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Form **990**

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No 1545-0047

2011

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

A **For the 2011 calendar year, or tax year beginning** July 1 , 2011, and ending June 30 , 20 12

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☑ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization **Francis Marion University Real Estate Foundation**

Doing Business As

Number and street (or P O box if mail is not delivered to street address) **PO Box 100547** Room/suite

City or town, state or country, and ZIP + 4 **Florence, SC 29502-0547**

D Employer identification number **20-0118161**

E Telephone number **843.661.1214**

G Gross receipts $ **6,217,531**

F Name and address of principal officer **Howard Lundy**
Same as C above

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J **Website:** ▶ **N/A**

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation **2003**

M State of legal domicile **SC**

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities: **This Foundation is organized and at all times shall be operated exclusively for the benefit of Francis Marion University specifically in management of student housing and support of the University as agreed upon by the Foundation's Board of Directors and the University.**

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.

3	Number of voting members of the governing body (Part VI, line 1a)	3	5
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	4
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	0
6	Total number of volunteers (estimate if necessary)	6	0
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

Revenue

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)		0
9	Program service revenue (Part VIII, line 2g)		6,199,767
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)		17,764
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)		6,217,531

Expenses

13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)		2,347,711
14	Benefits paid to or for members (Part IX, column (A), line 4)		
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)		41,259
16a	Professional fundraising fees (Part IX, column (A), line 11e)		
b	Total fundraising expenses (Part IX, column (D), line 25) ▶		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)		4,854,181
18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)		7,243,151
19	Revenue less expenses. Subtract line 18 from line 12		(1,025,620)

Net Assets or Fund Balances

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	29,535,329	27,848,222
21	Total liabilities (Part X, line 26)	25,757,825	25,096,338
22	Net assets or fund balances. Subtract line 21 from line 20	3,777,504	2,751,884

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here

Signature of officer Howard G. Lundy, Jr. Date 1/25/13

Type or print name and title Howard G. Lundy, Jr. Executive Director

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN

Firm's name ▶ | Firm's EIN ▶

Firm's address ▶ | Phone no

May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☐ No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III . . . . . ☑

1 Briefly describe the organization's mission:

The Foundation is organized and at all times shall be operated exclusively for the benefit of Francis Marion University and specifically to acquire, construct, finance, pledge, improve, maintain, operate, manage, and lease (1) housing facilities for students and faculty of the University and the Foundation shall have no power to engage in activities not in furtherance of such purpose.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 2,347,711 including grants of $ 2,347,711) (Revenue $ 0)

The Foundation as part of its mission to support Francis Marion University periodically provides support in the form of direct cash contributions and non-cash contributions for the use by the University for operations and other needs as the University deems necessary to meet its mission and goals. During the year ending June 30, 2012, the Foundation paid $1,062,584 for athletic facility equipment and fixtures, vehicles for campus police and athletics, fitness equipment, various supplies, and contractual services on behalf of the University. The Foundation also contributed $1,100,000 to the University for construction of the University's athletic complex. Additionally, the Foundation made contributions of $185,127 to the FMU Education Foundation in support of the University.

4b (Code:) (Expenses $ 4,825,568 including grants of $) (Revenue $ 6,217,531)

The Foundation as part of its mission to support the University is required to operate, maintain, and lease housing facilities for students and faculty. This program service is carried out through the Foundation's sole member FMU Student Housing, LLC. All revenue generated by the LLC from housing services are managed and held by the Foundation. Housing Services are provided primarily during the fall and spring semesters with minor revenues being received for summer semesters, fees and fines, and summer camp housing for FMU Summer Programs. Occupancy for fall was 97.86% or 1,509 of the available 1,539 beds while spring was 87.26% or 1,343 of the 1,539 beds available. Comparatively, fall was significantly better than the previous year which had a 95% occupancy rate. Spring occupancy was consistent with that of the previous year. Expenses were directly related to operations of housing services. Property management is contracted out to the University which is paid $135,000 for this service and reimbursed for all expenses related to this service of $2,242,826. $1,104,180 is attibutable to interest expense on bonds issued in 2004 and 2006 for our Forest Villa Apartment complex. $388,004 was for replacement of furniture in half of our dorm style residence halls as the final phase to our two part replacement project. $270,649 was rent paid to the University as part of the lease agreement between the LLC and the University to lease University owned housing. Lastly, $482,991 was depreciation expense for plant, property and

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O.)
(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses ▶** 7,173,279

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	✓	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2		✓
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		✓
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		✓
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		✓
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		✓
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		✓
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		✓
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		✓
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		✓
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	✓	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		✓
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		✓
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d	✓	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e		✓
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		✓
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		✓
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	✓	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		✓
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		✓
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		✓
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		✓
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		✓
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		✓
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		✓
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		✓
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a		✓
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	✓	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		✓
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	✓	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25*	24a	✓	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		✓
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		✓
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		✓
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		✓
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		✓
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		✓
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		✓
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		✓
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		✓
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c		✓
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		✓
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		✓
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		✓
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		✓
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33	✓	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34	✓	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		✓
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b		✓
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		✓
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		✓
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	✓	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V . . . . . ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	2		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable . . .	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c			
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	0		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? .	2b			
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions) . .				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a			✓
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b			
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			✓
b	If "Yes," enter the name of the foreign country: ▶ _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . .	5a			✓
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			✓
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?	6a			✓
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			✓
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			✓
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			✓
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? .	7f			✓
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			✓
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			✓
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			✓
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities .	10b			
11	**Section 501(c)(12) organizations.** Enter:				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year .	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state?	13a			
	Note. See the instructions for additional information the organization must report on Schedule O.				
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			✓
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* .	14b			

Part VI **Governance, Management, and Disclosure** *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response to any question in this Part VI . . . . . ☑

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year . . If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	1a	5		
b	Enter the number of voting members included in line 1a, above, who are independent .	1b	4		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		✓	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? .	3			✓
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4			✓
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	5			✓
6	Did the organization have members or stockholders?	6			✓
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a			✓
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b			✓
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?	8a		✓	
b	Each committee with authority to act on behalf of the governing body?	8b		✓	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9			✓

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		✓
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	✓	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	✓	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b		✓
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	12c	✓	
13	Did the organization have a written whistleblower policy?	13		✓
14	Did the organization have a written document retention and destruction policy?	14	✓	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	✓	
b	Other officers or key employees of the organization	15b		✓
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		✓
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☐ Another's website ☑ Upon request

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶ **Howard G. Lundy, 4822 E. Palmetto St., Florence, SC 29506, 843.661.1214**

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII . . . . . ☑

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Frank Willis										
Chairman of the Board, Director	.2	✓		✓				0	0	0
(2) Ken Jackson										
Vice-Chairman of the Board, Director	.1	✓		✓				0	0	0
(3) John Kispert										
Treasurer of the Board, Director	.1	✓		✓				0	131,225	19,353
(4) Stephen Jones										
Secretary of the Board, Director	.2	✓		✓				0	0	0
(5) F. Schipman Johnson										
Director	.1	✓						0	0	0
(6) Howard G. Lundy										
Executive Director	12			✓				0	125,234	18,526
(7)										
(8)										
(9)										
(10)										
(11)										
(12)										
(13)										
(14)										

Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** *(continued)*

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15)										
(16)										
(17)										
(18)										
(19)										
(20)										
(21)										
(22)										
(23)										
(24)										
(25)										
1b **Sub-total** ▶								0	256,459	37,879
c **Total from continuation sheets to Part VII, Section A** ▶								0	0	0
d **Total (add lines 1b and 1c)** ▶								0	256,459	37,879

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ **0**

		Yes	No
3	Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual* 3		✓
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual* 4	✓	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person* 5		✓

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ **0**

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f				
	g Noncash contributions included in lines 1a-1f: $					
	h **Total.** Add lines 1a–1f ▶					
Program Service Revenue		**Business Code**				
	2a **Housing Services**	531110	6,199,767	6,199,767		
	b					
	c					
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a–2f ▶		6,199,767			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶		16,896	16,896		
	4 Income from investment of tax-exempt bond proceeds ▶		868	868		
	5 Royalties ▶					
		(i) Real / (ii) Personal				
	6a Gross rents					
	b Less: rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss) ▶					
		(i) Securities / (ii) Other				
	7a Gross amount from sales of assets other than inventory					
	b Less: cost or other basis and sales expenses					
	c Gain or (loss)					
	d Net gain or (loss) ▶					
	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c). See Part IV, line 18 a					
	b Less: direct expenses b					
	c Net income or (loss) from fundraising events ▶					
	9a Gross income from gaming activities. See Part IV, line 19 a					
	b Less: direct expenses b					
	c Net income or (loss) from gaming activities ▶					
	10a Gross sales of inventory, less returns and allowances a					
	b Less: cost of goods sold b					
	c Net income or (loss) from sales of inventory ▶					
	Miscellaneous Revenue	**Business Code**				
	11a					
	b					
	c					
	d All other revenue					
	e **Total.** Add lines 11a–11d ▶					
	12 **Total revenue.** See instructions. ▶		6,217,531	6,217,531		

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Check if Schedule O contains a response to any question in this Part IX . . . . . ☑

	Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21	2,347,711	2,347,711		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22 . . .				
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16 . .				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	41,259		41,259	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) .				
7	Other salaries and wages				
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9	Other employee benefits				
10	Payroll taxes				
11	Fees for services (non-employees):				
a	Management	2,377,826	2,377,826		
b	Legal				
c	Accounting	13,385		13,385	
d	Lobbying				
e	Professional fundraising services. See Part IV, line 17				
f	Investment management fees	7,650		7,650	
g	Other	56,467	53,177	3,290	
12	Advertising and promotion				
13	Office expenses	389,162	388,004	1,158	
14	Information technology				
15	Royalties				
16	Occupancy	270,649	270,649		
17	Travel				
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings .				
20	Interest	1,104,180	1,104,180		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization .	551,865	551,865		
23	Insurance	82,997	79,867	3,130	
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a	----------				
b	----------				
c	----------				
d	----------				
e	All other expenses ----------				
25	**Total functional expenses.** Add lines 1 through 24e	7,243,151	7,173,279	69,872	
26	**Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) . . .				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		502,189	1	202,305
	2	Savings and temporary cash investments		8,721,519	2	8,223,086
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		402,893	4	374,777
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use			8	
	9	Prepaid expenses and deferred charges		2,778,513	9	2,468,158
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 18,052,316			
	b	Less: accumulated depreciation	10b 3,042,896	15,492,411	10c	15,009,420
	11	Investments—publicly traded securities			11	
	12	Investments—other securities. See Part IV, line 11			12	
	13	Investments—program-related. See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets. See Part IV, line 11		1,637,804	15	1,570,475
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		29,535,329	16	27,848,221
Liabilities	17	Accounts payable and accrued expenses		485,572	17	465,949
	18	Grants payable			18	
	19	Deferred revenue		211,575	19	145,500
	20	Tax-exempt bond liabilities		25,060,678	20	24,484,888
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D			25	
	26	**Total liabilities.** Add lines 17 through 25		25,757,825	26	25,096,337
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		3,777,504	27	2,751,884
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building, or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		3,777,504	33	2,751,884
	34	Total liabilities and net assets/fund balances		29,535,329	34	27,848,221

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI . . . . . ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	6,217,531
2	Total expenses (must equal Part IX, column (A), line 25)	2	7,243,151
3	Revenue less expenses. Subtract line 2 from line 1	3	(1,025,620)
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	3,777,504
5	Other changes in net assets or fund balances (explain in Schedule O)	5	
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	2,751,884

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII . . . . . ☐

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a	✓	
b	Were the organization's financial statements audited by an independent accountant?	2b	✓	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c		✓
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.			
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separate basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		✓
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization	Employer identification number
Francis Marion University Real Estate Foundation	**20-0118161**

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 ☑ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I b ☐ Type II c ☑ Type III–Functionally integrated d ☐ Type III–Other

e ☑ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box . . . . . ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? 11g(i)		✓
(ii) A family member of a person described in (i) above? 11g(ii)		✓
(iii) A 35% controlled entity of a person described in (i) or (ii) above? 11g(iii)		✓

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of support
(A) **Francis Marion University**	**57-0522624**	**170 (b)(1)(A)(v)**	✓		✓		✓		**2,162,584**
(B)									
(C)									
(D)									
(E)									
Total									**2,162,584**

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") . . .						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .						
3 The value of services or facilities furnished by a governmental unit to the organization without charge . . .						
4 **Total.** Add lines 1 through 3 . . .						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on . . .						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f)) . . . 14 %

15 Public support percentage from 2010 Schedule A, Part II, line 14 . . . . . 15 %

16a **33⅓% support test—2011.** If the organization did not check the box on line 13, and line 14 is 33⅓% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **33⅓% support test—2010.** If the organization did not check a box on line 13 or 16a, and line 15 is 33⅓% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10%-facts-and-circumstances test—2011.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **10%-facts-and-circumstances test—2010.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . . ▶ ☐

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose . . .						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . .						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons .						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f))	15	%
16	Public support percentage from 2010 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2011** (line 10c, column (f) divided by line 13, column (f)) . . .	17	%
18	Investment income percentage from **2010** Schedule A, Part III, line 17	18	%

19a **33 1/3% support tests—2011.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization . ▶ ☐

b **33 1/3% support tests—2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Part I, 11h, vii - During the tax year the Foundation purchased goods and services on behalf and for the benefit of the University in the sum of $1,062,584. The noted amount consisted of purchases of athletic field lights and other fixtures for the athletic complex, vehicles for campus police and athletics, fitness equipment for the student gym facilities, and various other minor supplies and contractual services.

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization	Employer identification number
Francis Marion University Real Estate Foundation	20-0118161

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).
☐ Preservation of land for public use (e.g., recreation or education) ☐ Preservation of an historically important land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

			Held at the End of the Tax Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____
(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____
b Assets included in Form 990, Part X ▶ $

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ▶ _____%
b Permanent endowment ▶ _____%
c Temporarily restricted endowment ▶ _____%

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings		17,068,086	2,660,907	14,407,179
c Leasehold improvements		572,315	68,994	503,321
d Equipment		391,915	306,996	84,919
e Other		20,000	5,999	14,001
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				15,009,420

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 12.)* ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 13.)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) **Unamoritized Bond Issue Cost**	**1,570,475**
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)* ▶	**1,570,475**

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶	

2. FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	6,217,531
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	7,243,151
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	(1,025,620)
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	(1,025,620)

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	6,209,881
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV.)	2d			
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	6,209,881
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1** :				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	7,650		
b	Other (Describe in Part XIV.)	4b			
c	Add lines **4a** and **4b**			4c	7,650
5	Total revenue. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 12.)*			5	6,217,531

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	7,235,501
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV.)	2d			
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	7,235,501
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	7,650		
b	Other (Describe in Part XIV.)	4b			
c	Add lines **4a** and **4b**			4c	7,650
5	Total expenses. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18.)*			5	7,243,151

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Part XIV Supplemental Information *(continued)*

SCHEDULE I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments, and Individuals in the United States

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.

▶ **Attach to Form 990.**

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization

Francis Marion University Real Estate Foundation

Employer identification number

20-0118161

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☑ Yes ☐ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Part II can be duplicated if additional space is needed . . . . . ▶ ☐

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) Francis Marion University PO Box 100547, Florence, SC 29502	57-0522624	170 b 1 A v	1,100,000	1,062,584	BOOK	equipment, supplies,	University Support
(2) FMU Education Foundation PO Box 100547, Florence, SC 29502	23-7432174	501 c 3	185,127				University Support
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 2

3 Enter total number of other organizations listed in the line 1 table . . . . . ▶

Part III **Grants and Other Assistance to Individuals In the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

	(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1						
2						
3						
4						
5						
6						
7						

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

Part I, Line 2 - The Foundation does not award grants but provides other assistance in the form of contributions and non-cash contributions to the University and its Education Foundation as support for the University as our 509 (a)(3) status requires.

Part II, 1g, line 1 - depreciable land improvements, and other contractual services.

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 23.**

▶ **Attach to Form 990.** ▶ **See separate instructions.**

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2011

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Name of the organization

Francis Marion University Real Estate Foundation

Employer identification number

20-0118161

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax indemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e.g., maid, chauffeur, chef)		
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director. Explain in Part III.			
	☐ Compensation committee	☐ Written employment contract		
	☐ Independent compensation consultant	☐ Compensation survey or study		
	☐ Form 990 of other organizations	☑ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:			
a	Receive a severance payment or change-of-control payment?	**4a**		✓
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**		✓
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		✓
	If "Yes" to any of lines 4a–c, list the persons and provide the applicable amounts for each item in Part III.			
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5–9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	**5a**		✓
b	Any related organization?	**5b**		✓
	If "Yes" to line 5a or 5b, describe in Part III.			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:			
a	The organization?	**6a**		✓
b	Any related organization?	**6b**		✓
	If "Yes" to line 6a or 6b, describe in Part III.			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		✓
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	**8**		✓
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	**9**		✓

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)–(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)–(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
John Kispert	(i)							
1 Treasurer of the Board, Director	(ii)	131,225			17,985	11,632	160,842	
2	(i)							
	(ii)							
3	(i)							
	(ii)							
4	(i)							
	(ii)							
5	(i)							
	(ii)							
6	(i)							
	(ii)							
7	(i)							
	(ii)							
8	(i)							
	(ii)							
9	(i)							
	(ii)							
10	(i)							
	(ii)							
11	(i)							
	(ii)							
12	(i)							
	(ii)							
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Part I. Line 3 - The compensation by Mr. Howard Lundy, was initially determined by Francis Marion University (related organization) based on State approved human resource policies and procedures. The Foundation as part of an agreement with the University approved to reimburse the University for 33% of Mr. Lundy's efforts.

SCHEDULE K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.

▶ Attach to Form 990. ▶ See separate instructions.

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Open to Public Inspection

Name of the organization

Francis Marion University Real Estate Foundation

Employer identification number

20-0118161

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
							Yes	No	Yes	No	Yes	No
A	South Carolina Jobs - Econ. Devel. Auth.	57-0960018	83704LAS7	12/29/06	10,249,182	Construction of Student Housing		✓		✓		✓
B	South Carolina Jobs - Econ. Devel. Auth.	57-0960018	83704LAS7	4/2/04	16,107,033	Construction of Student Housing		✓		✓		✓
C												
D												

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	365,000	1,395,000		
2	Amount of bonds legally defeased				
3	Total proceeds of issue	10,249,182	16,107,033		
4	Gross proceeds in reserve funds	655,625	1,048,413		
5	Capitalized interest from proceeds	436,158	595,807		
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds	204,296	304,794		
8	Credit enhancement from proceeds	484,000	602,000		
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	7,682,545	9,703,994		
11	Other spent proceeds	786,558	3,852,025		
12	Other unspent proceeds				
13	Year of substantial completion	2007	2005		

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		✓		✓				
15	Were the bonds issued as part of an advance refunding issue?		✓		✓				
16	Has the final allocation of proceeds been made?		✓		✓				
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	✓		✓					

Part III Private Business Use

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		✓		✓				
2	Are there any lease arrangements that may result in private business use of bond-financed property?		✓		✓				

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		✓		✓				
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		✓		✓				
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶		0 %		0 %		%		%
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶		0 %		0 %		%		%
6	Total of lines 4 and 5		0 %		0 %		%		%
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	✓		✓					

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?	✓		✓					
2	Is the bond issue a variable rate issue?		✓		✓				
3a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		✓		✓				
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was the hedge terminated?								
4a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		✓		✓				
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		✓		✓				
6	Did the bond issue qualify for an exception to rebate?		✓		✓				

Part V Procedures To Undertake Corrective Action

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations . . . ☑ Yes ☐ No

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

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Francis Marion University Real Estate Foundation	20-0118161

Part III, Line 4b - equipment held by the LLC for its housing services program. The remaining expenses are related insurances and miscellaneous expenses incurred for the program service.

Part VI, Section A, Line 2 - Mr. John Kispert is an employee of Francis Marion University, Ken Jackson and Stephen Jones are on the University's Board of Trustees. Mr. Jackson was appointed to the Foundation's Board to serve as representative of the Chairman of the University's Board. Mr. Jones was appointed to the Foundation's Board to serve as a representative of the Chairman of FMU's Alumni Association. Mr. Jones appointment to the University Board was subsequent to his appointment as representative on the Foundation's Board and in is in no way connected with his position on the Foundation's Board. Mr. Kispert serves as representative for the President of the University.

Part VI, Section B, Line 11b - The full Board of the Foundation is provided a copy of the 990 prior to submission to the IRS. When a meeting of the full Board prior to submission is not feasible, the Board is given the 990 and provided a two week comment period. Formal approval is documented by the Chairman and Treasurer of the Board. If a meeting isn't held prior to submission to the IRS, a full briefing is provided at the next meeting and full approval of the Board is obtained then.

Part VI, Section B, Line 12c - Board members are briefed annually of the bylaws which include conflict of interest policies and guidance. Board members must continually monitor their interest in relationship with the Foundation. No such violations of this policy have been noted to date; however, policies regarding corrective action have been included in the bylaws should it occur in the future. The Executive Director of the Foundation continually reviews transactions to ensure the Foundation's Bylaws and Controls are adhered to.

Part VI, Section B, Line 15a - Foundation only compensates Mr. Howard Lundy, Executive Director of the Foundation. Mr. Lundy is compensated through a reimbursement agreement the Foundation has with the University to compensate Mr. Lundy for 33% of his which, was agreed by the Foundation's Board to be adequate time and compensation based on similar organization's noted practices.

Part VI, Section C, Line 19 - All documents (bylaws, conflict of interest policy, and financial documents) are available upon request of the Foundation.

Part VII, Section A, 1a, Column B Lines 1-6 - Average hours per week devoted to related organization - John Kispert (Line 3) is employed by Francis Marion University and works 37.5 hours per week in that capacity. Howard Lundy (Line 6) is employed by Francis Marion University of which 25 hours per week are devoted to the University. All others reported (Lines 1, 2, 4, 5) are not employed by a related organization.

Name of the organization	Employer identification number
Francis Marion University Real Estate Foundation	20-0118161

Part IX, Line 5 - Compensation reported is a reimbursement to Francis Marion University for 33% of Mr. Howard Lundy's efforts as Executive Director for the Foundation.

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

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Name of the organization
Francis Marion University Real Estate Foundation

Employer identification number
20-0118161

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) FMU Student Housing, LLC PO Box 100547, Florence, SC 29502-0547 20-0118161	Housing Services	SC	6,217,531	27,848,221	FMU Real Estate
(2)					
(3)					
(4)					
(5)					
(6)					

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) Francis Marion University PO Box 100547, Florence, SC 29502-0547 57-0522624	Higher Education	SC			N/A		✓
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V–UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1)							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

			Yes	No
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II–IV?			
a	Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity	1a		✓
b	Gift, grant, or capital contribution to related organization(s)	1b	✓	
c	Gift, grant, or capital contribution from related organization(s)	1c		✓
d	Loans or loan guarantees to or for related organization(s)	1d		✓
e	Loans or loan guarantees by related organization(s)	1e		✓
f	Sale of assets to related organization(s)	1f		✓
g	Purchase of assets from related organization(s)	1g		✓
h	Exchange of assets with related organization(s)	1h		✓
i	Lease of facilities, equipment, or other assets to related organization(s)	1i		✓
j	Lease of facilities, equipment, or other assets from related organization(s)	1j	✓	
k	Performance of services or membership or fundraising solicitations for related organization(s)	1k		✓
l	Performance of services or membership or fundraising solicitations by related organization(s)	1l	✓	
m	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1m		✓
n	Sharing of paid employees with related organization(s)	1n		✓
o	Reimbursement paid to related organization(s) for expenses	1o	✓	
p	Reimbursement paid by related organization(s) for expenses	1p		✓
q	Other transfer of cash or property to related organization(s)	1q	✓	
r	Other transfer of cash or property from related organization(s)	1r	✓	

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of other organization	(b) Transaction type (a–r)	(c) Amount involved	(d) Method of determining amount involved
(1)	Francis Marion University	b	2,162,584	Book / Accrual
(2)	Francis Marion University	j	270,649	Book / Accrual
(3)	Francis Marion University	l	135,000	Book / Accrual
(4)	Francis Marion University	o	2,284,198	Book / Accrual
(5)	Francis Marion University	r	6,200,491	Book / Accrual
(6)				

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations? Yes	(e) No	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V–UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
(10)													
(11)													
(12)													
(13)													
(14)													
(15)													
(16)													

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

Part II, Line 1 - Francis Marion University is a supported organization of the Francis Marion University Real Estate Foundation as defined by section 509 (a)(3). Further, the Foundation through the FMU Student Housing LLC (disregarded entity) provides housing services and leases University existing facilities from the University to students. The LLC has further contracted with the University for the University to manage housing operations for a fee and reimburses the University for related expenses. Housing fees are initially collected by the University and are periodically transferred to the LLC.

MEMBERS
AMERICAN INSTITUTE OF CPAS
PRIVATE COMPANIES PRACTICE SECTION
SOUTH CAROLINA ASSOCIATION OF CPAS

CLINE BRANDT KOCHENOWER
& CO., P.A.
Certified Public Accountants
Established 1950

ALBERT B CLINE, CPA
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STEVEN L BLAKE, CPA, CFE
TIMOTHY S BLAKE, CPA
JENNIFER J AUSTIN, CPA

Independent Auditors' Report

Board of Trustees
Francis Marion University Real Estate Foundation
Florence, South Carolina

We have audited the accompanying statements of financial position of Francis Marion University Real Estate Foundation (a nonprofit organization) as of June 30, 2012 and June 30, 2011, and the related statements of changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Francis Marion University Real Estate Foundation as of June 30, 2012 and June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America

Cline Brandt Kochenower & Co. P.A.

September 28, 2012

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Post Office Box 161300, 145 Rogers Commerce Boulevard, Boiling Springs, SC 29316-1300, (864) 541-0218 Fax (864) 541-0221
Internet Address www cbkpa com

FRANCIS MARION UNIVERSITY REAL ESTATE FOUNDATION
Statement of Financial Position
As of June 30, 2012 and 2011

	2012	2011
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 1,568,349	2,336,848
Certificate of Deposit	2,056,335	2,047,601
Due from Francis Marion University	372,750	401,297
Other Receivables	1,828	1,390
Prepaid Rent	108,412	108,412
Other Prepaid Expenses	41,493	47,891
Deposit	-	194,000
Unamortized Bond Issue Costs	67,329	67,329
Total Current Assets	4,216,496	5,204,768
Noncurrent Assets:		
Restricted Assets:		
Cash and Cash Equivalents	4,800,708	4,839,258
Accrued Interest Receivable	199	206
Property and Equipment	15,009,420	15,492,411
Prepaid Rent	2,285,693	2,394,106
Other Prepaid Expenses	32,560	34,105
Unamortized Bond Issue Costs	1,503,146	1,570,475
Total Noncurrent Assets	23,631,726	24,330,561
TOTAL ASSETS	27,848,222	29,535,329
LIABILITIES AND NET ASSETS		
Liabilities:		
Current Liabilities:		
Due to Francis Marion University	26	10,890
Deferred Revenue	145,500	211,575
Liabilities Payable from Restricted Assets		
Accrued Interest Payable	465,924	474,682
Current Portion of Bonds Payable, Including Premiums	597,011	575,790
Total Liabilties Payable from Restricted Assets	1,062,935	1,050,472
Total Current Liabilties	1,208,461	1,272,937
Noncurrent Liabilities:		
Bonds Payable Including Premium, Net of Current Portion	23,887,877	24,484,888
Total Liabilties	25,096,338	25,757,825
Net Assets:		
Unrestricted	2,751,884	3,777,504
Total Liabilities and Net Assets	$ 27,848,222	29,535,329

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

Exhibit B

FRANCIS MARION UNIVERSITY REAL ESTATE FOUNDATION
Statement of Activities
For the Years Ended June 30, 2012 and 2011

	Unrestricted	
	2012	2011
REVENUE		
Rents	$ 6,199,767	5,783,993
Interest, Net of Trustee Fees	10,114	30,918
Total Revenues	6,209,881	5,814,911
EXPENSES		
Program Services		
Housing Services	4,825,568	4,748,094
University Support	2,347,711	604,310
Total Program Services	7,173,279	5,352,404
General and Administrative	62,222	84,291
Total Expenses	7,235,501	5,436,695
Change in Net Assets	(1,025,620)	378,216
Net Assets at Beginning of Year	3,777,504	3,399,288
Net Assets at End of Year	$ 2,751,884	3,777,504

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

Exhibit C

FRANCIS MARION UNIVERSITY REAL ESTATE FOUNDATION
Statement of Cash Flows
For the Years Ended June 30, 2012 and 2011

	2012	2011
Cash Flows from Operating Activities.		
Change in Net Assets	$ (1,025,620)	378,216
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	482,991	482,992
Amortization	67,329	67,746
Amortization of Bond Premium	(15,789)	(14,640)
Non-Cash Donation	-	360,769
Change in Certain Assets and Liabilities		
Decrease (Increase) in Due from Francis Marion University	28,547	1,168
Decrease (Increase) in Other Receivables	(438)	19,984
Decrease (Increase) in Prepaid Rent and Other Expenses	116,356	89,841
Decrease (Increase) in Deposit	194,000	(194,000)
Decrease (Increase) in Accrued Interest Receivable	7	273
Increase (Decrease) in Accounts Payable	-	(10,959)
Increase (Decrease) in Accrued Interest Payable	(8,758)	(8,544)
Increase (Decrease)in Due to Francis Marion University	(10,864)	(188,855)
Increase (Decrease) in Deferred Revenue	(66,075)	12,530
Net Cash Used by Operating Activities	(238,314)	996,521
Investing Activities:		
Purchase of Certificate of Deposit	(8,733)	(47,601)
Purchase of Land	-	(360,769)
Net Cash Provided by Investing Activities	(8,733)	(408,370)
Financing Activities.		
Payments of Bond Principal	(560,000)	(530,000)
Net Cash Provided by Financing Activities	(560,000)	(530,000)
Net Increase/(Decrease) in Cash and Cash Equivalents	(807,047)	58,151
Cash and Cash Equivalents at Beginning of Year	7,176,106	7,117,955
Cash and Cash Equivalents at End of Year	$ 6,369,059	7,176,106
Supplemental Data:		
Interest Received	$ 17,332	58,675
Interest Paid	1,128,729	1,149,492

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities
Francis Marion University Real Estate Foundation (the Foundation) is operated for the benefit of Francis Marion University (the University) specifically to acquire, construct, finance, pledge, maintain, operate, manage and lease housing facilities for students and faculty of the University and other real property (and related personal property) for the benefit and support of the University.

The financial statements include the assets, liabilities and activities of FMU Student Housing, LLC (the LLC) of which Francis Marion University Real Estate Foundation is the sole member.

Basis of Accounting
The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Deferred Revenue
Income from housing rents received in advance is deferred and recognized over the periods to which the rents relate.

Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures Accordingly, actual results could differ from those estimates.

Income Taxes
The organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code

Cash and Cash Equivalents
For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

As permitted under the bond agreement, the trust funds are invested in money market funds registered under the Federal Investment Company Act of 1940 and whose shares are registered under the Federal Securities Act of 1933

Bond Discounts, Premiums, Issuance Costs, and Amortization
Bond discounts and premiums are amortized over the terms of the bonds using the effective interest method. Costs incurred in connection with the bond issues are deferred and amortized on the straight-line method over the lives of the related assets. Also included in amortization expense is amortization of organizational costs that is being amortized over 60 months on the straight-line method.

Restrictions on Assets
Generally, under the applicable bond indentures, the earnings and receipts of loans and certain receivables are required to be used for the related bonds payable debt service payment. Because the assets are generally restricted for this purpose, they have been reflected in the restricted portion of the accompanying statements The liabilities that are to be paid from these restricted assets are noted as payables from restricted assets.

Property and Equipment
Buildings acquired or constructed by the LLC are capitalized regardless of the amount Interest on borrowings to finance facilities is capitalized during construction, net of any investment income earned during the temporary investment of project related borrowings Furniture and equipment in excess of $5,000 are capitalized Depreciation is computed using the straight-line method over the useful lives of the assets that range from 10 to 40 years. Leasehold improvements are depreciated over the remaining life of the lease.

1. **NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**, continued

Other Prepaid Expenses
Included in other prepaid expenses are survey and title insurance expenses on the real estate that is owned by the University that were required to be paid in connection with the sale of the 2004 bonds. These costs are being expensed over the life of the bonds on a straight-line basis Also included in other prepaid expenses for 2012 and 2011 are prepaid insurance.

Classification of Expenses on Statement of Activities
Program services include payments to fund operational expenses of the student housing facilities. Included in these costs are utilities, repairs, maintenance, onsite management, insurance for property and liability, management fees, depreciation and other costs of operating the facilities. Program services also include items paid for support of Francis Marion University including donations.

General and administrative expenses include the costs of operating the Foundation and include insurance for directors and officers, professional fees, and miscellaneous expenses.

2. **PREPAID RENT**

The LLC entered into a lease agreement dated March 1, 2004 that commenced April 2, 2004 and terminates March 31, 2044 with the University (the Lessor) to lease existing on-campus housing of the University and additional land for the construction of new housing facilities. Under the terms of the lease agreement The LLC paid to the lessor $3,288,507 to obtain a leasehold interest in these properties This interest is being amortized over the life of the I2004A Bond Issue as rent expense. As of June 30, 2012, $894,401 had been charged to rent expense with, $108,412 being charged to rent expense for each year for the years ended June 30, 2012 and 2011. See Note 6 for additional rents.

3. **PROPERTY AND EQUIPMENT**

Property and equipment , at cost or fair market value if donated, consist of the following:

	2012	2011
Buildings	$ 17,068,086	17,068,086
Land	-	-
Signs	20,000	20,000
Furniture and Equipment	391,915	391,915
Leasehold Improvements	572,315	572,315
	18,052,316	18,052,316
Less Accumulated Depreciation	3,042,896	(2,559,905)
	$ 15,009,420	15,492,411

Depreciation expense for the years ended June 30, 2012 and 2011 was $482,992 and $482,992, respectively.

See Note 4 for liens and pledged assets.

4. BONDS PAYABLE

Pursuant to a loan agreement between the South Carolina Jobs – Economic Development Authority and the LLC, the Development Authority issued $15,665,000 of Series A and $335,000 of Series B bonds in 2004 which were loaned to the LLC for purposes of acquiring a leasehold interest from Francis Marion University in existing student housing, to provide funds for the acquisition, construction, furnishing, and equipping of a 237- bed student housing facility, to fund interest on the Series A and B bonds during the construction period, to fund the costs of marketing the housing facilities, to provide working capital for the facilities, to fund the Series A Debt Service Reserve Fund account required under the agreement and to pay the costs of issuance of the Series A and B bonds.

As security under this loan agreement the LLC issued to the Bond Trustee (i) a Leasehold Mortgage and Assignment of Rents and Leases dated March 1, 2004, under which the LLC granted to the Trustee a first mortgage lien on its interest in the property and the project and a first priority security interest in the leases, rents, issues, profits, revenues, income, receipts, moneys, royalties, rights, and benefits of the housing project, (ii) a first priority security interest in the project general revenues, the accounts, documents, chattel paper, instruments, and general intangibles arising in any manner from the LLC's ownership or operation of the project, the inventory located at the project, and the equipment, furnishings, and other tangible property included in the project, and (iii) an Assignment of Agreements and Documents dated as of March 1, 2004, pursuant to which the LLC did, subject to permitted encumbrances, grant to the Trustee a first priority interest in the Development Agreement between the LLC and the Developer.

On December 1, 2006, the loan agreement was amended to include the issuance of an additional $10,465,000 of Series A bonds and $280,000 of additional Series B bonds.

A summary of bonds payable as of June 30, 2012 are as follows.

Series	Original Face Amount	Final Maturity Date	Interest Rate (%)	Unpaid Principal Balance	Due Within One Year
2004A	$ 15,665,000	8/1/2034	3.60-5.75	$ 14,270,000	355,000
2006A	10,465,000	8/1/2037	3.50-4.375	10,100,000	225,000
Plus Unamortized Premium on 2004A				296,253	25,557
Less Unamortized Discount on 2006A				(181,365)	(8,546)
Total Bonds Payable				$ 24,484,888	597,011

A summary of bonds payable as of June 30, 2011 are as follows:

Series	Original Face Amount	Final Maturity Date	Interest Rate (%)	Unpaid Principal Balance	Due Within One Year
2004A	$ 15,665,000	8/1/2034	3.60-5.75	$ 14,615,000	345,000
2006A	10,465,000	8/1/2037	3.50-4.375	10,315,000	215,000
Plus Unamortized Premium on 2004A				319,713	23,460
Less Unamortized Discount on 2006A				(189,035)	(7,670)
Total Bonds Payable				$ 25,060,678	575,790

4. **BONDS PAYABLE**, continued

The Series 2004A bonds maturing on or after August 1, 2015 are redeemable at the option of the LLC on or after August 1, 2014 in whole or in part at a redemption price equal to 100% of principal amount thereof plus accrued interest. Interest payments on all bonds are due semiannually. Final maturities of bonds payable are as follows.

Year Ending June 30,	Series 2004A	Series 2006A
2013	$ 355,000	225,000
2014	370,000	235,000
2015	380,000	240,000
2016	395,000	250,000
2017	410,000	260,000
2018-2022	2,400,000	1,475,000
2023-2027	3,120,000	1,805,000
2028-2032	3,985,000	2,230,000
2033-2037	2,855,000	2,755,000
2038	-	625,000
Total	$ 14,270,000	10,100,000

Total interest expense during the years ended June 30, 2012 and 2011 was $1,104,181 and $1,126,308, respectively.

Francis Marion University Real Estate Foundation has no obligation under this loan agreement.

5. **COMMITMENTS**

Beginning July 1, 2009, the Organization entered into a one year agreement with Francis Marion University for provision of management services related to the student housing facilities The agreement is for a term of one year with successive renewable one year terms. The agreement may be terminated by the mutual consent of the LLC and the University as of the end of any calendar month. The negotiated fee is currently $135,000. The Organization has made commitments to Francis Marion University to fund various activities with an anticipated cost of $35,342.

The LLC must maintain a Debt Service Coverage ratio of 1.25:1.

6. **OPERATING LEASES**

The Organization leases student housing facilities and land from the University (the Lessor) under an operating lease dated March 1, 2004 and commencing April 2, 2004 and expiring on March 1, 2044 Under the terms of this lease, additional rents to be paid to the Lessor throughout the term of the lease shall be equal to the net available cash flow. Net available cash flow is defined as the amount available in the surplus funds net of any amounts withdrawn less an amount agreed to by the LLC and the University The additional rent paid for the year ended June 30, 2012 and 2011 was $162,236 and $198,371, respectively.

7 RELATED PARTY TRANSACTIONS

The Organization had paid to the University advance rentals of $2,394,106 and $2,502,518 at June 30, 2012 and 2011, respectively, and amortized $108,412 and $108,412 of advance rentals for the years ended June 30, 2012 and 2011, respectively The Foundation paid additional rents of $162,236 and $198,371 during the years ended June 30, 2012 and 2011, respectively.

The University bills and collects housing rentals for the Organization of which $236,806 and $247,638 had not been transferred to the LLC as of June 30, 2012 and 2011, respectively. Additionally, the Organization had prepaid the University $135,943 and $153,659 for repairs as of June 30, 2012 and 2011.

The University pays for various expenses of the Organization for which they are subsequently reimbursed by the FMU Student Housing, LLC. These reimbursements included $41,259 for employee time paid by the University on behalf of the Real Estate Foundation for 2012 and $39,749 for 2011. As of June 30, 2012 and 2011, respectively, the Organization owed $26 and $10,890 to Francis Marion University relating to these expenses.

During the year ended June 30, 2012, the Real Estate Foundation paid $1,062,584 for athletic field lights, vehicles, fitness equipment, various supplies, and contractual services on behalf of the University The Real Estate Foundation donated $1,100,000 to the University for construction of the athletic complex. Additionally, the Real Estate Foundation made donations of $185,127 to the Francis Marion University Foundation. These have been recorded as program expenses in the financial statements.

During the year ended June 30, 2011, the Real Estate Foundation paid $162,291 for an athletic bus, various supplies, and contractual services on behalf of the University. The Real Estate Foundation donated 68 acres of land valued at $360,769 to the Francis Marion University Foundation and paid $4,500 for environmental and feasibility studies related to the land. Additionally, the Real Estate Foundation made donations of $75,000 to the Francis Marion Education Foundation

8. CONCENTRATIONS OF CREDIT RISK

The Organization maintains several bank accounts at two banks. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC). up to $250,000 per depositor. The FDIC extended coverage of all balances in non-interest bearing accounts for the period of December 31, 2011 to December 31, 2012 The amount in excess of the FDIC limit totaled $3,172,378 and $3,857,261 at June 30, 2012 and 2011, respectively. This amount differs from the amounts reflected in the Statement of Financial Position due to outstanding checks.

9. EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through September 28, 2012, the date the statements were available to be issued.