



**Board of Trustees, Endowment Committee  
Thursday, March 16, 2017  
Chancellor's Conference Room  
8:00 am**

**AGENDA**

**\*Action Item**

1. Call to Order – Chairman Dr. William Harris
2. Roll Call – Leslie Gaynor
3. \* Adoption of the Agenda – Chairman Dr. Harris
4. Presentation from UNC Management Company, Inc.
5. \*Approval of the December 8, 2016 Minutes – Chairman Dr. Harris
6. Enhanced Revenue/Integrated Planning and Budgeting:
  - University Endowment Financial Statements – Frank Lord
  - Foundation Endowment Financial Statements – Gordon Slade
7. Projected Income Distribution – Frank Lord
8. Other Discussion Items
9. Adjournment – Chairman Miller

Winston-Salem State University  
Board of Trustees Endowment Committee  
Chancellor's Conference Room  
Thursday, December 8, 2016

Minutes

Committee Chairman Dr. William Harris called the Board of Trustees (BOT) Endowment Committee meeting to order at 8:04 a.m.

Roll Call: Ms. Leslie Gaynor

Members Present: Chair Dr. William Harris Chancellor Elwood Robinson  
Mr. William G. Benton Dr. Randy Mills, ex-officio  
Mrs. Peggy Carter Ms. Michelle Cook, ex-officio  
Mr. Tony Ebron  
Mr. Scott Wierman

A quorum was established.

Staff Present: Ms. Constance Mallette  
Mr. Frank Lord  
Mr. Gordon Slade  
Ms. Leslie Gaynor

Guest: Mr. Jonathan King, President – UNC Management Company, Inc.  
Mr. Fredrick Graves – Rams Asset Management, LLC  
Mr. Darrell Slade – Rams Asset Management, LLC  
Mr. Eldrick Gunter – Rams Asset Management, LLC

**Introduction of New Chair**

Dr. Harris ('58) introduced himself as the new Chair of the Endowment Committee and committee members and guests introduced themselves. Dr. Harris is an alum who graduated from Winston-Salem State in 1958. When he was a student attending Winston-Salem State University, Blair Hall was the library. Chancellor Robinson during his introduction stated that Dr. Harris was a great friend to the university and a sounding board for him. Michelle Cook during her introduction thanked Dr. Harris for having served on the Foundation Board and Board of Visitors. She also thanked him and his wife for the big endowment they have with the university, for the support of student scholarships.

**Adoption of Agenda**

Mr. Scott moved and Mr. Benton seconded the motion to adopt the agenda. The motion passed.

**UNC Management Company, Inc. Presentation (Endowment Fund Update)**

**Mr. Jonathan King** began with an intro statement by saying I have bad news followed by good news followed by some more good news followed by some uncertainty.

- Page 4, Headlines
  - In FY 2016, the UNC Investment Fund (UNCIF or Fund) generated a -2% return
  - The Fund's 3-, 5- and 10-year returns remain strong relative to benchmarks and peers
- Page 5, Headlines
  - For the first four months of FY 2017, UNCIF recorded a solid return of 4.0%
- Page 6, What Happened?

- FY 2016 was a difficult market environment for endowments
- Diversification did not pay off in FY 2016
- Page 7, What Happened?
  - A basket of five high conviction Long Biased Equity manager cost the Fund 1% in FY 2016
- Page 8, What Happened?
  - Despite underperforming in FY 2016, the basket of five managers:
    - Added \$64 million in value over the three years ending 6/30/16
    - Added \$17 million in value in Q1 FY '17
  - (Returned to core philosophy, long term focused, not benchmark driven)
- Page 9-22
  - Reviewed and commented on these pages

Discussion on whether or not the market will react to the Presidential Election. The market is reacting to the good news side and is trying not to overreact.

- Page 23, Financial Market Backdrop
  - We are currently operating in a low return environment
  - The low return environment is expected to persist going forward:
    - Historically low global interest rates (negative interest rates in Europe and Japan)
    - High valuations on equities, particularly in the U.S.
    - Weak global economic growth
    - Deflationary forces (globalization of labor, increased use of technology)
- Page 24, Looking Forward
  - Given the current risks and uncertainties, capital preservation is the prudent course of action in the near term
- Page 25, Recent Portfolio Shifts
  - We are currently focusing on investment strategies that can be characterized as “grinding out modest returns” rather than “swinging for the fences”
  - Despite the challenging investment environment, we remain focused on achieving the Fund’s long-term investment return objectives
- Page 26, Diversifying Strategies (Update on repositioning)
  - In order to increase the allocation to Diversifying Strategies to bring it closer to its 12% SIPP target the Executive Committee approved:
    - Rebuild of asset class by committing \$40-60mm to a basket of ~8 investment managers
    - Initial basket of 4 managers approved in May
    - 3 additional managers approved in October
    - 1 manager had been previously approved in December
  - As of October 31, 2016 up to \$480mm had been committed to the approved basket of 8 Diversifying Strategies managers
    - Of the 8 managers approved, 5 have been partially funded
    - Remaining managers will be funded when capacity opens up with one manager unlikely to be funded
    - Capacity with high-quality Diversifying Strategies managers has been contained
- Page 27-29
  - Reviewed and commented on these pages

**Jonathan King:** Challenging year, off to a pretty good start, seeking pockets of opportunities in the short run, in the long run trying to be disciplined and patient, understanding that there is a lot of uncertainty that the markets for whatever reason don’t seem to be focusing on right now.

**The UNC Management Company, Inc. Presentation ended**

**Approval of September Minutes**

Mr. Benton moved and Mr. Wierman seconded the motion to approve the March 10, 2016 minutes. The motion passed.

**Enhanced Revenue/Integrated Planning and Budgeting**

**University Endowment** Financial Statements Ending September 30, 2016, Presented by **Mr. Frank Lord**

- WSSU Endowment Invested Funds combined as of September 30, 2016 \$39,101,342
- WSSU Endowment funds invested as of September 30, 2016 (fair market value)\$28,124,661
- Net Realized and Unrealized Gains and (Losses) \$799,603
- Cash Gifts Received \$0
- Restricted Cash for Spending \$2,787,842
- WSSU Endowment principle invested with UNC Management trust account \$18,328,436
- Total amount spent
 

Scholarships	8,675
Chair/Professorships	36,754
Program Development	2,342
Library	1,491
<hr style="border: 0.5px solid black;"/>	
Total amount spent	49,261

- The University reinvested **\$2,103,951** of individual endowment funds in excess of \$100,000. Finance and Administration in partnership with Academics is working to develop a plan to utilize the available chairs and professorships endowment funding.
- The Scholarship Committee created as a result of the strategic plan has worked to award \$1.8 million dollars from all funding sources, \$105,299 from University endowment. The Scholarship Committee is a collaborative effort of a cross-functional team working together to meet students where they are to satisfy their financial needs.
- Financial aid Department has disbursed funds in the first quarter. In general, Financial Aid concentrates our resources on disbursing federal and state funding first. University has projected the amount available for distribution for endowed scholarships to be \$104,398 for the fall and \$104,398 for the spring.

**Foundation Endowment** Financial Statements presented by **Mr. Gordon Slade**

- WSSU Endowment funds invested as of September 30, 2016 (fair market value) \$10,976,681
- Net Realized and Unrealized Gains and (Losses) \$425,677
- Cash Gifts Received \$39,503
- Restricted Cash for Spending \$85,793
- WSSU Endowment principle invested with UNC Management trust account \$8,332,991
- Amount spent on scholarship \$0

**Discussion:**

No other discussion items.

**Motion to Adjourn:**

Ms. Carter moved and Mr. Benton seconded the motion to adjourn. The motion passed.

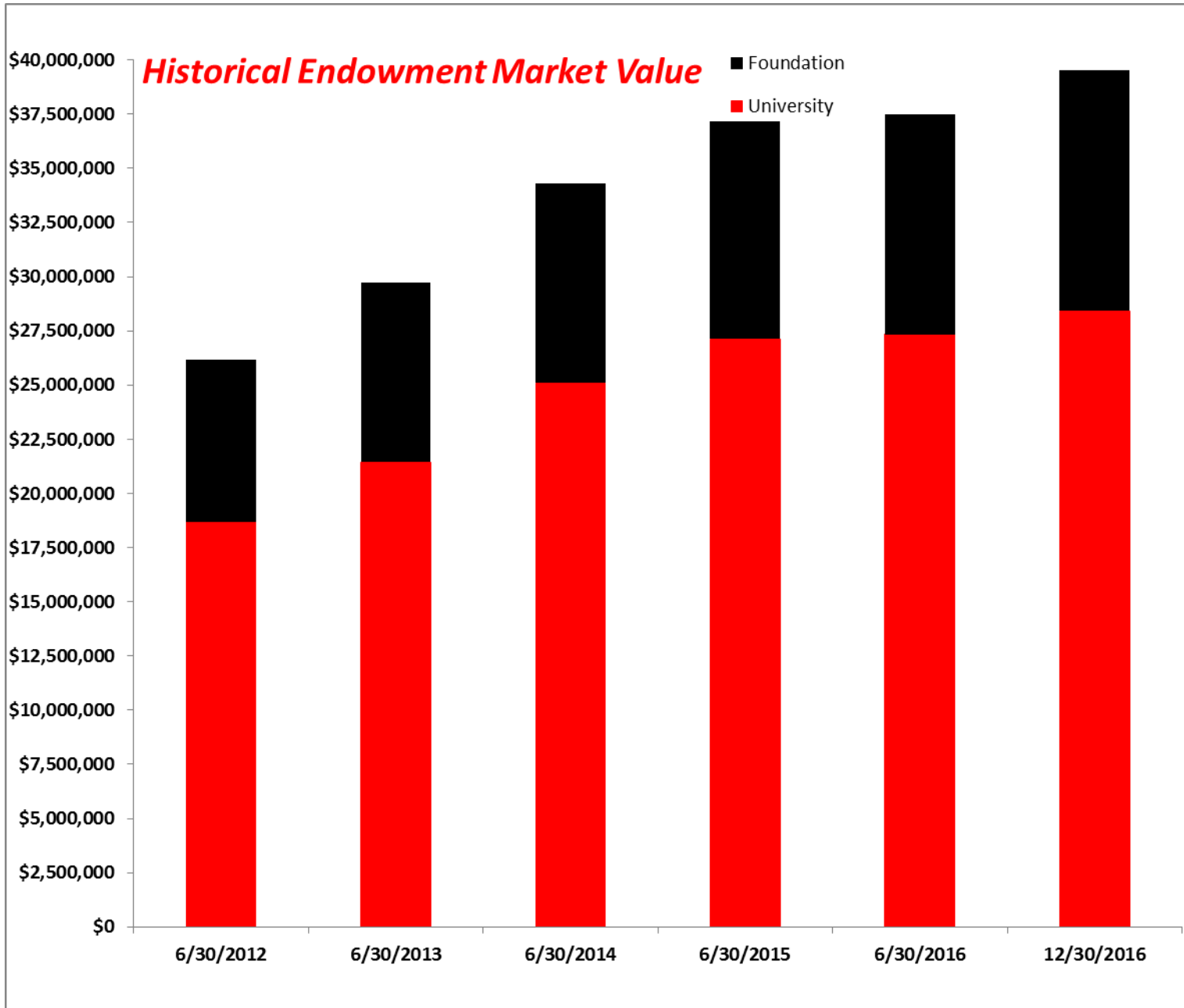
Chairman Harris adjourned the meeting at 8:50 am.

Respectively Submitted by:

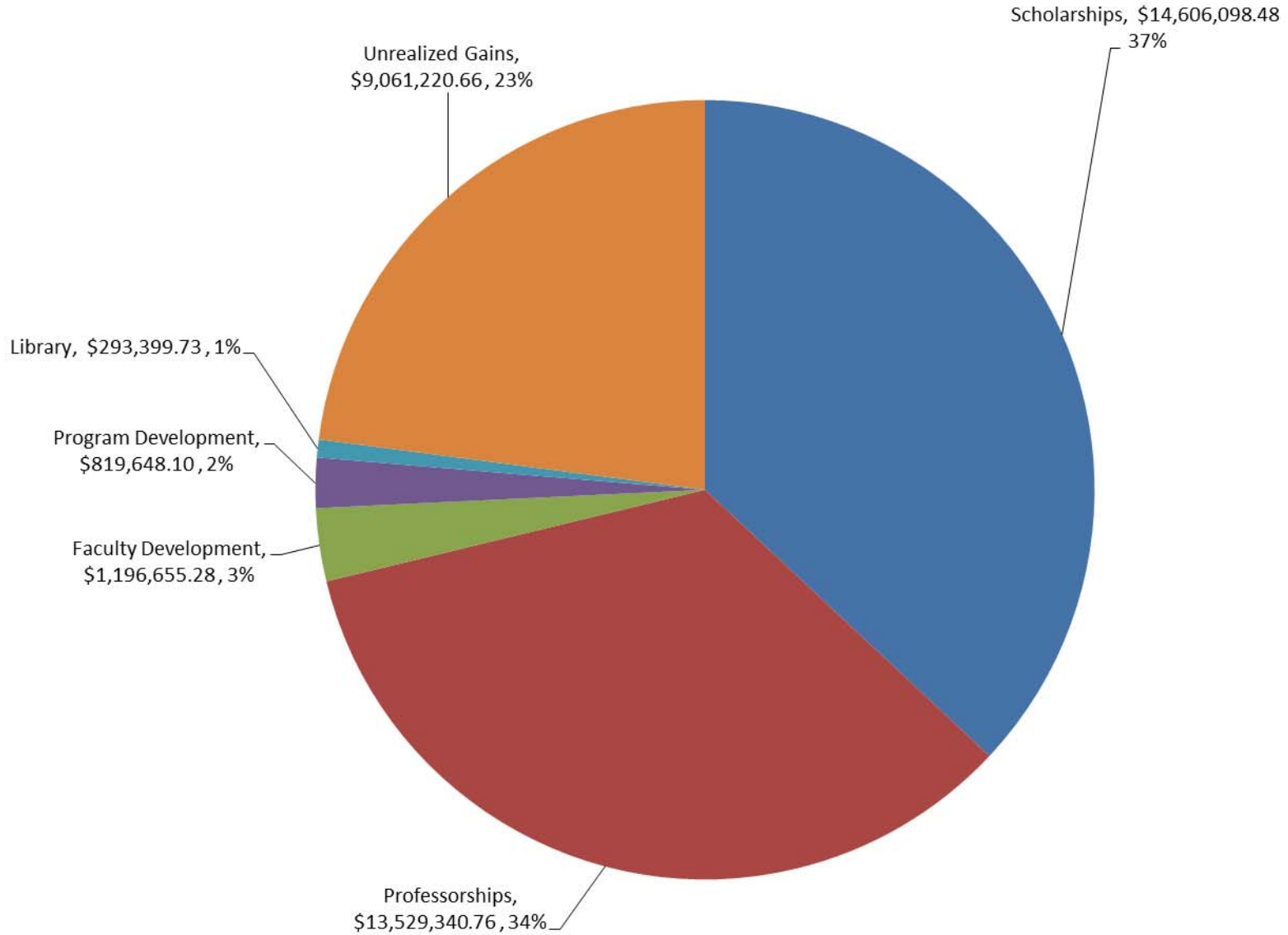
*Leslie Gaynor*

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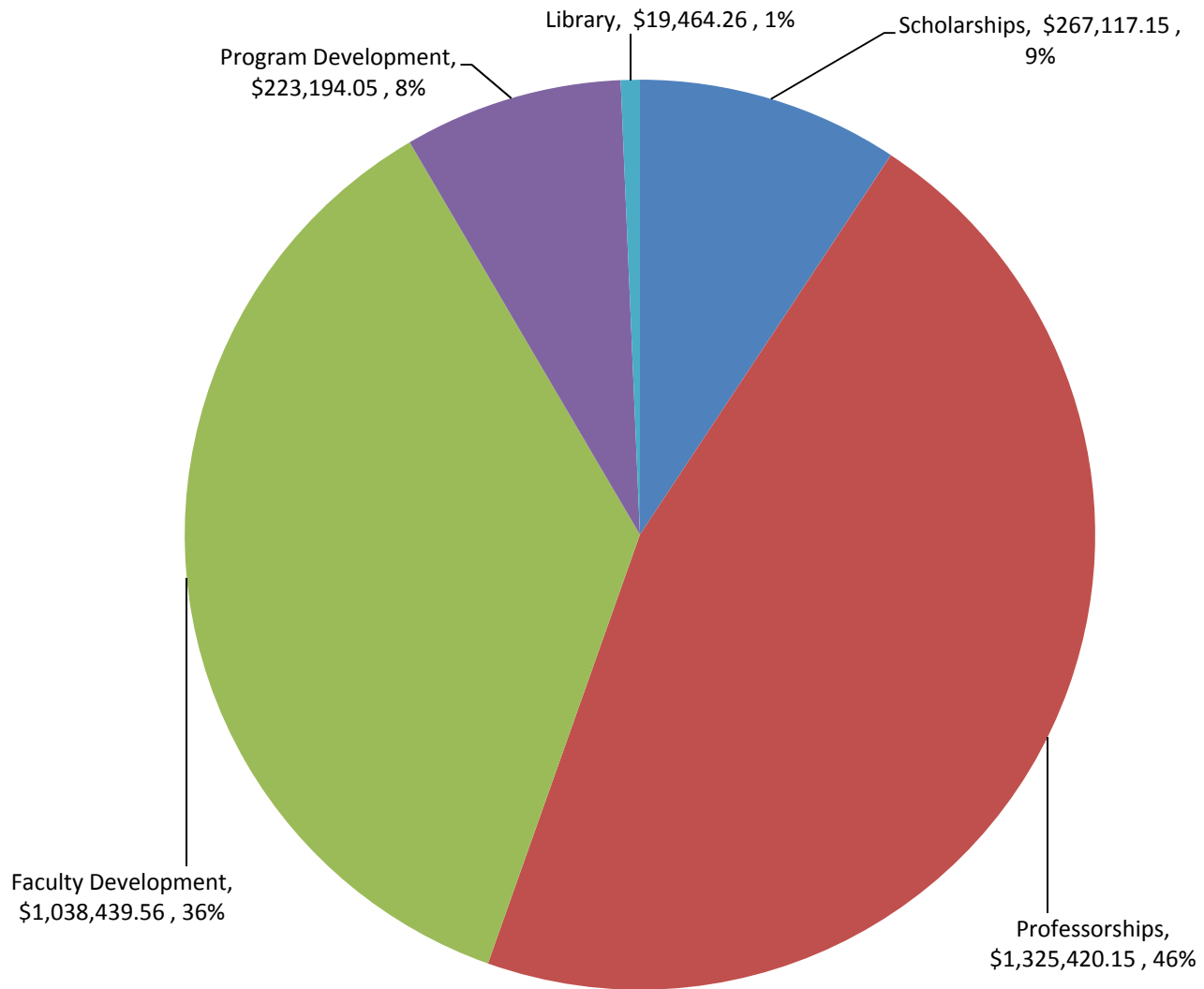
Leslie Gaynor  
Finance and Administration, Office Director



**Endowed Invested Funds at  
December 31, 2016  
\$39,506,363**

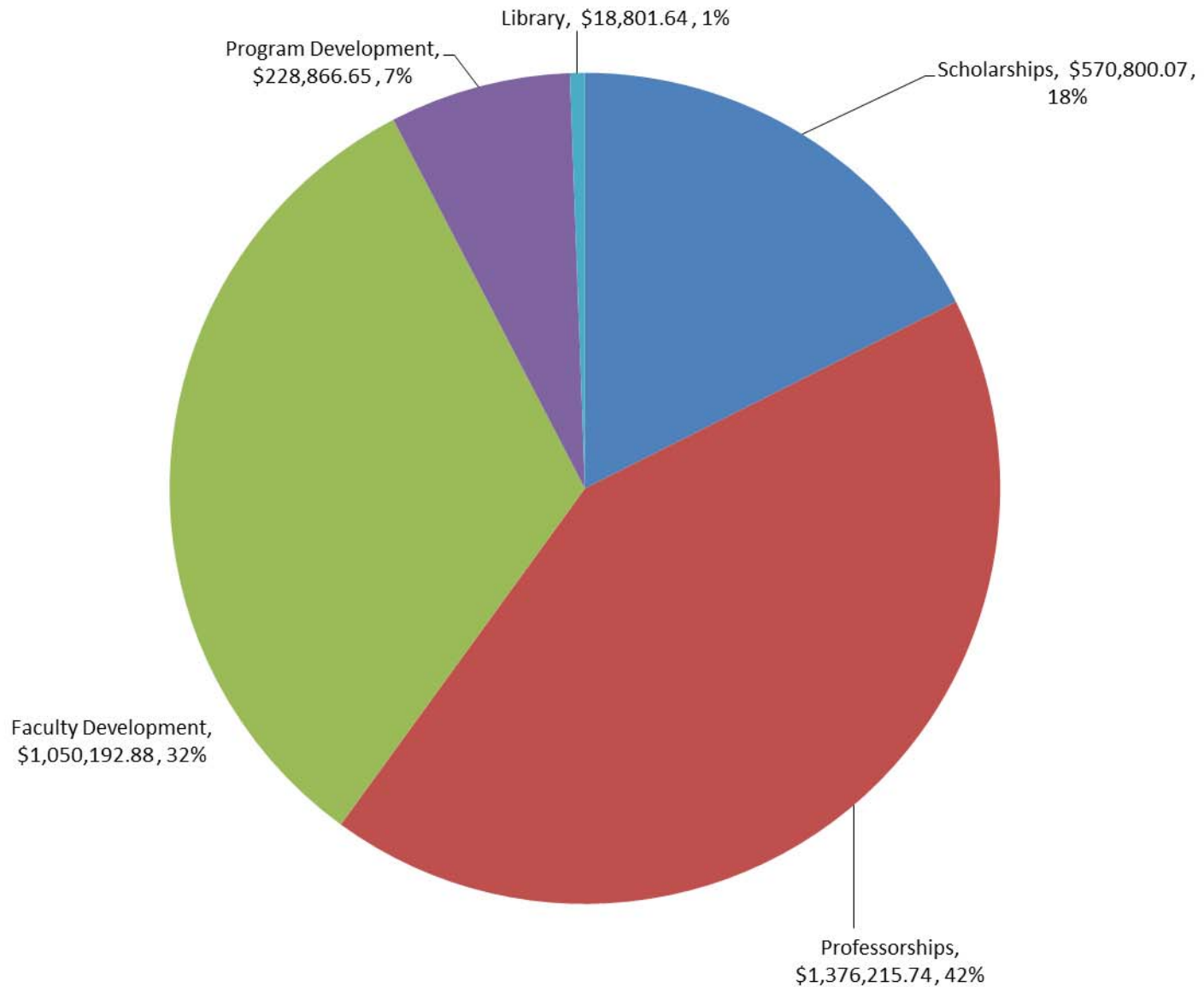


**Endowed Restricted Funds Available for Spending at  
September 30, 2016  
\$2,873,637**





**Endowed Restricted Funds Available for Spending at  
December 31, 2016  
\$3,244,877**



**Winston-Salem State University**  
**Board of Trustees Endowment Committee Report**  
**Thursday March 16, 2017**

**Fiscal Year to Date as of December 31, 2016**

• Endowment Principle Balance	
Invested with UNC Management trust account	\$18,448,317
• Fair Market Value	28,408,008
• Cash gifts received	35,060
• Net Realized and Unrealized Gains(losses)	962,408
• Permanently Restricted Cash to be invested	25,000
• Restricted Cash for spending	2,890,843
• Transfer to Foundation	24,341
• Income Distributed	577,937
• Reinvested Endowment	109,822
• Amount spent:	
Scholarships	25,436
Chair/Professorships	84,524
Program Development	8,912
Library	6,536
Total amount spent	125,408

**Winston-Salem State University Foundation  
Board of Trustees Endowment Committee Report  
Thursday March 16, 2017**

**Fiscal Year to Date as of December 31, 2016**

•	Endowment Principle Balance Invested with UNC Management trust account	\$8,595,281
•	Fair Market Value	11,098,355
•	Cash gifts received	225,165
•	Net Realized and Unrealized Gains(losses)	615,353
•	Permanently Restricted Cash to be invested	80,412
•	Restricted Cash for spending	354,034
•	Income Distributed	316,645
•	Transferred to Endowment	262,585
•	Amount spent on scholarships	21,199

Current Date: 02/01/2017

Current Time: 10.50.38

**Winston-Salem State University  
Banner Finance**

**Board of Trustees Endowment Fund Account Balances  
As Of  
Month: December 2016 Fiscal Year: 2017**

FUND NAME	PRINCIPAL	QUASI-ENDOWMENT	RESTRICTED	RESTRICTED EARNINGS TO-DATE	REINVESTED ENDOWMENTS	RESTRICTED DISBURSEMENTS TO-DATE
<b>Scholarships</b>						
Alumni Scholarships	10,980.00	13,380.90	759.16	729.98	-	-
Anne Hanes Willis Schol	85,000.00	(6,808.36)	3,536.37	2,343.02	-	-
Athletic Endowment Sch	85,431.52	(3,196.29)	35,456.99	2,464.19	-	-
Bank of America Schol	250,000.00	(20,053.46)	10,399.78	6,890.37	-	-
Bernice & James Davenport Sch	18,764.69	(700.49)	7,058.53	540.40	-	1,750.00
Bryan Family Schol	150,000.00	(11,993.83)	6,241.60	4,135.37	-	-
C C Ross BB&T Schol	122,500.00	(10,101.24)	5,083.45	3,368.04	-	-
C E Gaines Athletic Sch	403,318.56	(31,641.11)	16,809.84	11,137.35	-	-
Chancellor s Scholarship	63,455.88	(4,732.44)	2,655.89	1,759.66	-	-
Class of 1938 Schol	4,200.00	11,848.29	500.23	480.89	-	-
Cleon & Edwina Thompson Sch	54,940.32	(4,397.90)	2,285.87	1,514.50	-	-
Coca Cola Dist Schol	50,000.00	(4,010.33)	2,079.97	1,378.08	-	-
Corn Products	-	-	-	361.66	-	20,510.91
Glenn Family Schol	110,000.00	(8,776.29)	4,578.03	3,033.17	-	-
HBCU Masters Scholarship	150,500.00	(7,903.52)	7,900.52	3,901.46	-	(2,200.00)
Hanes Scholarship	100,000.00	14,186.58	3,556.37	3,421.61	-	-
Haywood L Wilson Jr Schol	150,450.00	(10,342.02)	6,037.19	4,049.77	-	-
James G Hanes Schol	400,000.00	(31,970.82)	16,644.84	11,028.03	-	-
John & Lillian Lewis Schol	7,500.00	701.85	6,602.33	245.76	-	-
Kenneth R Williams Schol	20,130.07	(1,597.75)	838.16	555.32	-	-

FUND NAME	PRINCIPAL	QUASI-ENDOWMENT	RESTRICTED	RESTRICTED EARNINGS TO-DATE	REINVESTED ENDOWMENTS	RESTRICTED DISBURSEMENTS TO-DATE
Laura Sawyer Schol	27,394.43	(582.32)	835.64	803.42	-	-
Lillie Middleton Schol	10,000.00	(374.13)	7,578.32	288.44	-	-
Merit Scholarships	396,070.72	(32,721.53)	16,433.18	10,887.80	-	-
Nettie & Frank Setzer Sch	11,372.42	(564.94)	421.11	322.87	65.71	-
North Car Assoc Insur Agt Sch	70,000.00	(5,622.88)	2,911.57	1,929.06	-	-
Omega Psi Phi Schol	21,451.17	(1,066.12)	794.29	609.00	123.95	-
Paul Fulton Sara Lee Emer Fund	150,000.00	29,694.72	17,562.87	5,384.57	-	-
Peter Kim Schol	20,000.00	(425.15)	610.40	586.57	-	-
Robert Emken Schol	180,000.00	(3,826.43)	5,486.66	5,279.05	-	-
Sam Walton Memo Schol	102,000.00	(8,505.95)	4,228.45	2,801.56	-	-
So Area Links Inc Scholarship	10,513.43	(396.69)	457.55	303.15	-	-
Student Gen Scholarships	58,418.97	(4,677.46)	2,430.56	1,610.37	-	-
Wells Fargo Scholarship	65,000.00	(4,909.39)	2,717.71	1,800.62	-	-
Winston Salem Beauticians Sch	5,000.00	422.24	571.92	162.48	-	-
Z Smith Reynolds Schol	300,000.00	(4,984.89)	14,700.78	8,840.15	-	5,375.00
<b>Total Scholarships</b>	<b>3,664,392.18</b>	<b>(156,649.15)</b>	<b>216,766.13</b>	<b>104,947.74</b>	<b>189.66</b>	<b>25,435.91</b>
<b>Chairs/Professorships</b>						
ARF Dist Prof in Biopharm	506,423.09	31,624.93	108,036.43	16,027.23	6,423.09	-
Anne Reynolds Forsyth Chr SOE	505,777.19	14,072.59	107,764.61	15,491.51	5,777.19	-
BB&T End Prof Fin Ethics	250,000.00	(9,353.37)	13,276.52	7,211.00	-	2,000.00
CD Spangler Dist Prof Phy Ther	500,000.00	(24,093.98)	21,523.79	14,260.58	-	-
Dist Prof African Amer History	500,000.00	(18,706.76)	28,228.60	14,422.00	-	-
Dist Prof African Amer Lit	500,000.00	(18,706.76)	24,781.68	14,422.00	-	-
Dist Prof Nur/Allied Health	500,000.00	(34,390.85)	21,058.09	13,952.03	-	-
Dist Prof Political Science	500,000.00	(18,706.76)	30,553.07	14,422.00	-	-
Gray Chair of Religion	411,617.72	21,263.22	106,465.62	12,896.15	5,058.92	-
Hanes Dist Prof Coll Arts Sci	1,000,000.00	(37,413.51)	50,811.58	28,844.01	-	1,421.17
Novant Health FMC Chair Recrui	500,000.00	(17,867.84)	97,227.14	14,447.14	-	5,139.40
Paul Fulton 2nd Chair CS	800,000.00	(34,419.36)	34,624.88	22,940.70	-	-
Paul Fulton Chair CS	500,000.00	(18,706.76)	36,140.67	14,422.00	-	-
RJR Computer Science Prof	1,029,126.96	388,807.44	111,816.42	42,055.77	29,126.96	30,491.40
Sara Lee Chr Accounting	1,000,000.00	384,527.19	97,019.70	41,487.50	-	22,285.39
Sara Lee Foreign Language Chr	505,777.19	14,072.59	107,764.61	15,491.51	5,777.19	-

FUND NAME	PRINCIPAL	QUASI-ENDOWMENT	RESTRICTED	RESTRICTED EARNINGS TO-DATE	REINVESTED ENDOWMENTS	RESTRICTED DISBURSEMENTS TO-DATE
Shelton Foundation Chr Nurs	583,500.00	51,062.87	94,419.53	19,014.74	-	23,187.48
Vivian Chambers Prof-Math/Elem	500,000.00	(21,512.17)	21,640.55	14,337.94	-	-
Wells Fargo Chair-Education	500,000.00	(21,512.17)	21,640.55	14,337.94	-	-
Willie Bradsher Prof Educ	192,846.99	541,221.09	110,964.23	21,359.78	42,846.99	-
Wilveria B Atkinson Chr Lif Sc	508,501.33	88,101.38	108,911.02	17,750.95	8,501.33	-
Z Smith Reynolds-Justice	500,000.00	(23,592.72)	21,546.45	14,275.59	-	-
<b>Total Chairs/Professorships</b>	<b>12,293,570.47</b>	<b>1,235,770.29</b>	<b>1,376,215.74</b>	<b>403,870.07</b>	<b>103,511.67</b>	<b>84,524.84</b>
<b>Faculty Development</b>						
Faculty Enrichment	16,011.15	(599.03)	9,093.13	461.83	-	-
Wells Fargo Teach Excellence	1,231,618.16	(50,375.00)	1,041,099.75	35,305.14	6,120.24	-
<b>Total Faculty Development</b>	<b>1,247,629.31</b>	<b>(50,974.03)</b>	<b>1,050,192.88</b>	<b>35,766.97</b>	<b>6,120.24</b>	<b>-</b>
<b>Program Development</b>						
Academic Development	-	-	170,164.47	-	-	-
Athletics Program Development	10,335.13	(386.67)	7,861.64	298.10	-	-
James G Hanes Curr Dev	-	-	-	-	-	-
Nursing Program	900,000.00	(116,855.23)	30,105.40	23,467.02	-	8,911.70
Program Development	27,587.00	(1,032.13)	20,735.14	795.72	-	-
<b>Total Program Development</b>	<b>937,922.13</b>	<b>(118,274.03)</b>	<b>228,866.65</b>	<b>24,560.84</b>	<b>-</b>	<b>8,911.70</b>
<b>Library</b>						
Friends of the Library	244,803.50	(9,158.96)	14,767.05	7,061.11	-	-
JG Hanes Diggs Gallery	60,000.00	(2,244.81)	4,034.59	1,730.67	-	6,535.61
<b>Total Library</b>	<b>304,803.50</b>	<b>(11,403.77)</b>	<b>18,801.64</b>	<b>8,791.78</b>	<b>-</b>	<b>6,535.61</b>
<b>Other</b>						
Realized Gains Losses	-	-	-	-	-	-
Unrealized Gains Losses	-	9,061,220.66	-	-	-	-
<b>Total Other</b>	<b>-</b>	<b>9,061,220.66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ALL</b>	<b>18,448,317.59</b>	<b>9,959,689.97</b>	<b>2,890,843.04</b>	<b>577,937.40</b>	<b>109,821.57</b>	<b>125,408.06</b>

**WINSTON SALEM STATE UNIVERSITY  
BOARD OF TRUSTEES ENDOWMENT FUND  
BALANCE SHEET  
DECEMBER 31, 2016  
WITH COMPARISON TO PRIOR QUARTER**

	RESTRICTED FUNDS			ENDOWED FUNDS			TOTAL ALL FUNDS		
	DEC.31 2016	SEP.30 2016	VARIANCE	DEC.31 2016	SEP.30 2016	VARIANCE	DEC.31 2016	SEP.30 2016	VARIANCE
<b>ASSETS</b>									
Cash in Institutional Trust	2,890,843.04	2,787,842.17	103,000.87	0.00	0.00	0.00	2,890,843.04	2,787,842.17	103,000.87
Cash with Fiscal Agent	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investments	0.00	0.00	0.00	28,408,007.56	28,124,661.35	283,346.21	28,408,007.56	28,124,661.35	283,346.21
Due from WSSU Foundation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL ASSETS</b>	<b>\$2,890,843.04</b>	<b>\$2,787,842.17</b>	<b>103,000.87</b>	<b>\$28,408,007.56</b>	<b>\$28,124,661.35</b>	<b>\$283,346.21</b>	<b>\$31,298,850.60</b>	<b>\$30,912,503.52</b>	<b>\$386,347.08</b>
<b>LIABILITIES AND FUND EQUITY</b>									
<b>LIABILITIES</b>									
Due to Institutional Trust	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL LIABILITIES</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>FUND EQUITY</b>									
Fund Balances:									
Endowment	0.00	0.00	0.00	18,448,317.59	18,328,436.02	119,881.57	18,448,317.59	18,328,436.02	119,881.57
Quasi-Endowment - Restricted	0.00	0.00	0.00	9,959,689.97	9,796,225.33	163,464.64	9,959,689.97	9,796,225.33	163,464.64
Other Restricted Funds	2,890,843.04	2,787,842.17	103,000.87	0.00	0.00	0.00	2,890,843.04	2,787,842.17	103,000.87
<b>TOTAL FUND EQUITY</b>	<b>\$2,890,843.04</b>	<b>\$2,787,842.17</b>	<b>103,000.87</b>	<b>\$28,408,007.56</b>	<b>\$28,124,661.35</b>	<b>\$283,346.21</b>	<b>\$31,298,850.60</b>	<b>\$30,912,503.52</b>	<b>\$386,347.08</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$2,890,843.04</b>	<b>\$2,787,842.17</b>	<b>103,000.87</b>	<b>\$28,408,007.56</b>	<b>\$28,124,661.35</b>	<b>\$283,346.21</b>	<b>\$31,298,850.60</b>	<b>\$30,912,503.52</b>	<b>\$386,347.08</b>

Restricted Funds - Funds which are available for current operating purposes subject to limitations placed by a donor or grantor.

Endowment Funds - Funds for which the donor has stipulated, as a condition of the gift, that the principal is to be maintained inviolate and in perpetuity.

The principal is to be invested for the purpose of producing income for expenditures as provided by the terms of the gift.

Term Endowment - Same definition as above except for that the conditions provide that the gift can be released from inviolability upon the happening of a particular event or the passage of a stated period of time.

Quasi-Endowment - Income generated by realized gains on the endowment principal that is reinvested in the endowment pool. These amounts can be spent at the discretion of the Board of Trustees.

Principal - Original gift awarded by the donor for an established endowment account.

**EXPLANATION OF VARIANCES:**

Restricted Funds:

Variance is due to difference in quarters' income and expenditures

Endowed Funds:

Variance is due to realized and unrealized gains and losses for the quarter

WINSTON SALEM STATE UNIVERSITY  
 BOARD OF TRUSTEES ENDOWMENT FUND  
 STATEMENT OF CHANGES IN FUND EQUITY  
 FOR JULY 1, 2016 THROUGH DECEMBER 31, 2016  
 WITH COMPARISON TO PRIOR QUARTER

	RESTRICTED FUNDS			ENDOWED FUNDS			TOTAL ALL FUNDS		
	DEC 31 2016	SEP 30 2016	VARIANCE	DEC 31 2016	SEP 30 2016	VARIANCE	DEC 31 2016	SEP 30 2016	VARIANCE
<b>REVENUES:</b>									
Private Gifts, Grants and Contracts	\$0.00	\$0.00	\$0.00	\$10,719.48	\$0.00	\$10,719.48	\$10,719.48	\$0.00	\$10,719.48
Interest and Investment Income	\$577,937.40	\$288,968.70	\$288,968.70	\$0.00	\$0.00	\$0.00	\$577,937.40	\$288,968.70	\$288,968.70
Realized Gain(Loss) From Sale on Securities	\$0.00	\$0.00	\$0.00	(\$447,252.62)	(\$225,473.41)	(\$221,779.21)	(\$447,252.62)	(\$225,473.41)	(\$221,779.21)
Unrealized Gain(Loss) on Securities Held by Fiscal Agent	\$0.00	\$0.00	\$0.00	\$1,409,660.73	\$1,025,076.36	\$384,584.37	\$1,409,660.73	\$1,025,076.36	\$384,584.37
Transfers to/from Restricted	\$0.00	\$0.00	\$0.00	\$109,821.57	\$0.00	\$109,821.57	\$109,821.57	\$0.00	\$109,821.57
<b>TOTAL REVENUE</b>	<b>\$577,937.40</b>	<b>\$288,968.70</b>	<b>\$288,968.70</b>	<b>\$1,082,949.16</b>	<b>\$799,602.95</b>	<b>\$283,346.21</b>	<b>\$1,660,886.56</b>	<b>\$1,088,571.65</b>	<b>\$572,314.91</b>
<b>EXPENDITURES:</b>									
Academic Support	\$99,972.15	\$40,586.80	\$59,385.35	\$0.00	\$0.00	\$0.00	\$99,972.15	\$40,586.80	\$59,385.35
Student Financial Aid	\$25,435.91	\$8,675.00	\$16,760.91	\$0.00	\$0.00	\$0.00	\$25,435.91	\$8,675.00	\$16,760.91
Institutional Support	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Transfers to Endowment/Other	\$109,821.57	\$0.00	\$109,821.57	\$0.00	\$0.00	\$0.00	\$109,821.57	\$0.00	\$109,821.57
<b>TOTAL EXPENDITURES</b>	<b>\$235,229.63</b>	<b>\$49,261.80</b>	<b>\$185,967.83</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$235,229.63</b>	<b>\$49,261.80</b>	<b>\$185,967.83</b>
<b>NET INCREASE (DECREASE)</b>	<b>\$342,707.77</b>	<b>\$239,706.90</b>	<b>\$103,000.87</b>	<b>\$1,082,949.16</b>	<b>\$799,602.95</b>	<b>\$283,346.21</b>	<b>\$1,425,656.93</b>	<b>\$1,039,309.85</b>	<b>\$386,347.08</b>
<b>FUND EQUITY JULY 1, 2016</b>	<b>\$2,548,135.27</b>	<b>\$2,548,135.27</b>	<b>\$0.00</b>	<b>\$27,325,058.40</b>	<b>\$27,325,058.40</b>	<b>\$0.00</b>	<b>\$29,873,193.67</b>	<b>\$29,873,193.67</b>	<b>\$0.00</b>
<b>FUND EQUITY DECEMBER 31, 2016</b>	<b>\$2,890,843.04</b>	<b>\$2,787,842.17</b>	<b>\$103,000.87</b>	<b>\$28,408,007.56</b>	<b>\$28,124,661.35</b>	<b>\$283,346.21</b>	<b>\$31,298,850.60</b>	<b>\$30,912,503.52</b>	<b>\$386,347.08</b>

**EXPLANATION OF VARIANCES:**

Restricted Funds:

Variance is due to difference in quarters' income and expenditures

Endowed Funds:

Variance is due to realized and unrealized gains and losses for the quarter





WINSTON SALEM STATE UNIVERSITY FOUNDATION  
 BOARD OF TRUSTEES ENDOWMENT FUND  
 BALANCE SHEET  
 Dec 31, 2016  
 WITH COMPARISON TO PRIOR QUARTERS

	RESTRICTED FUNDS			ENDOWED FUNDS			TOTAL ALL FUNDS		
	<u>31-Dec-17</u>	<u>30-Sep-16</u>	<u>VARIANCE</u>	<u>31-Dec-17</u>	<u>30-Sep-16</u>	<u>VARIANCE</u>	<u>31-Dec-17</u>	<u>30-Sep-16</u>	<u>VARIANCE</u>
<b>ASSETS</b>									
Cash	354,034	85,793	268,241	80,412	195,306	(114,894)	434,445	281,099	153,346
Cash with Fiscal Agent	-	-	-	-	-	-	-	-	-
Investments	-	-	-	11,098,355	10,976,681	121,674	11,098,355	10,976,681	121,674
Other	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>354,034</b>	<b>85,793</b>	<b>268,241</b>	<b>11,178,767</b>	<b>11,171,987</b>	<b>6,780</b>	<b>11,532,801</b>	<b>11,257,780</b>	<b>275,021</b>
<b>LIABILITIES AND FUND EQUITY</b>									
<b>LIABILITIES</b>									
Due to Restricted Funds	-	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND EQUITY</b>									
Fund Balances:									
Endowment Invested	-	-	-	11,098,355	10,976,681	121,674	11,098,355	10,976,681	(121,674)
Quasi-Endowment - Restricted	-	-	-	-	-	-	-	-	-
Other Restricted Funds	354,034	85,793	268,241	80,412	195,306	(114,894)	434,445	281,099	(153,346)
<b>TOTAL FUND EQUITY</b>	<b>354,034</b>	<b>85,793</b>	<b>268,241</b>	<b>11,178,767</b>	<b>11,171,987</b>	<b>6,780</b>	<b>11,532,801</b>	<b>11,257,780</b>	<b>275,021</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>354,034</b>	<b>85,793</b>	<b>268,241</b>	<b>11,178,767</b>	<b>11,171,987</b>	<b>6,780</b>	<b>11,532,801</b>	<b>11,257,780</b>	<b>275,021</b>

WINSTON SALEM STATE UNIVERSITY FOUNDATION  
 BOARD OF TRUSTEES ENDOWMENT FUND  
 STATEMENT OF CHANGES IN FUND EQUITY  
 For July 1, 2016 THROUGH Dec 31, 2016  
 WITH COMPARISON TO PRIOR QUARTERS

	RESTRICTED FUNDS			ENDOWED FUNDS			TOTAL ALL FUNDS		
	<u>31-Dec-16</u>	<u>30-Sep-16</u>	<u>VARIANCE</u>	<u>31-Dec-16</u>	<u>30-Sep-16</u>	<u>VARIANCE</u>	<u>31-Dec-16</u>	<u>30-Sep-16</u>	<u>VARIANCE</u>
<b>REVENUES:</b>									
Private Gifts, Grants and Contracts	-	-	-	225,164	39,503	185,661	225,164	39,503	185,661
Interest and Investment Income	-	-	-	-	-	-	-	-	-
Unrealized Gain(Loss) on Securities Held by Fis	-	-	-	615,353	425,677	189,676	615,353	425,677	189,676
Realized Gain(Loss) From Sale on Securities	-	-	-	-	-	-	-	-	-
Transfers from Restricted	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	-	-	-	840,517	465,180	375,337	840,517	465,180	375,337
<b>EXPENDITURES:</b>									
Academic Support	-	-	-	-	-	-	-	-	-
Scholarships	21,199	-	21,199	-	-	-	21,199	-	21,199
Admin. Fees/Trust Fees	74,663	13,581	61,082	-	-	-	74,663	13,581	61,082
Transfers to Endowment	-	-	-	262,585	-	262,585	262,585	-	262,585
<b>TOTAL EXPENDITURES</b>	95,862	13,581	82,281	262,585	-	262,585	358,447	13,581	344,866
<b>NET INCREASE (DECREASE)</b>	(95,862)	(13,581)	(82,281)	577,932	465,180	112,752	482,070	451,599	30,472
<b>FUND EQUITY BEGINNING</b>	449,896	99,374	350,522	10,600,835	10,706,807	(105,972)	11,050,730	10,806,181	244,548
<b>FUND EQUITY Dec 31, 2016</b>	354,034	85,793	268,241	11,178,767	11,171,987	6,780	11,532,801	11,257,780	275,021

**Winston-Salem State University Endowment Summary**  
**As of December 31, 2016**

Statement of Changes of Fund Equity

This report reflects the changes to fund equity between quarters from income and expense transactions. The first quarter income was distributed. The change in the Endowed Funds (investments) was due to an increase in the net realized loss and unrealized gains.

Balance Sheet

This report reflects our cash and investment position between quarters for our Restricted and Endowed Funds.

Endowment Fund Account Balances

This report provides detailed information on our individual endowment funds. The report covers the following categories:

Scholarships  
Chairs/Professorships  
Faculty Development  
Program Development  
Library  
Undistributed Gains

For Endowed Funds, the Principal (gifts) and Quasi-endowment (realized gains) investment balances are provided. For Restricted Funds, the cash balance along with income distributed and expenditures are provided.

**Winston-Salem State University**  
**Projected Endowment Income Distribution**  
**For 2017-2018**

<u>Month</u>	<u>Year</u>	<u>Market Value</u>
September	2014	25,435,420.74
December	2014	25,317,416.62
March	2015	26,275,879.18
June	2015	27,120,498.11
September	2015	26,245,339.35
December	2015	27,814,759.64
March	2016	26,800,950.89
June	2016	27,325,058.40
September	2016	28,124,661.35
December	2016	28,408,007.56
March	2017	28,408,007.56
June	2017	28,408,007.56
Total		325,684,006.96
Average		27,140,333.91
Annual Distribution	<b>4.5%</b>	1,221,315.03
Quarterly Distribution		<b>305,328.76</b>
Projected Distribution	5.5%	1,492,718.37
Projected Distribution	5.0%	1,357,016.70
Projected Distribution	4.5%	1,221,315.03