnel costs	201,325	1,071	202,396
Property maintenance and rent	34,663	138,189	172,852
Office supplies and services	253,936	27,263	281,199
Professional fees	764,619	13,116	777,735
Utilities	1,343	213,311	214,654
Other miscellaneous expenses	<u>116,352</u>	<u>2,771</u>	<u>119,123</u>
	<u>\$ 8,253,092</u>	<u>\$ 613,002</u>	<u>\$ 8,866,094</u>

Program expenses during the year ended December 31, 2013, were incurred for:

	<u>Program Support</u>	<u>Property Operations</u>	<u>Total Expenses</u>
Transfers to the University and related organizations	\$ 6,845,982	\$ 156,650	\$ 7,002,632
Interest expense	-	37,112	37,112
Contract services	753,971	44,071	798,042
Official functions	317,645	61,654	379,299
Personnel costs	230,184	222	230,406
Property maintenance and rent	37,399	47,369	84,768
Office supplies and services	142,263	33,899	176,162
Professional fees	607,797	41,973	649,770
Utilities	1,785	174,162	175,947
Transfers of trust	2,450,191	-	2,450,191
Other miscellaneous expenses	<u>511,800</u>	<u>52,484</u>	<u>564,284</u>
	<u>\$ 11,899,017</u>	<u>\$ 649,596</u>	<u>\$ 12,548,613</u>

The costs of providing the various programs and other activities have been summarized on a functional basis in the Consolidated Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

# UNIVERSITY OF NEW ORLEANS FOUNDATION

## Notes to Consolidated Financial Statements

December 31, 2014 and 2013

### (11) Related Party/Affiliate Transactions

The Foundation administers the financial assets and maintains the financial records of the UNO International Alumni Association, the Privateer Athletic Foundation, and other entities affiliated with the University. Amounts held in custody for others included in current liabilities amounted to \$692,690 and \$641,127 at December 31, 2014 and 2013. These amounts represent funds collected by the Foundation on behalf of these affiliates in excess of expenditures made on behalf of these affiliates.

In the normal course of business, the Foundation reimburses the University for certain expenses as well as provides certain services to the University. Reimbursements paid to the University included in expenses in 2014 and 2013 were \$5,693,234 and \$7,002,632. At December 31, 2014 and 2013, funds due to the University totaled \$333,980 and \$738,888.

For the months of January through July 2013, the Foundation received salary support of \$546,612 from R&T. Effective August 2013, R&T began to incur the salary and benefit expenses directly.

The R&T Foundation provides administrative support to the Foundation for an annual amount of \$374,004. The Foundation also recorded \$73,397 and \$76,248 in subsidized expenses from R&T which were passed through to the University in 2014 and 2013. At December 31, 2014 and 2013, funds due from R&T totaled \$0 and \$46,066, and funds due to R&T totaled \$5,280 and \$186,707.

During the year ended December 31, 2013 the R&T Foundation contributed property improvements to the Nims Center Complex totaling \$1,542,265, the remainder of the funds are allocated to construction costs.

### (12) Fair Value Measurements

The Financial Accounting Standard Board (“FASB”) authoritative guidance for fair value measurements defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The guidance also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs when measuring fair value. The asset’s or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of the fair value hierarchy under the guidance are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

# UNIVERSITY OF NEW ORLEANS FOUNDATION

## Notes to Consolidated Financial Statements

December 31, 2014 and 2013

### (12) Fair Value Measurements (continued)

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodologies used for assets measured at fair value. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values.

*Domestic and international fixed income instruments and corporate stocks:* Valued at the closing price reported on the active market on which the individual securities are traded.

*Mutual funds:* Valued at the closing price reported on the active market on which the individual securities are traded or at the net asset value (“NAV”) of shares held at year end as applicable.

*REITs:* Valued at the fair value of quoted prices for identical securities.

*Oil and gas interests and land:* Valued at the relative interest of the Foundation’s share by independent appraisals of fair value at time of contribution.

*Hedge funds:* Valued at the net asset value (“NAV”) of shares held at year end.

Furthermore, while 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, the Foundation’s investment assets at fair value as of December 31, 2014. There have been no changes in the methodologies used at December 31, 2014.

	Level 1	Level 2	Level 3	Total
Fixed income bonds	\$ -	\$ 11,080	\$ -	\$ 11,080
Domestic equity securities	1,463,077	-	-	1,463,077
International equity	1,529,855	-	-	1,529,855
Mutual funds:				
Small cap	4,332,284	-	-	4,332,284
Mid cap	3,442,521	-	-	3,442,521
Large cap	19,287,127	-	-	19,287,127
International equity	14,960,810	-	-	14,960,810
Commodities stocks	585,291	-	-	585,291
REITS	2,392,748	-	-	2,392,748
Hedge fund of funds	-	-	3,889,004	3,889,004
Domestic fixed income	21,406,767	-	-	21,406,767
Oil and gas interests	-	-	76,343	76,343
Land	-	-	3,212,512	3,212,512
Total assets at fair value	<u>\$ 69,400,480</u>	<u>\$ 11,080</u>	<u>\$ 7,177,859</u>	<u>\$ 76,589,419</u>

**UNIVERSITY OF NEW ORLEANS FOUNDATION**

Notes to Consolidated Financial Statements

December 31, 2014 and 2013

**(12) Fair Value Measurements (continued)**

As of December 31, 2014, there were no assets measured at fair value on a nonrecurring basis.

The following table sets forth by level, within the fair value hierarchy, the Foundation's investment assets at fair value as of December 31, 2013. There have been no changes in the methodologies used at December 31, 2013.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fixed income bonds	\$ -	\$ 9,424,244	\$ -	\$ 9,424,244
Small cap stocks	2,588,581	-	-	2,588,581
Large cap stocks	8,685,923	-	-	8,685,923
Mutual funds:				
Small cap	7,164,032	-	-	7,164,032
Mid cap	385,701	-	-	385,701
Large cap	7,849,162	-	-	7,849,162
International equity	8,686,677	-	-	8,686,677
Commodities stocks	2,112,683	-	-	2,112,683
MLPs	3,099,959	-	-	3,099,959
Tactical	5,830,450	-	-	5,830,450
REITS	1,825,121	-	-	1,825,121
Hedge fund of funds	-	-	6,029,087	6,029,087
Domestic fixed income	6,720,607	-	-	6,720,607
International fixed income	1,043,144	-	-	1,043,144
International stocks	2,303,194	-	-	2,303,194
Oil and gas interests	-	-	75,027	75,027
Land	-	-	3,522,481	3,522,481
REITs	-	1,000,213	-	1,000,213
Total assets at fair value	\$ <u>58,295,234</u>	\$ <u>10,424,457</u>	\$ <u>9,626,595</u>	\$ <u>78,346,286</u>

As of December 31, 2013, there were no assets measured at fair value on a nonrecurring basis.

**UNIVERSITY OF NEW ORLEANS FOUNDATION**

Notes to Consolidated Financial Statements

December 31, 2014 and 2013

**(12) Fair Value Measurements (continued)**

The table below sets forth a summary of changes in the fair value of the Level 3 assets for the year ended December 31, 2014.

Description	Hedge fund	Oil and gas interest	Land	Total
Balance, beginning of year	\$ 6,029,087	\$ 75,027	\$ 3,522,481	\$ 9,626,595
Purchases/contributions	3,800,000	21,136	-	3,821,136
Sales	(6,244,496)	-	(309,969)	(6,554,465)
Unrealized gains (loss)	304,413	(19,820)	-	284,593
Balance, end of year	<u>\$ 3,889,004</u>	<u>\$ 76,343</u>	<u>\$ 3,212,512</u>	<u>\$ 7,177,859</u>

The table below sets forth a summary of changes in the fair value of the Level 3 assets for the year ended December 31, 2013.

Description	Hedge fund	Oil and gas interest	Land	Total
Balance, beginning of year	\$ 5,104,052	\$ -	\$ -	\$ 5,104,052
Purchases/contributions	412,859	75,027	3,522,481	4,010,367
Unrealized gains	512,176	-	-	512,176
Balance, end of year	<u>\$ 6,029,087</u>	<u>\$ 75,027</u>	<u>\$ 3,522,481</u>	<u>\$ 9,626,595</u>

The Foundation's investment in the hedge fund of funds at December 31, 2014 and 2013 represents .72% and .43% ownership of all ownership interests in the fund. The hedge fund invests in directional, relative value, and event-driven hedge fund managed accounts. The fair value of the investments in this class has been estimated using the net asset value per share of the investments.

The following table represents the Foundation's level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments, and the significant unobservable inputs and the ranges of values for those inputs as of December 31, 2014.

Instrument	Fair Value	Principal Valuation Technique	Unobservable Inputs	Range of Significant Input Values
Hedge fund of funds	\$3,889,004	Independent valuation statements from respective hedge funds	Practical expedient	Not applicable
Oil and gas interests	\$76,343	Independent appraisals	Not applicable	Not applicable
Land	\$3,212,512	Independent appraisals	Not applicable	Not applicable

**UNIVERSITY OF NEW ORLEANS FOUNDATION**

Notes to Consolidated Financial Statements

December 31, 2014 and 2013

**(12) Fair Value Measurements (continued)**

The following table summarizes investments measured at fair value based on net asset value (NAVs) per share as of December 31, 2014.

<u>Instrument</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Hedge fund of funds	\$3,889,004	Not applicable	Quarterly	60 days

The following table represents the Foundation's level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments, and the significant unobservable inputs and the ranges of values for those inputs as of December 31, 2013.

<u>Instrument</u>	<u>Fair Value</u>	<u>Principal Valuation Technique</u>	<u>Unobservable Inputs</u>	<u>Range of Significant Input Values</u>
Hedge fund of funds	\$6,029,087	Independent valuation statements from respective hedge funds	Practical expedient	Not applicable
Oil and gas interests	\$75,027	Independent appraisals	Not applicable	Not applicable
Land	\$3,522,481	Independent appraisals	Not applicable	Not applicable

The following table summarizes investments measured at fair value based on net asset value (NAVs) per share as of December 31, 2013.

<u>Instrument</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Hedge fund of funds	\$6,029,087	Not applicable	Quarterly, with 90% paid no later than 30 days after with the remaining balance paid after completion of the annual audit of the Master Fund	95 days, pursuant to a lockup provision for 12 months

**(13) Endowment Net Assets**

In accordance with the requirements established by the FASB for endowment funds, the Foundation has provided information about the net assets of its endowment funds. The Foundation's Board of Directors (the Board) is of the belief that they have a strong fiduciary duty to manage the assets of the Foundation's endowments in the most prudent manner possible. The Board recognizes its responsibility to fulfill the donor's intent with respect to expenditures from endowments. If this intent is clearly expressed by the donor, whether the intent is in a written gift instrument or not, the intent of the donor is followed. If the intent is not expressed, the Board ensures the assets of the endowment are spent in a prudent manner which considers the purpose of the fund, current economic conditions and preservation of the fund.



**UNIVERSITY OF NEW ORLEANS FOUNDATION**

Notes to Consolidated Financial Statements

December 31, 2014 and 2013

**(13) Endowment Net Assets (continued)**

In accordance with the Foundation's policy, The Foundation spends annually 4% of the latest 12 quarter fair market value average for all endowments.

The date used to determine the fair market value is December 31 of each calendar year. No amounts are spent from general endowment funds until the corpus of such endowment reaches \$25,000. The Board of Regents matched endowments do not receive spending allocations until the Board of Regents matches the private donation.

The goals and objectives of the Foundation's investment policy are to 1) provide investment earnings adequate to fulfill the desires of donors as stated in the gift instruments, 2) achieve a total return adequate to fund the spending rate plus corpus growth to ensure future benefits to later generations, and 3) invest in a variety of diversified categories so that the diversity of the performance characteristics will reduce the volatility of returns from year to year.

The strategies employed to achieve these objectives for the Board of Regents matching endowment is to follow the Board of Regents guidelines on investing the funds. The general endowments follow a strategy of guidelines of asset benchmarks and setting investment guidelines for allowed and prohibited investments and transactions.

The amount invested for others in noncurrent liabilities at December 31, 2014 of \$19,539,925 is not included in the table below. The composition of endowments by net asset class at December 31, 2014 is:

	<b>Unrestricted - Board Designated</b>	<b>Temporarily Restricted - Donor Restricted</b>	<b>Permanently Restricted - Donor Restricted</b>	<b>Total</b>
Endowment net assets,				
beginning of year	\$ 3,880,519	\$ 15,615,354	\$ 29,345,010	\$ 48,840,883
Investment income	41,889	959,035	-	1,000,924
Net appreciation (depreciation),				
both realized and unrealized	116,176	897,575	4,012	1,017,763
Total	158,065	1,856,610	4,012	2,018,687
Contributions (withdrawals)	-	110,006	920,268	1,030,274
Subtotal	158,065	1,966,616	924,280	3,048,961
Program expenses	(3,998,488)	(1,041,611)	-	(5,040,099)
Management expenses	(40,096)	(653,652)	-	(693,748)
Endowment net assets,				
end of year	\$ <u>          -</u>	\$ <u>15,886,707</u>	\$ <u>30,269,290</u>	\$ <u>46,155,997</u>

**UNIVERSITY OF NEW ORLEANS FOUNDATION**

Notes to Consolidated Financial Statements

December 31, 2014 and 2013

**(13) Endowment Net Assets (continued)**

The amount invested for others in noncurrent liabilities at December 31, 2013 of \$19,214,228 is not included in the table below. The composition of the Foundation's endowments by net asset class as of December 31, 2013 is:

	<b>Unrestricted - Board Designated</b>	<b>Temporarily Restricted - Donor Restricted</b>	<b>Permanently Restricted - Donor Restricted</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 4,682,126	\$ 10,837,901	\$ 29,037,758	\$ 44,557,785
NIMS balance adjustment	-	(318,330)	-	(318,330)
Investment income	74,520	1,213,642	-	1,288,162
Net appreciation (depreciation), both realized and unrealized	391,425	3,732,675	(67,480)	4,056,620
<b>Total</b>	<b>465,945</b>	<b>4,627,987</b>	<b>(67,480)</b>	<b>5,026,452</b>
 Contributions	 (1,000,000)	 3,490,498	 976,431	 3,466,929
Subtotal	(534,055)	8,118,485	908,951	8,493,381
 Program expenses	 (189,238)	 (946,869)	 -	 (1,136,107)
Management expenses	(78,314)	(543,972)	-	(622,286)
Other changes	-	(1,850,191)	(601,699)	(2,451,890)
 Endowment net assets, end of year	 \$ 3,880,519	 \$ 15,615,354	 \$ 29,345,010	 \$ 48,840,883

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the original donated amount, the corpus. In the event an endowment falls below its corpus, the Foundation's unrestricted net assets are utilized to restore each endowment to its corpus (supplement). As of December 31, 2014 and 2013, the total fair market value of those endowments under their corpus increased by \$78,480 and \$367,802, reducing the Foundation's supplement to \$195,340 and \$273,820.

**(14) Concentrations of Risk and Contingencies**

The Foundation has concentrated its credit risk for cash by maintaining deposits in financial institutions in New Orleans, Louisiana, which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The Institute has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

The Foundation is involved in certain claims and legal actions arising in the normal course of activities. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Foundation's financial position.

**UNIVERSITY OF NEW ORLEANS FOUNDATION**

Notes to Consolidated Financial Statements

December 31, 2014 and 2013

**(15) Subsequent Events**

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, June 26, 2015, and determined that there were no subsequent events requiring disclosure.

UNIVERSITY OF NEW ORLEANS FOUNDATION

Consolidating Statements

December 31, 2014

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**UNIVERSITY OF NEW ORLEANS FOUNDATION**

Consolidating Statement of Financial Position

As of December 31, 2014

	<u>UNOF</u>	<u>UNOFREC</u>	<u>UNOFWI</u>	<u>UNOFRC</u>	<u>Eliminating Entries</u>	<u>Consolidated Total</u>
	<u>Assets</u>					
Current assets:						
Cash and cash equivalents	\$ 638,780	\$ 33,487	\$ 30,070	\$ 25,243	\$ -	\$ 727,580
Investments	3,192,585	-	-	-	-	3,192,585
Restricted assets:						
Cash and cash equivalents	1,465,264	-	-	-	-	1,465,264
Unconditional promises to give, net	237,212	-	-	-	-	237,212
Accounts receivable	753,247	27,889	2,905	170	(30,964)	753,247
Contributions receivable	246,089	-	-	-	-	246,089
Grants receivable	582,003	-	-	-	-	582,003
Deferred charges and prepaid expenses	39,506	-	-	-	-	39,506
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total current assets	7,154,686	61,376	32,975	25,413	(30,964)	7,243,486
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Noncurrent assets:						
Restricted assets:						
Investments	70,080,088	-	-	-	3,316,746	73,396,834
Unconditional promises to give, net	116,020	-	-	-	-	116,020
Real estate, net	9,440,567	3,212,512	-	-	(3,212,512)	9,440,567
Property and equipment, net	16,301	-	61,058	-	(61,058)	16,301
Other noncurrent assets	164,063	-	-	35,107	(35,107)	164,063
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total noncurrent assets	79,817,039	3,212,512	61,058	35,107	8,069	83,133,785
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	\$ 86,971,725	\$ 3,273,888	\$ 94,033	\$ 60,520	\$ (22,895)	\$ 90,377,271
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

(continued)

**UNIVERSITY OF NEW ORLEANS FOUNDATION**

Consolidating Statement of Financial Position

As of December 31, 2014

	<u>UNOF</u>	<u>UNOFREC</u>	<u>UNOFWI</u>	<u>UNOFRC</u>	<u>Eliminating Entries</u>	<u>Consolidated Total</u>
	<u>Liabilities and Net Assets</u>					
Current liabilities:						
Accounts payable and accrued liabilities	\$ 2,563,811	\$ -	\$ 22,895	\$ -	\$ (22,895)	\$ 2,563,811
Other current liabilities - due to University	333,980	-	-	-	-	333,980
Amounts held in custody for others	692,690	-	-	-	-	692,690
Current portion of bonds payable	<u>179,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>179,000</u>
Total current liabilities	<u>3,769,481</u>	<u>-</u>	<u>22,895</u>	<u>-</u>	<u>(22,895)</u>	<u>3,769,481</u>
Noncurrent liabilities:						
Amounts invested for others	19,539,925	-	-	-	-	19,539,925
Bonds payable, net of current portion	<u>188,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>188,000</u>
Total noncurrent liabilities	<u>19,727,925</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,727,925</u>
Total liabilities	<u>23,497,406</u>	<u>-</u>	<u>22,895</u>	<u>-</u>	<u>(22,895)</u>	<u>23,497,406</u>
Net assets:						
Unrestricted	8,868,568	3,273,888	71,138	60,520	-	12,274,114
Temporarily restricted	24,336,461	-	-	-	-	24,336,461
Permanently restricted	<u>30,269,290</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,269,290</u>
Total net assets	<u>63,474,319</u>	<u>3,273,888</u>	<u>71,138</u>	<u>60,520</u>	<u>-</u>	<u>66,879,865</u>
Total liabilities and net assets	<u>\$ 86,971,725</u>	<u>\$ 3,273,888</u>	<u>\$ 94,033</u>	<u>\$ 60,520</u>	<u>\$ (22,895)</u>	<u>\$ 90,377,271</u>

See accompanying independent auditors' report.

(concluded)

**UNIVERSITY OF NEW ORLEANS FOUNDATION**

Consolidating Statement of Financial Position

As of December 31, 2013

	<u>UNOF</u>	<u>UNOFREC</u>	<u>UNOFWI</u>	<u>UNOFC</u>	<u>Eliminating Entries</u>	<u>Consolidated Total</u>
	<u>Assets</u>					
Current assets:						
Cash and cash equivalents	\$ 4,040,725	\$ 509,808	\$ 500	\$ 500	\$ -	\$ 4,551,533
Restricted assets:						
Cash and cash equivalents	1,542,688	-	-	-	-	1,542,688
Investments	4,083,652	-	-	-	-	4,083,652
Unconditional promises to give, net	362,744	-	-	-	-	362,744
Accounts receivable	241,748	-	-	-	-	241,748
Contributions receivable	565,547	-	-	-	-	565,547
Grants receivable	205,429	-	-	-	-	205,429
Notes receivable	20,743	-	-	-	-	20,743
Deferred charges and prepaid expenses	41,158	-	-	-	-	41,158
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total current assets	11,104,434	509,808	500	500	-	11,615,242
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Noncurrent assets:						
Restricted assets:						
Investments	70,665,126	3,522,481	47,637	27,390	-	74,262,634
Unconditional promises to give, net	64,750	-	-	-	-	64,750
Investment in subsidiaries	1,500	-	-	-	(1,500)	-
Real estate, net	12,121,223	-	-	-	-	12,121,223
Property and equipment, net	38,722	-	-	-	-	38,722
Other noncurrent assets	108,523	-	-	-	-	108,523
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total noncurrent assets	82,999,844	3,522,481	47,637	27,390	(1,500)	86,595,852
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	\$ 94,104,278	\$ 4,032,289	\$ 48,137	\$ 27,890	\$ (1,500)	\$ 98,211,094
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

(continued)

**UNIVERSITY OF NEW ORLEANS FOUNDATION**

Consolidating Statement of Financial Position

As of December 31, 2013

	<u>UNOF</u>	<u>UNOFREC</u>	<u>UNOFWI</u>	<u>UNOFRC</u>	<u>Eliminating Entries</u>	<u>Consolidated Total</u>
	<u>Liabilities and Net Assets</u>					
Current liabilities:						
Accounts payable and accrued liabilities	\$ 2,229,536	\$ -	\$ -	\$ -	\$ -	\$ 2,229,536
Amounts held in custody for others	641,127	-	-	-	-	641,127
Current portion of bonds payable	170,000	-	-	-	-	170,000
Transfer of Trust	4,083,652	-	-	-	-	4,083,652
Other current liabilities - due to University	738,888	-	-	-	-	738,888
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total current liabilities	7,863,203	-	-	-	-	7,863,203
Noncurrent liabilities:						
Amounts invested for others	19,214,228	-	-	-	-	19,214,228
Bonds payable, net of current portion	367,000	-	-	-	-	367,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total noncurrent liabilities	19,581,228	-	-	-	-	19,581,228
Total liabilities	27,444,431	-	-	-	-	27,444,431
Net assets:						
Unrestricted	12,889,565	4,032,289	48,137	27,890	(1,500)	16,996,381
Temporarily restricted	24,425,272	-	-	-	-	24,425,272
Permanently restricted	29,345,010	-	-	-	-	29,345,010
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	66,659,847	4,032,289	48,137	27,890	(1,500)	70,766,663
Total liabilities and net assets	\$ 94,104,278	\$ 4,032,289	\$ 48,137	\$ 27,890	\$ (1,500)	\$ 98,211,094

See accompanying independent auditors' report.

(concluded)



UNIVERSITY OF NEW ORLEANS FOUNDATION

Consolidating Statement of Activities

For the year ended December 31, 2014

	<u>UNOF</u>	<u>UNOFREC</u>	<u>UNOFWI</u>	<u>UNOFC</u>	<u>Eliminating Entries</u>	<u>Consolidated Total</u>
Changes in unrestricted net assets:						
Unrestricted revenue and support						
Contributions	\$ 1,155,815	\$ -	\$ -	\$ -	\$ -	\$ 1,155,815
Grants	1,064,941	-	-	-	-	1,064,941
Investment income	1,050,746	-	-	-	(702,770)	347,976
Service fees	869,190	-	-	-	-	869,190
Other income	1,436,873	30,889	42,353	2,854	(76,096)	1,436,873
Total unrestricted revenue and support before net assets released from restrictions	5,577,565	30,889	42,353	2,854	(778,866)	4,874,795
Net assets released from restrictions/transfers:						
Net assets released from restrictions	4,528,050	-	-	-	-	4,528,050
Transfers	(537,056)	-	-	-	-	(537,056)
Total unrestricted revenue and support	9,568,559	30,889	42,353	2,854	(778,866)	8,865,789
Expenses:						
Program support	8,253,092	-	-	-	-	8,253,092
Property operations	613,002	-	49,352	77	(49,429)	613,002
Total program expenses	8,866,094	-	49,352	77	(49,429)	8,866,094
Supporting services						
Dues and subscriptions	61,127	-	-	-	-	61,127
Meetings	32,874	-	-	-	-	32,874
Travel	1,872	-	-	-	-	1,872
Office operations	65,505	-	-	-	-	65,505
Professional services	686,981	-	-	-	-	686,981
Depreciation and amortization	315,836	-	-	-	-	315,836
Impairment loss	3,542,611	-	-	-	-	3,542,611
Loss on sale of assets	-	31,982	-	-	(31,982)	-
Other	15,156	-	-	-	-	15,156
Total supporting services	4,721,962	31,982	-	-	(31,982)	4,721,962
Total expenses	13,588,056	31,982	49,352	77	(81,411)	13,588,056
Change in unrestricted net assets	(4,019,497)	(1,093)	(6,999)	2,777	(697,455)	(4,722,267)

(continued)

**UNIVERSITY OF NEW ORLEANS FOUNDATION**

Consolidating Statement of Activities

For the year ended December 31, 2014

	<u>UNOF</u>	<u>UNOFREC</u>	<u>UNOFWI</u>	<u>UNOFRC</u>	<u>Eliminating Entries</u>	<u>Consolidated Total</u>
Changes in temporarily restricted net assets:						
Restricted revenue and support						
Contributions	2,056,190	-	-	-	-	2,056,190
Service fees	238,266	-	-	-	-	238,266
Investment income	1,761,207	-	-	-	-	1,761,207
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total temporarily restricted revenue and support before net assets released from restrictions/transfers	4,055,663	-	-	-	-	4,055,663
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net assets released from restrictions/transfers:						
Net assets released from restrictions	(4,511,556)	-	-	-	-	(4,511,556)
Transfers	367,082	-	-	-	-	367,082
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Change in temporarily restricted net assets	(88,811)	-	-	-	-	(88,811)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Changes in permanently restricted net assets:						
Contributions	775,597	-	-	-	-	775,597
Investment income (loss)	(11,851)	-	-	-	-	(11,851)
Service fees	6,863	-	-	-	-	6,863
Other income	191	-	-	-	-	191
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total permanently restricted revenue and support before net assets released from transfers	770,800	-	-	-	-	770,800
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net assets released from restrictions/transfers:						
Net assets released from restrictions	(16,494)	-	-	-	-	(16,494)
Transfers	169,974	-	-	-	-	169,974
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Change in permanently restricted net assets	924,280	-	-	-	-	924,280
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Change in net assets	(3,184,028)	(1,093)	(6,999)	2,777	(697,455)	(3,886,798)
Owner contributions/(withdrawals)		(757,308)	30,000	29,853	697,455	-
Net assets, at beginning of year	66,658,347	4,032,289	48,137	27,890	-	70,766,663
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net assets, at end of year	\$ 63,474,319	\$ 3,273,888	\$ 71,138	\$ 60,520	\$ -	\$ 66,879,865
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

See accompanying independent auditors' report.

(concluded)

**UNIVERSITY OF NEW ORLEANS FOUNDATION**

Consolidating Statement of Activities

For the year ended December 31, 2013

	<u>UNOF</u>	<u>UNOFREC</u>	<u>UNOFWI</u>	<u>UNOFRFC</u>	<u>Eliminating Entries</u>	<u>Consolidated Total</u>
Changes in unrestricted net assets:						
Unrestricted revenue and support						
Contributions	\$ 271,264	\$ 4,032,289	\$ 48,137	\$ 27,890	\$ (1,500)	\$ 4,378,080
Contribution of property improvement	1,542,265	-	-	-	-	1,542,265
Grants	1,242,013	-	-	-	-	1,242,013
Investment income	1,141,832	-	-	-	-	1,141,832
Service fees	757,905	-	-	-	-	757,905
Service fees - R&T Foundation	546,612	-	-	-	-	546,612
Gain on sale of asset	1,858,294	-	-	-	-	1,858,294
Other income	996,433	-	-	-	-	996,433
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total unrestricted revenue and support	8,356,618	4,032,289	48,137	27,890	(1,500)	12,463,434
before net assets released from restrictions	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net assets released from restrictions/transfers:						
Net assets released from restrictions	6,200,699	-	-	-	-	6,200,699
Transfers	(200)	-	-	-	-	(200)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total unrestricted revenue and support	14,557,117	4,032,289	48,137	27,890	(1,500)	18,663,933
Expenses:						
Program operations	11,899,017	-	-	-	-	11,899,017
Property operations	649,596	-	-	-	-	649,596
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total program expenses	12,548,613	-	-	-	-	12,548,613
Supporting services						
Salaries and benefits	546,612	-	-	-	-	546,612
Dues and subscriptions	40,287	-	-	-	-	40,287
Meetings	40,952	-	-	-	-	40,952
Travel	2,669	-	-	-	-	2,669
Office operations	51,668	-	-	-	-	51,668
Professional services	543,415	-	-	-	-	543,415
Depreciation and amortization	364,412	-	-	-	-	364,412
Donation of property	879,341	-	-	-	-	879,341
Other	32,983	-	-	-	-	32,983
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total supporting services	2,502,339	-	-	-	-	2,502,339
Total expenses	15,050,952	-	-	-	-	15,050,952
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Change in unrestricted net assets	(493,835)	4,032,289	48,137	27,890	(1,500)	3,612,981

(continued)

**UNIVERSITY OF NEW ORLEANS FOUNDATION**

Consolidating Statement of Activities

For the year ended December 31, 2013

	<u>UNOF</u>	<u>UNOFREC</u>	<u>UNOFWI</u>	<u>UNOFRC</u>	<u>Eliminating Entries</u>	<u>Consolidated Total</u>
Changes in temporarily restricted net assets:						
Restricted revenue and support						
Contributions	\$ 2,737,863	\$ -	\$ -	\$ -	\$ -	\$ 2,737,863
Service fees	174,907	-	-	-	-	174,907
Investment income	4,786,980	-	-	-	-	4,786,980
Other income	6,000	-	-	-	-	6,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total temporarily restricted revenue and support before net assets released from restrictions/transfers	7,705,750	-	-	-	-	7,705,750
Net assets released from restrictions/transfers:						
Net assets released from restrictions	(6,200,699)	-	-	-	-	(6,200,699)
Transfers	601,400	-	-	-	-	601,400
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Change in temporarily restricted net assets	2,106,451	-	-	-	-	2,106,451
Changes in permanently restricted net assets:						
Contributions	762,831	-	-	-	-	762,831
Investment income	18,545	-	-	-	-	18,545
Service fees	7,075	-	-	-	-	7,075
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total permanently restricted revenue and support before net assets released from transfers	788,451	-	-	-	-	788,451
Net assets released from transfers						
Transfers	(601,200)	-	-	-	-	(601,200)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Change in permanently restricted net assets	187,251	-	-	-	-	187,251
Change in net assets	1,799,867	4,032,289	48,137	27,890	(1,500)	5,906,683
Net assets, at beginning of year	64,859,980	-	-	-	-	64,859,980
Net assets, at end of year	\$ 66,659,847	\$ 4,032,289	\$ 48,137	\$ 27,890	\$ (1,500)	\$ 70,766,663

See accompanying independent auditors' report.

(concluded)

UNIVERSITY OF NEW ORLEANS FOUNDATION

Supplemental Schedules

December 31, 2014

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Schedule 2 – University of New Orleans International Alumni Association – Revenue, Support, and Expenses	36
Schedule 3 – National Collegiate Athletic Association – Revenue, Support, Expenses, and Capitalized Expenditures Made to or on Behalf of the University’s Intercollegiate Athletics Program	37

**UNIVERSITY OF NEW ORLEANS FOUNDATION**

Supplemental Schedule 1 - Privateer Athletic Foundation

Schedule of Revenue, Support, and Expenses

For the year ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Revenue and support		
Program revenues	\$ 74,658	\$ 4,990
Contributions and bequests	<u>885,037</u>	<u>184,837</u>
Total revenue and support	<u>959,695</u>	<u>189,827</u>
Expenses		
Program support	575,289	164,962
General and administrative	<u>2,500</u>	<u>5,221</u>
Total expenses	<u>577,789</u>	<u>170,183</u>
Excess of revenues over expenses	<u>\$ 381,906</u>	<u>\$ 19,644</u>

See accompanying independent auditors' report.

**UNIVERSITY OF NEW ORLEANS FOUNDATION**

Supplemental Schedule 2 - University of New Orleans  
International Alumni Association  
Schedule of Revenue, Support, and Expenses

For the year ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Revenue and support		
Program revenues	\$ 141,036	\$ 53,666
UNOF contribution support	213,700	208,472
Contributions and bequests	<u>64,298</u>	<u>61,231</u>
Total revenue and support	<u>419,034</u>	<u>323,369</u>
Expenses		
Program support	569,651	260,722
General and administrative	<u>11,561</u>	<u>-</u>
Total expenses	<u>581,212</u>	<u>260,722</u>
Excess of (expenses over revenues)/revenues over expenses	<u>\$ (162,178)</u>	<u>\$ 62,647</u>

See accompanying independent auditors' report.

**UNIVERSITY OF NEW ORLEANS FOUNDATION**

Supplemental Schedule 3 - National Collegiate Athletic Association  
Schedule of Revenue, Support, Expenses, and Capitalized Expenditures  
Made to or on Behalf of the University's Intercollegiate Athletics Program

For the year ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Revenue and support		
Contributions, net of management fee	\$ 10,075	\$ 18,516
Endowment spending allocation	<u>176,788</u>	<u>191,209</u>
Total revenue and support	<u>186,863</u>	<u>209,725</u>
Expenses		
Program support	<u>2,392,178</u>	<u>3,670,494</u>
Total expenses	<u>2,392,178</u>	<u>3,670,494</u>
Excess of expenses over revenues	\$ <u><u>(2,205,315)</u></u>	\$ <u><u>(3,460,769)</u></u>
Capitalized expenditures	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

See accompanying independent auditors' report.