STATE COLLEGE OF FLORIDA
FOUNDATION, INC.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2023 AND 2022

STATE COLLEGE OF FLORIDA
FOUNDATION, INC.

FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

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MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
State College of Florida Foundation, Inc.
Bradenton, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of State College of Florida Foundation, Inc. (the "Foundation"), a direct support organization and component unit of State College of Florida, Manatee-Sarasota which comprise the statements of financial position as of September 30, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Foundation as of September 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of State College of Florida Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about State College of Florida Foundation, Inc.'s ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2024, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Bradenton, Florida
January 19, 2024

STATE COLLEGE OF FLORIDA FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2023 AND 2022

	2023	2022
ASSETS		
Cash	**$ 1,662,831**	$ 918,563
Investments	**75,379,564**	68,205,471
Accounts receivable, net	**-**	4,000
Pledges receivable, net	**6,600**	15,100
Prepaid expenses and other current assets	**41,695**	44,195
Beneficial interest in remainder trusts	**-**	231,975
Beneficial interest in perpetual trusts	**1,807,068**	1,723,935
TOTAL ASSETS	**$ 78,897,758**	$ 71,143,239
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	**$ 26,599**	$ 50,479
Due to State College of Florida, Manatee-Sarasota	**1,112,172**	1,146,566
Deferred revenue	**70,467**	42,350
Annuities payable	**14,368**	17,068
Total liabilities	**1,223,606**	1,256,463
NET ASSETS		
Without donor restrictions		
Undesignated	**1,584,684**	508,737
Designated by the Board for future projects	**10,000,000**	10,000,000
	11,584,684	10,508,737
With donor restrictions		
Time or purpose	**54,044,555**	47,416,259
Perpetual	**12,044,913**	11,961,780
	66,089,468	59,378,039
TOTAL NET ASSETS	**77,674,152**	69,886,776
TOTAL LIABILITIES AND NET ASSETS	**$ 78,897,758**	$ 71,143,239

See Notes to Financial Statements.

STATE COLLEGE OF FLORIDA FOUNDATION, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Investment income, net	$ 22,785	$ 3,424,266	$ 3,447,051
Net realized and unrealized gains	2,984	4,187,848	4,190,832
Special events	379,709	-	379,709
Other income	14,746	47,400	62,146
Total revenues	420,224	7,659,514	8,079,738
SUPPORT			
Individuals, corporations, and foundations	105,457	3,061,714	3,167,171
In-kind	540,976	-	540,976
Total support	646,433	3,061,714	3,708,147
Net assets released from restriction	4,092,932	(4,092,932)	-
Total revenues and support	5,159,589	6,628,296	11,787,885
EXPENSES			
Program services	3,328,229	-	3,328,229
General and administrative	400,104	-	400,104
Fundraising	355,309	-	355,309
Total expenses	4,083,642	-	4,083,642
Increase in net assets before change in value of annuities payable and value of beneficial interest in remainder and perpetual trusts	1,075,947	6,628,296	7,704,243
Change in value of beneficial interest in perpetual trusts	-	83,133	83,133
CHANGE IN NET ASSETS	1,075,947	6,711,429	7,787,376
Net assets, beginning of the year	10,508,737	59,378,039	69,886,776
Net assets, end of the year	$ 11,584,684	$ 66,089,468	$ 77,674,152

See Notes to Financial Statements.

STATE COLLEGE OF FLORIDA FOUNDATION, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Investment income, net	$ 173,399	$ 7,098,911	$ 7,272,310
Net realized and unrealized gains (losses)	370,764	(16,692,647)	(16,321,883)
Special events	322,618	-	322,618
Grants	-	983,540	983,540
Other income	5,560	-	5,560
Total revenues	872,341	(8,610,196)	(7,737,855)
SUPPORT			
Individuals, corporations, and foundations	197,618	1,954,548	2,152,166
In-kind	590,214	-	590,214
Total support	787,832	1,954,548	2,742,380
Net assets released from restriction	6,752,995	(6,752,995)	-
Total revenues and support	8,413,168	(13,408,643)	(4,995,475)
EXPENSES			
Program services	4,132,124	-	4,132,124
General and administrative	389,878	-	389,878
Fundraising	397,269	-	397,269
Total expenses	4,919,271	-	4,919,271
Increase (decrease) in net assets before change in value of annuities payable and value of beneficial interest in remainder and perpetual trusts	3,493,897	(13,408,643)	(9,914,746)
Change in value of beneficial interest in remainder trusts	-	(69,004)	(69,004)
Change in value of beneficial interest in perpetual trusts	-	(509,632)	(509,632)
CHANGE IN NET ASSETS	3,493,897	(13,987,279)	(10,493,382)
Net assets, beginning of the year	7,014,840	73,365,318	80,380,158
Net assets, end of the year	$ 10,508,737	59,378,039	69,886,776

See Notes to Financial Statements.

STATE COLLEGE OF FLORIDA FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Program Services	General and Administrative	Fundraising	Total
Alumni/friends magazine	$ -	$ 3,143	$ -	$ 3,143
Alumni development	-	-	1,150	1,150
Audit and accounting	-	18,250	-	18,250
Advertising	-	-	129	129
Bank charges	-	3,378	223	3,601
Community support	4,496	39,410	-	43,906
Contract services	-	26,478	-	26,478
Donor recognition	480	2,377	5,228	8,085
Enhancements	882,907	-	-	882,907
Institutional support	49,400	-	-	49,400
Insurance	-	6,400	-	6,400
Licenses and fees	-	420	-	420
Meetings	278	4,156	19	4,453
Memberships and dues	-	445	-	445
Miscellaneous	-	-	117,129	117,129
Personnel	332,334	250,078	225,631	808,043
Postage and mailing	-	43	112	155
Printing	-	393	431	824
Professional development	-	4,133	-	4,133
Rent/rental equipment	-	30,400	-	30,400
Scholarships	2,006,511	-	-	2,006,511
Software and office equipment	51,718	1,119	4,949	57,786
Supplies	105	2,572	308	2,985
Web page development	-	6,909	-	6,909
Total expenses	$ 3,328,229	$ 400,104	$ 355,309	$ 4,083,642

See Notes to Financial Statements.

STATE COLLEGE OF FLORIDA FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Program Services	General and Administrative	Fundraising	Total
Alumni/friends magazine	$ -	$ 4,002	$ -	$ 4,002
Alumni development	-	-	1,457	1,457
Audit and accounting	-	17,250	-	17,250
Bank charges	13	11,046	153	11,212
Community support	57	21,961	-	22,018
Donor recognition	-	1,333	2,693	4,026
Enhancements	1,935,564	-	-	1,935,564
Institutional support	49,962	-	-	49,962
Insurance	-	4,610	934	5,544
Meetings	60	2,794	1,247	4,101
Miscellaneous	43	430	87,696	88,169
Other professional fees	-	-	351	351
Personnel	224,251	282,749	277,191	784,191
Printing	-	1,109	298	1,407
Professional development	421	5,406	-	5,827
Rent/rental equipment	-	30,400	-	30,400
Scholarships	1,891,928	-	-	1,891,928
Software and office equipment	29,501	-	24,696	54,197
Supplies	324	6,477	553	7,354
Travel	-	6	-	6
Web page development	-	305	-	305
Total expenses	$ 4,132,124	$ 389,878	$ 397,269	$ 4,919,271

See Notes to Financial Statements.

STATE COLLEGE OF FLORIDA FOUNDATION, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	**$ 7,787,376**	$ (10,493,382)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities		
Net realized and unrealized (gains) losses on investments	**(4,190,832)**	16,321,883
Change in value of beneficial interest in remainder trusts	**-**	69,004
Change in value of beneficial interest in perpetual trusts	**(83,133)**	509,632
Proceeds from beneficial interest	**231,975**	448,356
Changes in operating assets and liabilities		
Accounts receivable	**4,000**	(4,000)
Pledges receivable	**8,500**	(15,100)
Prepaid expenses and other current assets	**2,500**	(15,818)
Accounts payable and accrued expenses	**(23,880)**	3,321
Due to State College of Florida, Manatee-Sarasota	**(34,394)**	132,637
Deferred revenue	**28,117**	2,111
Net cash provided by operating activities	**3,730,229**	6,958,644
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	**(11,425,607)**	(18,444,246)
Sales of investments	**8,442,346**	11,084,229
Net cash (used in) investing activities	**(2,983,261)**	(7,360,017)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on annuity agreements	**(2,700)**	(2,700)
Net cash (used in) financing activities	**(2,700)**	(2,700)
Net change in cash	**744,268**	(404,073)
Cash, beginning of year	**918,563**	1,322,636
Cash, end of year	**$ 1,662,831**	$ 918,563

See Notes to Financial Statements.

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The State College of Florida Foundation, Inc. (the "Foundation") is a not-for-profit corporation organized in 1978 under the laws of the State of Florida. The Foundation operates exclusively for charitable and educational purposes within the meaning of 501(c)(3) of the Internal Revenue Code. The Foundation's mission is to provide aid in the form of money and other forms of property and services to the State College of Florida, Manatee-Sarasota (the "College"). The Foundation also promotes education and encourages learning and dissemination of information about which the College is involved.

Basis of Accounting and Presentation

The Foundation follows the reporting requirements for not-for-profit organizations under generally accepted accounting principles in the United States of America. Under such principles, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: (1) net assets without donor restrictions, and (2) net assets with donor restrictions.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers amounts on hand, in checking accounts and money market accounts as cash unless held for the purpose of reinvestment.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Realized and unrealized gains and losses are included in the statements of activities. Investment income includes interest and dividend income, net of fees, and is included in the statements of activities separate from gains and losses. Investment fees were $450,967 and $450,933 for the years ended September 30, 2023 and 2022, respectively.

Pledges Receivable

Promises to give are recorded at net realizable value. Unconditional promises to give are recognized as contribution revenue in the period received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. An allowance for doubtful accounts is established based on specific assessment of all amounts that remain unpaid following normal payment periods. All amounts deemed to be uncollectible are charged against the allowance for doubtful accounts in the period the determination is made. Management has deemed all pledges as collectible, therefore no allowance is necessary.

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Beneficial Interest in Remainder and Perpetual Trusts

The Foundation has received several donations made directly to third parties which are held either for a certain period of time or in perpetuity for the Foundation's benefit. Annual earnings are provided to the Foundation which may be purpose restricted by the donor. The assets of the trusts are invested in a combination of cash equivalents and marketable debt and equity securities with readily determinable fair values. The Foundation's percentage interest of each trust is reported at their fair values in the statements of financial position. The change in value of these trusts is reported as changes in value in beneficial interest in remainder, or perpetual, trusts and are included in the statements of activities.

Deferred Revenue

Contributions, fees and other revenue sources collected in advance of special events that are held subsequent to year-end are deferred and recognized in the year of the function.

Annuity Liabilities

The Foundation has been named remainderman in an irrevocable charitable gift annuity. An annuity liability has been recorded at the present value of expected future cash flows to be paid to the annuity beneficiary at a discount rate of 5.4%.

Contributions

Contributions received are recorded as net assets without or with donor restrictions depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Revenue from special events is recognized when the event takes place.

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Support from the College

The Foundation recognizes support from the College which creates or enhances non-financial assets or that requires specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Bequests and Trusts

The proceeds of bequests and trusts are recorded as revenue when clear title is established and the proceeds are clearly measurable.

Functional Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on actual time spent.

Net Assets

Net assets, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. From time to time, the Board designates certain recurring and/or non-recurring items for use on specific future projects. For the years ended September 30, 2023 and 2022, the Board has designated $10,000,000 and $10,000,000, respectively, of net assets for future projects and capital needs.

Net Assets With Donor Restrictions – Net Assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax Status

The Foundation is generally exempt from federal income and state income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law. The Foundation is required to pay income taxes on the excess of revenues derived from activities unrelated to the tax exempt purpose of the Foundation over the related expenses.

The Foundation follows Accounting Standard Codification 740 related to accounting for uncertainty in income taxes. This provision requires all tax positions that meet a more-likely-than-not recognition threshold at the effective date are recognized (or continue to be recognized) upon adoption. Management has reviewed their tax positions and concluded no liability or uncertain tax positions, or any interest or penalties related to uncertain tax positions, should be recognized in the Foundation's financial statements.

The Foundation files their income tax returns in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Donated Services

Numerous volunteers have donated significant amount of time to the Foundation's various programs. No amounts have been recognized in the accompanying statements of activities because the criteria for recognition under generally accepted accounting principles have not been satisfied. Management estimates the fair value of those volunteer hours of service to be $9,514 and $12,871, respectively for the years ended September 30, 2023 and 2022.

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Adopted Accounting Pronouncements

In September 2020, FASB issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets,* to increase transparency of contributed nonfinancial assets through enhancements to presentation and disclose. For the year ending September 30, 2022, the Foundation adopted ASU 2020-07 and has adjusted the presentation in these financial statements accordingly. This adjustment did not have an effect on total net assets or the change in the total net assets for the year ended September 30, 2022.

Subsequent Events

The Foundation has evaluated all subsequent events through January 19, 2024, the date the financial statements were available to be issued.

NOTE 2. LIQUIDITY AND AVAILABILITY

The Foundation's working capital and cash flows have seasonal variations during the year attributable to the annual cash receipts for events and contributions. The Foundation manages liquidity during the year by utilizing the following strategies: operating with a balanced budget which assumes collection of sufficient revenue via contributions, grants, and other sources to cover operating expenditures not covered by donor-restricted resources, regular analysis of actual operating results versus budget, timing of annual endowment transfers.

The Foundation's endowment investment policy employs the following principals: preservation of capital, risk aversion, adherence to investment discipline, and maintenance of sufficient liquidity to meet its cash needs.

NOTE 2. LIQUIDITY AND AVAILABILITY (CONTINUED)

The following tables reflect the Foundation's total financial assets as of September 30, 2023 and 2022, and the amounts of those financial assets that could be made available within 12 months to meet operating expenditures:

Financial assets at year-end	2023	2022
Cash	**$ 1,662,831**	$ 918,563
Accounts and pledges receivable	**6,600**	19,100
Investments	**75,379,564**	68,205,471
Total financial assets at year-end	**$ 77,048,995**	$ 69,143,134
Financial assets available to meet operating expenditures over the next 12 months		
Cash	**$ 1,662,831**	$ 918,563
Accounts and pledges receivable	**6,600**	19,100
Payout on donor-restricted endowments for use over next 12 months	**2,416,795**	1,804,283
Cash encumbered by donor or Board restrictions	**(709,904)**	(1,172,568)
Financial assets available to meet operating expenditures	**$ 3,376,322**	$ 1,569,378

NOTE 3. INVESTMENTS

The Foundation engaged the services of a nationally recognized financial advisor (SEI Investments, Inc.) which specializes in asset management for not-for-profits. Investments are stated at fair value and are comprised of the following as of September 30, 2023 and 2022:

	2023	2022
U.S. equities	**$ 23,988,023**	$ 20,957,784
Alternative investments	**20,423,637**	20,136,117
Fixed income	**14,398,984**	13,838,637
International	**16,075,567**	13,021,981
Cash and cash equivalents	**493,353**	250,952
Total	**$ 75,379,564**	$ 68,205,471

NOTE 4. PLEDGES RECEIVABLE

Pledges receivable consist of unconditional promises to give. Pledges which are due in excess of one year are discounted to net present value using a discount rate of 4%. Pledges receivable are due to be collected as follows as of September 30, 2023 and 2022:

	2023	2022
Gross amounts due in		
One year	**$ 6,600**	$ 15,100
One to five years	**-**	-
More than five years	**-**	-
Total gross pledges	**6,600**	15,100
Less allowance	**-**	-
Less discount to present value	**-**	-
Total	**$ 6,600**	$ 15,100

NOTE 5. BENEFICIAL INTEREST IN REMAINDER TRUSTS

Donors have established funds in trust with specified distributions to be made to the Foundation over the trust's term. Upon termination of the trust, the Foundation will receive the remaining assets within the trust, or a percentage of these assets if there are multiple beneficiaries. Beneficial interest in remainder trusts, recorded at fair market value are as follows as of September 30, 2023 and 2022:

	2023	2022
The Foundation is one of four beneficiaries of a trust and will collect 25% of principal in the year 2023. The trust currently pays quarterly distributions of income to the Foundation. Closed out during fiscal year 2023.	**$ -**	$ 175,343
Upon death of the income beneficiary, the Foundation will receive 100% of the remaining principal of a trust which is donor restricted for transfer student scholarships. Closed out during fiscal year 2022.	**-**	56,632
Total beneficial interest in remainder trusts	**$ -**	$ 231,975

NOTE 5. BENEFICIAL INTEREST IN PERPETUAL TRUSTS (CONTINUED)

Donors have established funds in trust in which the principal is held in perpetuity. Each fund has established its own percentages of principal being held for the benefit of the Foundation. Earning distributions are made to the Foundation as established within the trust agreement. Beneficial interest in perpetual trusts recorded at fair market value, are as follows as of September 30, 2023 and 2022:

	2023	2022
The Foundation is paid 25% of the residuary amount of a perpetual trust that is restricted for music scholarships and equipment.	**$ 600,086**	$ 579,395
The Foundation is paid 10% of 70% of a perpetual trust assets which is restricted for the arts and library departments.	**96,428**	94,542
The Foundation is paid an annual income from a perpetual trust that is without restriction.	**35,700**	32,883
The Foundation is paid an annual income of a perpetual trust that is restricted for enhancements.	**1,074,854**	1,017,115
	$ 1,807,068	$ 1,723,935

NOTE 6. RELATIONSHIP WITH THE COLLEGE

The Foundation recognizes certain support received directly from the College. The fair market values of these donations have been reflected as in-kind contributions without donor restrictions and program services expense in the statements of activities as follows at September 30, 2023 and 2022:

	2023	2022
Donated salaries and contract services	**$ 510,576**	$ 559,814
Donated office space	**30,400**	30,400
	$ 540,976	$ 590,214

NOTE 6. RELATIONSHIP WITH THE COLLEGE (CONTINUED)

The Foundation made contributions and payments for services to the College for the following purposes at September 30, 2023 and 2022:

	2023	2022
Scholarships	**$ 1,960,930**	$ 1,700,784
Enhancements	**375,377**	1,538,527
Salaries, contract services and other	**303,469**	249,885
	$ 2,639,776	$ 3,489,196

Of the amounts above, the Foundation had an outstanding balance payable to the College of $1,112,172 and $1,146,566, at September 30, 2023 and 2022, respectively.

The above related party transactions are not necessarily indicative of the terms and amounts that would have been incurred had a comparable transaction been entered into with independent parties.

NOTE 7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions that are time or purpose restricted are restricted for the following purposes as of September 30, 2023 and 2022:

	2023	2022
Undesignated scholarships	**$ 19,691,047**	$ 16,857,552
AA/College transfers	**7,130,614**	7,040,032
Instructional equipment	**6,512,350**	5,795,457
Nursing	**6,727,946**	5,261,176
High school seniors and articulation	**3,518,375**	3,008,397
Public services	**3,253,836**	2,929,519
Other purposes	**1,561,953**	1,630,491
Health sciences	**1,671,537**	1,219,544
Arts	**911,065**	810,241
Minority students	**765,910**	709,983
Loan programs	**562,798**	527,507
Awards	**395,986**	352,164
General memorials	**468,472**	440,133
Library	**183,495**	167,545
Cultural	**443,976**	443,977
Business and communication	**245,195**	222,541
	$ 54,044,555	$ 47,416,259

NOTE 7. NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets perpetual in nature as of September 30, 2023 and 2022 consist of:

	2023	2022
Undesignated scholarships	**$ 2,351,422**	$ 2,351,422
AA/College transfers	**2,109,684**	2,109,684
Health sciences	**1,925,000**	1,925,000
Nursing	**1,908,790**	1,908,790
Instructional equipment	**1,397,591**	1,339,850
High school seniors and articulation	**1,250,288**	1,250,288
Fine and performing arts	**678,439**	657,749
Other purposes	**128,967**	124,265
Public services	**150,000**	150,000
Minority students	**144,732**	144,732
	$ 12,044,913	$ 11,961,780

All net assets with donor restrictions are included with investments on the accompanying statements of financial position. Net assets released from restrictions due to satisfaction of purpose or time restrictions were $4,092,932 and $6,752,995 for the years ended September 30, 2023 and 2022, respectively.

NOTE 8. CONCENTRATION OF CREDIT RISK

The Foundation maintains its cash balances at a financial institution located in Bradenton, Florida. Accounts at this financial institution are secured by the Federal Deposit Insurance Corporation (FDIC), currently up to $250,000 per customer. The balances of these accounts at times may exceed federally insured limits. At September 30, 2023, the Foundation exceeded the insured limit by approximately $1,445,682.

Investments consist primarily of financial instruments including cash, cash equivalents, equity and fixed income securities, international securities, and alternative investments. These financial instruments may subject the Foundation to concentrations of credit risk, as, from time to time, balances may exceed amounts insured by the FDIC or the Securities Investor Protection Corporation (SIPC), the market value of securities are dependent on the ability of the issuer to honor its contractual commitments, and the investments are subject to changes in market values.

NOTE 9. FAIR VALUE MEASUREMENTS

Generally accepted accounting principles in the United States of America establishes a hierarchy for which assets and liabilities must be grouped, based on significant levels of inputs (assumptions that market participants would use in pricing an asset or liability) as follows:

Level 1: Quoted prices for identical assets or liabilities in active markets.

Level 2: Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and model-driven valuations whose inputs are observable or whose significant value drivers are observable.

Level 3: Significant inputs to the valuation model are unobservable.

The following assets are required to be measured at fair market value on a recurring basis and the classification within the hierarchy as of September 30, 2023 and 2022, is as follows:

	Level 1	Level 2	Level 3	Total at September 30, 2023
Investments				
U.S. equities	**$ 23,988,023**	**$ -**	**$ -**	**$ 23,988,023**
Alternative investments	**-**	**-**	**20,423,637**	**20,423,637**
Fixed income	**14,398,984**	**-**	**-**	**14,398,984**
International	**16,075,567**	**-**	**-**	**16,075,567**
Cash and cash equivalents	**493,353**	**-**	**-**	**493,353**
Total investments	**54,955,927**	**-**	**20,423,637**	**75,379,564**
Beneficial interest in remainder trusts	**-**	**-**	**-**	**-**
Beneficial interest in perpetual trusts	**1,690,607**	**-**	**116,461**	**1,807,068**
	$ 56,646,534	**$ -**	**$ 20,540,098**	**$ 77,186,632**

	Level 1	Level 2	Level 3	Total at September 30, 2022
Investments				
U.S. equities	$ 20,957,784	$ -	$ -	$ 20,957,784
Alternative investments	-	-	20,136,117	20,136,117
Fixed income	13,838,637	-	-	13,838,637
International	13,021,981	-	-	13,021,981
Cash and cash equivalents	250,952	-	-	250,952
Total investments	48,069,354	-	20,136,117	68,205,471
Beneficial interest in remainder trusts	231,975	-	-	231,975
Beneficial interest in perpetual trusts	1,615,505	-	108,430	1,723,935
	$ 49,916,834	$ -	$ 20,244,547	$ 70,161,381

NOTE 9. FAIR VALUE MEASUREMENTS (CONTINUED)

The fair value of the Foundation's Level 1 financial assets is based on quoted market prices of the identical security. The Foundation's Level 3 financial assets consist of an alternative investment in the SEI Core Property Fund LP, SEI Global Private Assets V LP, SEI Gpa III Private Equity Fund, SEI Gpa IV Private Equity Fund, SEI Special Situations Fund, Ltd., SEI Structured Credit Fund, and SEI Vista Fund, Ltd. The value of the Level 3 investments and assets is based on unobservable inputs (assumptions that market participants would use in pricing an asset) that reflect assumptions based on the best information available. As of September 30, 2023 and 2022, the Foundation did not have any liabilities measured at fair value.

The following is a reconciliation of the investments in which significant unobservable inputs (Level 3) were used in determining value as at September 30, 2023 and 2022:

	2023	2022
Fair value, beginning of year	**$ 20,244,547**	$ 15,106,399
Net realized and unrealized gains	**212,418**	5,207,152
Change in value of split-interest agreements	**83,133**	(69,004)
Fair value, end of year	**$ 20,540,098**	$ 20,244,547

The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities.

NOTE 10. ENDOWMENTS

The Foundation holds various endowments which are either donor restricted or Board designated. The Board of Trustees of the Foundation has interpreted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions perpetual: (a) the original value of the gift donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions perpetual is classified as net assets with donor restrictions time or purpose until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by FUPMIFA.

NOTE 10. ENDOWMENTS (CONTINUED)

In accordance with FUPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulated donor-restricted endowment funds:

1. The duration and preservation of the fund;
2. The purposes of the Foundation and the donor-restricted endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the Foundation;
7. The investment policies of the Foundation.

The Foundation has adopted investment and spending policies for endowment assets that attempt to protect the principal of the fund, provide consistent long-term income returns, and protect the Foundation against long-term inflation trends. To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or FUPMIFA requires the Foundation to retain as a fund of perpetual duration. There were no such deficiencies as of September 30, 2023.

The endowment net asset composition is as follows:

	Without Donor Restrictions	**With Donor Restrictions**		**Total at September 30, 2023**
		Time and Purpose	**Perpetuity**	
Donor-restricted endowment funds	**$ 9,296,840**	**$ 52,179,511**	**$ 12,044,913**	**$ 73,521,264**

	Without Donor Restrictions	With Donor Restrictions		Total at September 30, 2022
		Time and Purpose	Perpetuity	
Donor-restricted endowment funds	$ 9,252,948	$ 45,182,012	$ 11,961,780	$ 66,396,740

NOTE 10. ENDOWMENTS (CONTINUED)

The changes in the Foundation's endowment net assets are as follows:

	Without Donor Restrictions	With Donor Restrictions		
		Time and Purpose	Perpetuity	Total
Endowment net assets, September 30, 2021	$ 6,010,861	$ 55,395,360	$ 12,559,120	$ 73,965,341
Investment return				
Investment income	173,399	7,263,274	-	7,436,673
Net appreciation (depreciation) (realized and unrealized)	370,764	(16,308,152)	(87,708)	(16,025,096)
Total investment return	544,163	(9,044,878)	(87,708)	(8,588,423)
Contributions	98,674	368,700	-	467,374
Miscellaneous revenue	88,480	2,500	-	90,980
Change in value of split interest agreements	-	(26,085)	(509,632)	(535,717)
Transfers	3,933,257	(1,513,585)	-	2,419,672
Amounts appropriated for expenditure	(1,422,487)	-	-	(1,422,487)
Endowment net assets, September 30, 2022	9,252,948	45,182,012	11,961,780	66,396,740
Investment return				
Investment income	22,785	3,424,266	-	3,447,051
Net appreciation (realized and unrealized)	2,984	4,187,843	-	4,190,827
Total investment return	25,769	7,612,109	-	7,637,878
Contributions	34,214	397,952	-	432,166
Miscellaneous revenue	677,740	-	-	677,740
Change in value of split interest agreements	-	8,720	83,133	91,853
Transfers	1,026,132	(1,021,282)	-	4,850
Amounts appropriated for expenditure	(1,719,963)	-	-	(1,719,963)
Endowment net assets, September 30, 2023	$ 9,296,840	$ 52,179,511	$ 12,044,913	$ 73,521,264

OTHER INDEPENDENT AUDITOR'S REPORT

MAULDIN & JENKINS
CPAs & ADVISORS

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

Board of Directors
State College of Florida Foundation, Inc.
Bradenton, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of State College of Florida Foundation, Inc. (the "Foundation"), a direct support organization and component unit of State College of Florida, Manatee-Sarasota which comprise the statement of financial position as of September 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 19, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Bradenton, Florida
January 19, 2024