

**UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.**

**A COMPONENT UNIT OF  
THE UNIVERSITY OF WEST FLORIDA**

**PENSACOLA, FLORIDA**

**FINANCIAL STATEMENTS**

**JUNE 30, 2010 AND 2009**

**UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.**  
**A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA**  
**PENSACOLA, FLORIDA**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2010 AND 2009**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
University of West Florida Foundation, Inc.  
Pensacola, Florida

We have audited the accompanying statements of financial position of the University of West Florida Foundation, Inc. (the "Foundation") (a component unit of the University of West Florida), as of June 30, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 Foundation as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2010, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Board of Directors  
University of West Florida Foundation, Inc.

Our audits were performed for the purpose of forming an opinion on the basic financial statements of the Foundation taken as a whole. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Saltmarsh Cleveland & Lund".

Pensacola, Florida  
August 27, 2010

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

To the Board of Directors  
University of West Florida Foundation, Inc.  
Pensacola, Florida

We have audited the financial statements of the University of West Florida Foundation, Inc. (the "Foundation") (a component unit of the University of West Florida) as of and for the year ended June 30, 2010, and have issued our report thereon dated August 27, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Foundation's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Board of Directors  
University of West Florida Foundation, Inc.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free of 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 financial statement amounts. 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*.

This report is intended solely for the information and use of the Foundation's audit committee, management, Board of Directors, the University of West Florida, and others within the Foundation, and is not intended to be and should not be used by anyone other than these specified parties.



Pensacola, Florida  
August 27, 2010

**UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.**  
**A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2010 AND 2009**

**ASSETS**

	2010	2009
Cash and cash equivalents	\$ 4,071,182	\$ 3,121,150
Restricted cash equivalents	18,721,871	28,685,140
Contributions receivable, net	1,886,640	2,187,476
Other receivables, net	389,973	274,226
Prepaid expenses	100,561	120,260
Long-term investments	50,394,629	45,604,951
Property and equipment, net	37,729,709	27,567,511
Assets held under split interest agreements	282,545	252,173
Cash surrender value of insurance policies	47,678	45,153
Property held for investment (\$260,000 at fair value for 2010 and 2009)	301,500	301,500
Collections	2,644,920	2,644,920
Bond issue costs, net	1,073,106	1,096,140
<b>Total Assets</b>	<b>\$ 117,644,314</b>	<b>\$ 111,900,600</b>

**LIABILITIES AND NET ASSETS**

**Liabilities:**

Accounts payable and accrued expenses	\$ 3,709,086	\$ 1,186,108
Liabilities held under split interest agreements	210,525	207,193
Bonds payable, net	43,495,392	44,387,390
Total liabilities	47,415,003	45,780,691

**Commitments**

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**Net Assets:**

Unrestricted -		
Undesignated	3,797,682	3,244,189
Board designated	1,146,644	941,974
Student Housing System	5,676,262	5,356,202
Total unrestricted	10,620,588	9,542,365
Temporarily restricted	15,575,649	13,751,493
Permanently restricted	44,033,074	42,826,051
Total net assets	70,229,311	66,119,909

**Total Liabilities and Net Assets**

	\$ 117,644,314	\$ 111,900,600
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The accompanying notes are an integral  
part of these financial statements.

**UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.**  
**A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2010 AND 2009**

	Unrestricted			Temporarily Restricted	Permanently Restricted	2010 Total
	Foundation	Student Housing				
<b>Revenue, Support and Reclassifications:</b>						
Contributions	\$ 74,106	\$ -	\$ 1,697,634	\$ 1,167,758	\$ 2,939,498	
Interest and dividends	436,186	-	720,017	-	1,156,203	
Net unrealized and realized gain on long-term investments	14,572	-	4,668,077	-	4,682,649	
Student housing system	-	7,859,057	-	-	7,859,057	
Other income	217,796	-	-	-	217,796	
Reclassification of net assets	-	-	(39,265)	39,265	-	
Net assets released from restrictions	4,022,307	-	(4,022,307)	-	-	
 Total revenue, support and reclassifications	 4,764,967	 7,859,057	 3,024,156	 1,207,023	 16,855,203	
<b>Expenses:</b>						
Direct program services -						
Scholarships	920,001	-	-	-	920,001	
Other program services	1,938,466	-	-	-	1,938,466	
Student housing system	-	7,538,997	-	-	7,538,997	
Total direct program services	2,858,467	7,538,997	-	-	10,397,464	
Supporting services -						
Fundraising	267,655	-	-	-	267,655	
General and administrative	880,682	-	-	-	880,682	
Total supporting services	1,148,337	-	-	-	1,148,337	
 Total expenses	 4,006,804	 7,538,997	 -	 -	 11,545,801	
Loss from refunded restricted contributions	-	-	1,200,000	-	1,200,000	
 Total expenses and losses	 4,006,804	 7,538,997	 1,200,000	 -	 12,745,801	
<b>Change in Net Assets</b>	758,163	320,060	1,824,156	1,207,023	4,109,402	
<b>Net Assets, Beginning of Year</b>	4,186,163	5,356,202	13,751,493	42,826,051	66,119,909	
<b>Net Assets, End of Year</b>	\$ 4,944,326	\$ 5,676,262	\$ 15,575,649	\$ 44,033,074	\$ 70,229,311	

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



**UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.**  
**A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2010 AND 2009**  
**(Continued)**

	Unrestricted			2009 Total	
	Foundation	Student Housing	Temporarily Restricted		Permanently Restricted
<b>Revenue, Support and Reclassifications:</b>					
Contributions	\$ 74,809	\$ -	\$ 1,137,176	\$ 1,134,137	\$ 2,346,122
Interest and dividends	502,487	-	1,132,311	-	1,634,798
Net unrealized and realized loss on long-term investments	(39,759)	-	(13,050,559)	-	(13,090,318)
Student housing system	-	7,844,663	-	-	7,844,663
Other income	66,094	-	-	-	66,094
Reclassification of net assets	-	-	(14,564)	14,564	-
Net assets released from restrictions	2,586,366	-	(2,586,366)	-	-
	<u>3,189,997</u>	<u>7,844,663</u>	<u>(13,382,002)</u>	<u>1,148,701</u>	<u>(1,198,641)</u>
Total revenue, support and reclassifications					
<b>Expenses:</b>					
Direct program services -					
Scholarships	1,090,405	-	-	-	1,090,405
Other program services	1,877,792	-	-	-	1,877,792
Student housing system	-	8,262,674	-	-	8,262,674
Total direct program services	<u>2,968,197</u>	<u>8,262,674</u>	<u>-</u>	<u>-</u>	<u>11,230,871</u>
Supporting Services -					
Fundraising	301,391	-	-	-	301,391
General and administrative	973,331	-	-	-	973,331
Total supporting services	<u>1,274,722</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,274,722</u>
Total expenses	<u>4,242,919</u>	<u>8,262,674</u>	<u>-</u>	<u>-</u>	<u>12,505,593</u>
<b>Change in Net Assets</b>	(1,052,922)	(418,011)	(13,382,002)	1,148,701	(13,704,234)
<b>Net Assets, Beginning of Year</b>	5,239,085	5,774,213	27,125,561	41,542,720	79,681,579
Cumulative effect of initial adoption of fair value option	-	-	7,934	134,630	142,564
<b>Net Assets, End of Year</b>	<u>\$ 4,186,163</u>	<u>\$ 5,356,202</u>	<u>\$ 13,751,493</u>	<u>\$ 42,826,051</u>	<u>\$ 66,119,909</u>

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

**UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.**  
**A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2010 AND 2009**

	2010	2009
<b>Cash Flows From Operating Activities:</b>		
Change in net assets	\$ 4,109,402	\$ (13,704,234)
Adjustments to reconcile change in net assets to net cash provided by operating activities -		
Net unrealized and realized (gain) loss on long-term investments	(4,682,649)	13,117,224
Contributions restricted for long-term purposes	(1,167,758)	(1,268,767)
Bad debt expense	74,799	75,902
Change in fair value of -		
Contributions receivable	(177,378)	(76,482)
Split interest agreements	(27,040)	12,251
Cash surrender value of insurance policies	(2,525)	2,155
Property held for investment	-	(26,906)
Depreciation and amortization of bond issuance costs	1,502,150	1,855,689
Net amortization of bond discount	8,002	268,123
Change in operating assets and liabilities -		
Contributions receivable	466,582	409,855
Other receivables	(178,914)	69,721
Prepaid expenses	19,699	(21,127)
Accounts payable and accrued expenses	2,522,978	607,489
Salary supplement payable	-	(128,160)
Net cash provided by operating activities	2,467,348	1,192,733
<b>Cash Flows From Investing Activities:</b>		
Purchases of investments	(22,038,154)	(23,109,735)
Proceeds from sales and maturities of investments	21,931,125	20,893,278
Acquisition of property and equipment	(11,609,102)	(920,069)
Net cash used in investing activities	(11,716,131)	(3,136,526)
<b>Cash Flows From Financing Activities:</b>		
Proceeds from new bond	-	15,000,000
Bond principal payment	(900,000)	(12,505,000)
Bond issuance costs	(32,212)	(236,991)
Release of restricted assets held in escrow	-	11,900,787
Contributions to permanent endowments	1,167,758	1,268,767
Net cash provided by financing activities	235,546	15,427,563
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	(9,013,237)	13,483,770
<b>Cash and Cash Equivalents at Beginning of Year</b>	31,806,290	18,322,520
<b>Cash and Cash Equivalents at End of Year</b>	\$ 22,793,053	\$ 31,806,290

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

**UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.**  
**A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2010 AND 2009**  
**(Continued)**

	2010	2009
<b>Analysis of Cash:</b>		
Cash and cash equivalents	\$ 4,071,182	\$ 3,121,150
Restricted cash equivalents	18,721,871	28,685,140
	\$ 22,793,053	\$ 31,806,290
 <b>Supplemental Disclosure of Cash Flow Information:</b>		
Interest paid	\$ 2,126,157	\$ 2,146,114

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

**UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.**  
**A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010 AND 2009**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Organization and Purpose:*

The University of West Florida Foundation, Inc. (the "Foundation") was organized as a Florida not-for-profit corporation in 1965 for the purpose of soliciting, receiving, and administering gifts and bequests of property and funds for scientific, educational, and charitable purposes, all for the advancement of the University of West Florida (the "University") and its objectives. The Foundation is a direct-support organization of the University, as provided for in Section 1004.28, Florida Statutes, and Rule 6C-9.011, Florida Administrative Code, and therefore is considered a component unit of the University.

The Foundation owns the Student Housing System and is responsible for the management thereof, along with the associated revenues, expenses and debt related to the operation of these projects as further described in Note 13 to the financial statements.

*Basis of Accounting:*

The Foundation follows standards of accounting and financial reporting prescribed for not-for-profit organizations. It uses the accrual basis of accounting, which recognizes revenue when earned and expenses as incurred.

*Basis of Presentation:*

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

*Permanently restricted net assets* - Net assets subject to donor-imposed stipulations that the corpus be maintained permanently by the Foundation. The donors of these assets permit the Foundation to use all of the investment return on these assets. Such assets primarily include the Foundation's permanent endowment funds.

*Temporarily restricted net assets* - Net assets subject to donor-imposed stipulations that can be fulfilled by actions of the Foundation pursuant to those stipulations or that expire by the passage of time. Such assets are available for use by the various colleges and departments of the University, as designated by the donors to the Foundation.

*Unrestricted net assets* - Net assets not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by the action of the governing board, including quasi-endowments, or may otherwise be limited by contractual agreements with outside parties.

**UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.**  
**A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010 AND 2009**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Basis of Presentation (Continued):*

*Unrestricted net assets - student housing system* - Unrestricted net assets designated through bond covenant restrictions for the specific purpose of bond repayment for the Student Housing System.

*Contributions:*

Contributions are reported as temporarily restricted if the donor limits the use of the donated assets. When the restrictions expire, these temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as *net assets released from restrictions*. Contributions of endowments are reported as permanently restricted since the corpus is invested in perpetuity. All other contributions having no restrictions are reported as unrestricted.

In 2009, the Foundation elected under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 825, *Financial Instruments* (formerly referenced as SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*, including an amendment of FASB Statement No. 115), to record unconditional promises to give at fair value. Management believes the use of fair value reduces the cost of measuring unconditional promises to give in periods subsequent to their receipt and provides equal or better information to users of its financial statements than if those promises were measured using present value techniques at historical discount rates. An allowance for uncollectible pledges is provided based on management's evaluation of potential uncollectible pledges receivable at year-end. Conditional promises to give are not recorded in the financial statements.

In the event a donor makes changes to the nature of a restricted gift which affect its classification among the net asset categories, such amounts are reflected as net assets released from restrictions in the revenues section of the statement of activities.

Non-cash contributions are recorded at fair market value at the time of donation.

*Cash and Cash Equivalents:*

The amount reported as cash and cash equivalents consists of cash on hand, cash in demand accounts, cash placed with the University and cash placed with the State Treasury Special Purpose Investment Account, ("SPIA"). For the purpose of reporting cash flows, the Foundation considers all highly liquid investments with original maturities of three (3) months or less to be cash equivalents. Under this definition, the Foundation considers amounts invested with the University and SPIA to be cash equivalents.

**UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.**  
**A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010 AND 2009**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Restricted Cash Equivalents:*

Restricted cash equivalents represent funds held by either the University or by bond trustees for construction of on-campus housing, debt service, and maintenance of reserves required under the bond indentures.

*Investments:*

The Foundation has created various pools for the investment of funds on a consolidated basis. Investments in debt and equity securities are reported at fair value.

Investment income (interest, dividends, realized and unrealized gains or losses) from endowment and restricted operating funds is recognized as temporarily restricted investment income in accordance with donor stipulations. Income from all other operating funds is recognized as unrestricted investment income. There are no permanent restrictions on investment income.

*Property and Equipment:*

Property and equipment consists of office equipment and property held for lease. Purchased assets are recorded at cost, while donated assets are recorded at fair market value at the date of donation. Depreciation is allocated over the estimated useful lives of the respective assets on a straight-line basis. Where a contributed asset has an uncertain fair market value due to deed restrictions, the Foundation records no value for the property.

The Foundation follows the policy of capitalizing interest as a component of the cost of property and equipment constructed for its own use.

*Collections:*

The Foundation has capitalized its collections since its inception. Collections consist of museum artifacts and paintings donated to the Foundation. Donated museum artifacts and works of art are stated at the estimated fair market value at the time of donation. Gains and losses on the deaccession of donated collection items are classified in the statement of activities based on the absence or existence and nature of donor restrictions placed on the item at the time of donation. During 2007, the Foundation accepted a noncash donation of museum artifacts with an appraised value of approximately \$2.6 million.

**UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.**  
**A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010 AND 2009**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Split-Interest Agreements:*

The Foundation serves as trustee for split-interest agreements classified as charitable gift annuities and charitable remainder unitrusts. Assets received under these agreements are recorded at fair market value and the liabilities to make future payments under these agreements are recorded at present value, with the difference reported as a gain or loss. These assets and liabilities are adjusted to reflect changes in their fair market value and present value. The determination of the present value of liabilities under split-interest agreements is based on discount rates and mortality tables established by the Internal Revenue Code and Regulations.

*Bond Discounts/Issuance Costs:*

Bond discounts and issuance costs are amortized over the terms of the bonds using the straight-line method since the difference between this method and the effective interest method is not material to the financial statements. Bond discounts are presented as a reduction of the face amount of bonds payable.

*Compensated Absences:*

Employees of the Foundation are entitled to paid vacation and sick days depending on job classification, length of service and other factors. Upon termination of employment, an employee will be paid for accumulated annual leave. In addition, an employee with ten or more years of service may be paid for a portion of their sick leave.

At June 30, 2010 and 2009, accrued compensated absences totaling \$97,299 and \$119,313, respectively, were reported as a component of accrued expenses in the accompanying financial statements.

*Income Taxes:*

The Foundation is a nonprofit organization exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code. However, income from certain investment activities not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization other than a private foundation under Section 509(a)(1).

*Estimates:*

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

**UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.**  
**A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010 AND 2009**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Retirement Plan:*

As discussed in Note 12, some Foundation employees participate in the Florida Retirement System, which is a non-contributory plan. In addition, some employees participate in the Optional Retirement Program, which is a defined contribution plan.

*Recent Accounting Pronouncements:*

In September 2009, the FASB issued FASB Accounting Standards Update No. 2009-12, *Investment in Certain Entities That Calculate Net Asset Value per Share* (ASU 2009-12). ASU 2009-12 (formerly FAS 157-g) amends FASB Statement No. 157, *Fair Value Measurements*, adds disclosures, and provides guidance for estimating the fair value of investments in investment companies that calculate net asset value per share, allowing the Net Asset Value per Share (“NAV”) to be used as a practical expedient for fair value where investment companies follow the American Institute of Certified Public Accountants (“AICPA”) Guide in arriving at their reported NAV. The Foundation adopted ASU 2009-12 effective July 1, 2009.

In January 2010, the FASB issued Accounting Standard Update (“ASU”) No. 2010-06, *Improving Disclosures about Fair Value Measurements*. This amends ASC 820 (formerly FAS 157-4) to require additional disclosures. The guidance requires entities to disclose transfers for assets in and out of Levels 1 and 2 of the fair value hierarchy and the reasons for those transfers. ASU 2010-06 is for fiscal years beginning after December 15, 2009. In addition, the guidance requires separate presentation of purchases and sales in the Level 3 asset reconciliation. The Level 3 disclosures are effective for fiscal years beginning after December 15, 2010. The adoption of this guidance is not expected to have a material impact on the Foundation’s financial statements in the applicable year of implementation.

*Subsequent Events:*

Management has evaluated subsequent events through August 27, 2010, the date which the financial statements were available for issue.



**UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.**  
**A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010 AND 2009**

**NOTE 2 - RESTRICTED CASH EQUIVALENTS**

Restricted cash equivalents at June 30 consist of the following:

	2010	2009
Debt service reserves	\$ 784,479	\$ 761,764
Replacement reserves	371,103	487,987
Contingency and improvement reserve	7,033,616	6,653,181
Housing operating reserve	667,343	594,324
Courtelis reserve	4,757,082	5,304,259
Charitable gift annuity reserve	-	5,653
2009 bond issuance -		
Cost of issuance reserve	-	10,003
Capitalized interest	141,380	969,221
Special interest checking	1,000,467	1,000,745
Construction account	3,966,401	12,898,003
	\$ 18,721,871	\$ 28,685,140

**NOTE 3 - CONTRIBUTIONS RECEIVABLE**

The Foundation records unconditional promises to give using fair value adjusted for the current year end discount rates, ranging from 0% to 23%, based on the prevailing five-year Treasury constant maturities. The current year fair value adjustment to contributions revenue for temporarily and permanently restricted was \$3,788 and \$173,590, respectively. For the year ending June 30, 2009, the fair value adjustment to contributions revenue for temporarily and permanently restricted was \$40,204 and \$36,278, respectively. Multi-year contributions receivable are classified within Level 3 of the fair value hierarchy because determination of the present value of future cash flows is based on little or no market data and requires management to develop their own assumptions. See Note 17 for further discussion on fair value measurement.

**UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.**  
**A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 3 - CONTRIBUTIONS RECEIVABLE (Continued)**

Unconditional promises to give at June 30 are due as follows:

	2010	2009
In one year or less	\$ 691,749	\$ 724,650
Between one and five years	670,360	1,041,353
Greater than five years	740,000	780,000
Total contributions receivable, gross	2,102,109	2,546,003
Less discounts to net fair value	177,378	288,541
Less allowance for doubtful accounts	38,091	69,986
Net contributions receivable, fair value	\$ 1,886,640	\$ 2,187,476

The table below presents information about unconditional promises to give measured at fair value at June 30, 2010:

	Temporarily Restricted	Permanently Restricted
<b>Promises measured at Fair Value</b>		
Promised cash flows	\$ 753,560	\$ 1,348,549
Fair value estimate	\$ 749,772	\$ 1,174,959
Measurement basis	Level 3	Level 3
Contribution revenue	\$ 3,788	\$ 173,590
Total changes included in the statement of activities	\$ 3,788	\$ 173,590

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**NOTE 3 - CONTRIBUTIONS RECEIVABLE (Continued)**

The table below presents information about unconditional promises to give measured at fair value at June 30, 2009:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
<b>Promises measured at Fair Value</b>		
Promised cash flows	\$ 1,273,454	\$ 1,272,549
Fair value estimate	\$ 1,248,347	\$ 1,009,115
Measurement basis	Level 3	Level 3
Contribution revenue	\$ 40,204	\$ 36,278
 Total changes included in the statement of activities	 <u>\$ 40,204</u>	 <u>\$ 36,278</u>

The table below presents information about the changes in unconditional promises to give for the year ended June 30, 2010:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Beginning balance, July 1, 2009	\$ 1,248,347	\$ 1,009,115
New promises received	285,000	385,000
Collections	(761,724)	(266,000)
Contribution revenue	21,319	89,844
Management and general (write-offs)	(25,750)	(60,000)
Transfer to endowments	(17,000)	17,000
Change in pledge terms	(420)	-
 Ending balance, June 30, 2010	 <u>\$ 749,772</u>	 <u>\$ 1,174,959</u>

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**NOTE 3 - CONTRIBUTIONS RECEIVABLE (Continued)**

The table below presents information about the changes in unconditional promises to give for the year ended June 30, 2009:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Beginning balance, July 1, 2008	\$ 1,493,635	\$ 1,115,999
New promises received	11,500	15,000
Collections	(295,492)	(158,162)
Contribution revenue	40,204	36,278
Management and general (write-offs)	(1,500)	-
	<u>1,248,347</u>	<u>1,009,115</u>
Ending balance, June 30, 2009	<u>\$ 1,248,347</u>	<u>\$ 1,009,115</u>

Conditional promises to give amounted to \$1,593,407 at June 30, 2010 for state matching funds from the state of Florida Major Gifts Trust Fund. The funds will be forwarded to the Foundation in the event that future appropriations are made by the state legislature. In addition, the Foundation had conditional promises to give amounting to \$545,000 from corporations and another foundation. Conditional promises to give of \$25,000 are dependent on the approval of a construction project and the remaining conditional promise to give of \$520,000 requires matching endowment funds raised by specified dates.

**NOTE 4 - OTHER RECEIVABLES**

Other receivables at June 30 consist of the following:

	<u>2010</u>	<u>2009</u>
Student loan fund, less allowance of \$26,945 in 2010 and \$23,778 in 2009	\$ 46,160	\$ 179,387
Rent, less allowance of \$78,924 in 2010 and \$60,908 in 2009	75,112	73,407
Other	268,701	21,432
	<u>389,973</u>	<u>274,226</u>
Net other receivables	<u>\$ 389,973</u>	<u>\$ 274,226</u>

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**NOTE 4 - OTHER RECEIVABLES (Continued)**

The Student Loan Fund, established through contributions, provides low-interest, short-term loans to students. All transactions are conducted through the University's cashiers' office. The Student Loan Program is made up of accounts receivable for loans to students, funds held at the University available for loans to students, and funds invested in a quasi endowment at the Foundation. The Foundation holds \$135,244 that is invested in a quasi endowment. Earnings in the quasi endowment are transferred to the University, as needed, to support the Student Loan Program.

**NOTE 5 - LONG-TERM INVESTMENTS**

Investments in the long-term pool are carried at fair value and consist of the following:

	Cost	Fair Value	Unrealized Gain (Loss)
<b>June 30, 2010 -</b>			
Common stock and mutual funds	\$ 30,286,378	\$ 28,566,577	\$ (1,719,801)
Bonds (fixed income securities)	9,461,611	9,996,919	535,308
Fund of fund hedge funds	11,005,760	11,205,481	199,721
Private equity funds	477,721	418,422	(59,299)
Real estate investment trust	237,935	207,230	(30,705)
	\$ 51,469,405	\$ 50,394,629	\$ (1,074,776)
<b>June 30, 2009 -</b>			
Common stock and mutual funds	\$ 29,328,089	\$ 25,092,180	\$ (4,235,909)
Bonds (fixed income securities)	9,828,349	9,911,859	83,510
Fund of fund hedge funds	11,005,760	10,187,468	(818,292)
Private equity funds	256,427	207,633	(48,794)
Merrill Lynch mutual funds	205,811	205,811	-
	\$ 50,624,436	\$ 45,604,951	\$ (5,019,485)

Bank of New York Mellon is the custodian for the Foundation's bonds, fund of fund hedge funds, common stock and mutual funds.

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**NOTE 5 - LONG-TERM INVESTMENTS (Continued)**

The fair value of all endowed investments at June 30, 2010 was under the level required by donor stipulations in total by \$590,144. One hundred nineteen individual donor-restricted endowment funds were deficient totaling approximately \$1,758,000 where the fair value of the investments at June 30, 2010 was less than the level required by the donor stipulations. See Note 11 for further disclosure on endowment funds.

The net return on investments was as follows:

	<u>Total Unrestricted</u>	<u>Temporarily Restricted</u>
<b>Year Ended June 30, 2010 -</b>		
Dividends and interest	\$ 436,186	\$ 720,017
Net realized gain on investments	2,297	735,662
Unrealized gain on investments	<u>12,275</u>	<u>3,932,415</u>
Total return on investments	<u>\$ 450,758</u>	<u>\$ 5,388,094</u>
<b>Year Ended June 30, 2009 -</b>		
Dividends and interest	\$ 502,487	\$ 1,132,311
Net realized gain on investments	-	5,848
Unrealized loss on investments	<u>(39,759)</u>	<u>(13,056,407)</u>
Total return on investments	<u>\$ 462,728</u>	<u>\$ (11,918,248)</u>

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**NOTE 6 - PROPERTY AND EQUIPMENT**

Property and equipment is comprised of the following at June 30:

	2010	2009
Land	\$ 1,454,483	\$ 1,454,483
Property held under capital lease	37,529,266	36,639,048
Office equipment and software	202,867	183,382
Construction in progress	11,428,220	728,822
	50,614,836	39,005,735
Less accumulated depreciation	12,885,127	11,438,224
	\$ 37,729,709	\$ 27,567,511

Depreciation expense for the years ended June 30, 2010 and 2009 was \$1,446,904 and \$1,408,414, respectively.

Property held under capital lease represents the University's Student Housing System, which consists of facilities constructed in 1966 and 1972, and Phase I and II, which were completed in 1997 and 1999, respectively. The first and second portions of Phase III were completed in the Fall 2000, and 2001 semesters, respectively, and are also included in property held under capital lease. The buildings under capital lease are depreciated over the lease term, which is effectively 30 years, and the furniture, fixtures, and equipment are depreciated over their useful life of 5 - 10 years. Amortization of property under capital lease is included in depreciation expense. At June 30, 2010 and 2009, amortization of the property under capital lease totaled \$1,445,053 and \$1,401,197, respectively. See Note 13 for further capital lease disclosure.

Construction in progress at June 30, 2010 and 2009 represents the construction of the Foundation's newest on-campus, student housing building, Heritage Hall, and expenses for upgrades to existing facilities.

The Foundation capitalizes interest costs on borrowings incurred during the construction or upgrade of qualifying assets. Capitalized interest is added to the cost of the underlying assets and is amortized over the useful lives of the assets. The Foundation capitalized approximately \$842,000 and \$139,500 of interest in connection with the construction of Heritage Hall for the years ended June 30, 2010 and June 30, 2009, respectively.

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**NOTE 7 - PROPERTY HELD FOR INVESTMENT**

Property held for investment at June 30 is comprised of the following:

	2010	2009
Land, at cost	\$ 41,500	\$ 41,500
Land and building, at fair value	260,000	260,000
Total	\$ 301,500	\$ 301,500

The Foundation initially recorded all property held for investment at historical cost. In 2009, the Foundation elected to report property held for investment at fair value, where practicable. The nature of two parcels of land makes it difficult to obtain a reasonable fair value. Thus it was determined to continue to report these parcels at cost. The third parcel, consisting of land and a building, is appraised every thirty-six months by an independent appraiser and adjusted accordingly. See Note 17 for further discussion on fair value measurement.

**NOTE 8 - BOND ISSUE COSTS**

Bond issuance costs relate to the dormitory and housing system revenue bonds. Bond issuance costs are summarized as follows:

	2010	2009
Bond issuance costs	\$ 1,426,703	\$ 1,394,491
Less accumulated amortization	353,597	298,351
Bond issuance costs, net	\$ 1,073,106	\$ 1,096,140

Bond issuance costs are being amortized by the straight-line method over the lives of the bonds from 20 - 30 years. Amortization of bond issuance costs for the years ended June 30, 2010 and 2009 was \$54,021 and \$447,275 (including amortization of \$402,142 of bond costs related to the Series 1999 bond issue repaid), respectively.



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**NOTE 9 - BONDS PAYABLE**

Revenue Bonds consist of the following at June 30:

	2010	2009
<p>\$15,400,000 Dormitory Revenue Bonds, Series 1998, due in annual installments of \$260,000 to \$925,000, from June 1, 1999 through June 1, 2028 with interest ranging from 3.50% to 4.75% due semiannually, June 1 and December 1</p>	\$ 11,530,000	\$ 11,925,000
<p>\$18,290,000 Dormitory Refunding Revenue Bonds, Series 2005, due in annual installments of \$50,000 to \$1,235,000, from June 1, 2006 through June 1, 2031 with interest ranging from 3.75% to 5.00% due semiannually, June 1 and December 1</p>	17,100,000	17,605,000
<p>\$15,000,000 Dormitory Revenue Bonds, Series 2009, due in annual installments of \$487,000 to \$1,190,000, from June 1, 2011 through June, 1, 2029 with an interest rate of 5.09% due semiannually, June 1 and December 1</p>	15,000,000	15,000,000
<p>Bonds payable</p>	43,630,000	44,530,000
<p>Less unamortized discount</p>	134,608	142,610
<p>Bonds payable, net of unamortized discount</p>	\$ 43,495,392	\$ 44,387,390

Interest of \$174,191 and \$253,116 was accrued on the bonds as of June 30, 2010 and 2009, respectively.

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**NOTE 9 - BONDS PAYABLE (Continued)**

Maturities of the Revenue Bonds are as follows:

<u>For the year ending</u>	
2011	\$ 1,427,000
2012	1,492,000
2013	1,558,000
2014	1,630,000
2015	1,704,000
Thereafter	<u>35,819,000</u>
	<u>\$ 43,630,000</u>

The 1998 Dormitory Revenue bonds, sponsored by Escambia County Housing Finance Authority, were issued to provide financing for the construction of student housing facilities, as well as to refund approximately \$5.6 million from a 1997 bond issue.

The 2005 Dormitory Refunding Revenue bonds, sponsored by Escambia County Housing Finance Authority, were issued to refund approximately \$5.5 million from a 2002 bond issue and to defease approximately \$11.6 million from a 1999 bond issue for the purpose of consolidation and to achieve debt service coverage savings.

The 2009 Dormitory Revenue bonds, sponsored by the Escambia County Housing Finance Authority, were issued to provide financing for the construction of student housing facilities.

The bonds are secured by mortgages on the student housing facilities in addition to a pledge of revenues earned from their operation. The bonds require the Foundation to maintain various covenants, including one that requires student housing room rates to be maintained at a level that provides net revenues at least equal to 120% of annual debt service. The debt service ratio for the year ended June 30, 2010 was 183%. The Foundation is not aware of any violations of the covenants at June 30, 2010.

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**NOTE 10 - NET ASSETS**

Temporarily restricted net assets at June 30 are available for the following purposes:

	<u>2010</u>	<u>2009</u>
Scholarships, student awards and loan funds	\$ 1,466,601	\$ 555,997
Faculty support, professorships and chairs	1,407,801	563,719
Foundation reserve fund	3,562,035	4,086,934
Programs and other	<u>9,139,212</u>	<u>8,544,843</u>
 Total temporarily restricted net assets	 <u>\$ 15,575,649</u>	 <u>\$ 13,751,493</u>

Permanently restricted net assets consist of endowment fund assets to be held in perpetuity, with only the income to be expended. The following is a summary of permanently restricted net assets at June 30, 2010 and 2009, categorized by the purpose for which the income is expendable:

	<u>2010</u>	<u>2009</u>
Scholarships, student awards and loan funds	\$ 17,457,795	\$ 16,931,787
Faculty support, professorships and chairs	12,201,607	12,201,607
Programs and other	<u>14,373,672</u>	<u>13,692,657</u>
 Total permanently restricted net assets	 <u>\$ 44,033,074</u>	 <u>\$ 42,826,051</u>

**NOTE 11 - ENDOWMENTS**

The Foundation's endowments consist of 198 individual funds established for a variety of purposes. The endowments include both donor-restricted endowment funds and funds designated by the governing board to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the governing board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

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**NOTE 11 - ENDOWMENTS (Continued)**

Interpretation of Relevant Law –

The Foundation's governing board with guidance from legal counsel has interpreted the Florida Uniform Management of Institutional Funds Act ("Florida UMIFA") 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 permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent 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 as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by the Florida UMIFA. In accordance with the Florida UMIFA, the Foundation's governing board considers the following factors in making a determination to appropriate or accumulate 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

Funds with Deficiencies –

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 the Florida UMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature are reported as a loan from unrestricted net assets. For the period ending June 30, 2010 and 2009, the amount of the loan was \$801,359 and \$1,214,108, respectively. The loan is offset against the net assets released from restrictions on the statement of activities. These deficiencies resulted from unfavorable market fluctuations and continued appropriation for certain programs that was deemed prudent by the governing board.

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**NOTE 11 - ENDOWMENTS (Continued)**

Return Objectives and Risk Parameters –

The Foundation's governing board has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the governing board, the endowment assets are invested in a manner that is intended to produce the desired minimum rate of return which is equal to the Consumer Price Index ("CPI") plus 400 basis points (4%) for spending, plus an additional 200 basis points (2%) for the operating budget on an annualized basis.

The Foundation expects its endowment funds, over time, to provide an average annual rate of return of approximately CPI plus 600 basis points (6%). Actual returns in any year may vary from this amount. The Investment Committee recognizes that prudent investing requires taking reasonable risks in order to raise the likelihood of achieving the targeted investment returns. Research has demonstrated that portfolio risk is best minimized through diversification of assets. The portfolio of funds is structured to maintain prudent levels of diversification. In terms of relative risk, the volatility of the portfolio is expected to be in line with general market conditions.

Strategies Employed for Achieving Objectives –

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.

Spending Policy and How the Investment Objectives Relate to Spending Policy –

The Foundation's spending rate is calculated on a three year average of the market value of the endowments as of June 30. Spending is awarded for endowments greater than \$20,000 after a one year waiting period. The approved spending rate for fiscal years 2010 and 2011 was 3.5% .

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**NOTE 11 - ENDOWMENTS (Continued)**

Spending Policy and How the Investment Objectives Relate to Spending Policy (Continued) –

The Foundation strives to balance the donor's desire to fund current program, faculty, and scholarship needs with the commitment to preserve over time the donor's gifts to the endowment corpus. Furthermore, the Foundation takes seriously its responsibility to provide prudent fiduciary management, oversight of the endowments, and intergenerational equity. However, the Foundation is aware that despite utilizing a well diversified investment portfolio strategy and the best good faith efforts of its governing board, there will be times when the fair market value of an endowment may fall below the endowment corpus value creating underwater endowments. In the event an endowment falls underwater, the Foundation will use a 25% step down spending allocation method to slow the spending from the endowment. For each 10% an endowment is underwater, the allocated endowment spending (exclusive of the operating allocation) will be reduced by 25%. Any endowment more than 30% underwater will receive no endowment spending allocation. The intent of this policy is to attempt to continue to provide spending to support the scholarships, programs, and faculty as designated by the donor and within the limits of Florida laws, while also allowing the endowment to recover more quickly from economic downturns.

The Foundation's operating budget is generally, two percent (2%) of the three year average of the market value of the investment portfolio. Pursuant to the proposal adopted by the governing board, the goal is to reduce the operating budget from two percent (2%) to one and one-half percent (1.5%) of the total investment assets. As such, for each \$1,000,000 increase in market value of the investment portfolio above \$50,000,000, the percentage for the operating budget will decrease by one basis point (0.01%), reaching the objective of 1.5% with assets of \$100,000,000. However, due to unprecedented volatility, the operating budget for fiscal year 2010-2011 was approved at 1.63% calculated on a three year average of the market value of the portfolio.

The total ending endowment balance for nonexpendable/donor-restricted endowments at June 30 is as follows:

	2010	2009
Permanently restricted nonexpendable balance	\$ 42,858,116	\$ 41,816,935
Appreciation (depreciation) portion deemed restricted expendable	(590,144)	(3,084,793)
Total endowment balance	\$ 42,267,972	\$ 38,732,142

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**NOTE 12 - RETIREMENT PLAN**

Certain Foundation employees working in regularly established positions of the University are covered by the Florida Retirement System ("FRS"), a State-administered cost-sharing, multiple-employer, public employee defined benefit retirement plan ("Plan"). The Plan provisions are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 605, Florida Administrative Code, wherein plan eligibility, contributions, and benefits are defined and described in detail. Participating employers include all State departments, counties, district school boards, universities and community colleges. Many municipalities and special districts have elected to be participating employers. Essentially all regular employees of participating employers are eligible. The University, as an employer participating in the Plan, paid an amount equal to 7.83% for 2010 and 2009, respectively, of each individual's salary to the retirement fund. The Plan is non-contributory for the employee. Retirement expense for employees participating in this plan was \$63,699 and \$63,067 for the years ended June 30, 2010 and 2009, respectively.

Pursuant to Section 121.35, Florida Statutes, the Florida Legislature created an Optional Retirement Program ("Program") for eligible State University System faculty and administrators. The Program, which became effective July 1, 1984, was expanded in 1988 to include the State University System Executive Service. The Program is a defined contribution plan, which provides full and immediate vesting of all contributions submitted to the participating companies on behalf of the participant. Employees in eligible positions may make an irrevocable election to participate in the Program rather than the Plan, and purchase retirement and death benefits through contracts provided by certain insurance carriers. The employing university contributes on behalf of the participant an amount equal to a percentage of the participant's gross monthly compensation. The participant may contribute by salary deduction an amount not to exceed the percentage contributed by the University to the participant's annuity account. Contributions made to the Program for fiscal years ended June 30, 2010 and 2009 totaled \$50,890 and \$71,830, respectively.

Effective July 1, 2007, the University established a qualified defined contribution plan under section 401(a) of the Internal Revenue Code of 1986, as amended ("Code"), that is a governmental plan as defined under Code Section 414(d), to provide retirement benefits to eligible employees. Retirement expenses paid by the Foundation in 2010 and 2009 for the University President participating in the plan totaled \$15,100 and \$18,142, respectively.

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**NOTE 13 - STUDENT HOUSING SYSTEM**

The Foundation has a sublease agreement with the Florida Board of Education of the State of Florida on behalf of the University for use of land and certain existing student housing facilities. The lease requires the Foundation to construct additional student housing facilities and to operate the facilities as a consolidated housing system on behalf of the University.

The Student Housing System consists of seven projects, identified as The 1966 Project, The 1972 Project, The 1997 Project (Phase I), The 1998 Project (Phase II), The 1999 Project (Phase III), The 2002 Project, and The 2009 Project (Heritage Hall), which is currently under construction with an anticipated completion date of August 2010.

The terms of the sub-lease require the Foundation to pay the University rents of \$10 per year plus variable rent equal to 100% of the Surplus Earnings from the Student Housing System. Surplus Earnings represent cash flows after payment of the operating costs, debt service and reserves. No variable rent was due for either 2010 or 2009. The agreement was renewed July 1, 2007 and ends June 30, 2012.

**NOTE 14 - CONCENTRATIONS**

*Uninsured Cash Balances:*

The Foundation's cash balances held at financial institutions are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. Also, unlimited coverage is now temporarily provided for non-interest bearing transaction accounts at financial institutions participating in FDIC's Transaction Account Guarantee Program. At June 30, 2010, the Foundation had no cash balances in excess of insured limits held by financial institutions.

At June 30, 2010, the Foundation maintained approximately \$13,964,600 of cash and cash equivalent balances in the State of Florida's Division of Treasury's SPIA investment pool ("Pool"). This amount is the Foundation's pro-rata ownership in the Pool itself, not in the underlying securities. The Pool is invested in a combination of short-term liquid instruments and intermediate term fixed income securities. Federal depository insurance does not insure amounts in the Pool. At June 30, 2010, the Pool was rated at Af by Standard and Poor's and had an effective duration of 1.81 years. Fair value for this account is determined by multiplying the Foundation's cost for its pro-rata share of the Pool by the Pool's Fair Value Factor ("Factor"). At June 30, 2010, the unaudited Factor was 1.0116. The Factor is determined by an independent pricing service which uses quoted market prices as well as multifactor models for securities which have no quoted market prices. Additional information may be found in Note 2 to the State of Florida Comprehensive Annual Financial Report ("CAFR") and at the Treasury's website, [www.fltreasury.org](http://www.fltreasury.org). Due to the dollar for dollar liquidity of the account, the cash amounts in the Foundation's financial statements that are held in SPIA have not been adjusted for the unaudited fair value factor.



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**NOTE 14 - CONCENTRATIONS (Continued)**

*Uninsured Cash Balances:*

Additional financial instruments that potentially subject the Foundation to concentrations of credit risk consist of cash deposits at brokerage firms and the University. These accounts are not insured by the FDIC. At June 30, 2010, the Foundation maintained cash and cash equivalent balances at these institutions totaling approximately \$6,734,900.

Management monitors the soundness of the financial institutions and does not believe the Foundation is exposed to any significant credit risk on cash and cash equivalents.

*Contributions Receivable:*

For the year ended June 30, 2010, there is a concentration of pledges receivable from five donors amounting to 66.14% of all outstanding pledges.

*Accounts Payable:*

At June 30, 2010, there is a concentration of accounts payable related to construction of the new housing facility amounting to 78.26% of all accounts payable. All invoices related to the new residence housing facility were paid in full by July 13, 2010.

**NOTE 15 - CONDITIONAL ASSET RETIREMENT OBLIGATIONS**

The Foundation has conditional asset retirement obligations (AROs) primarily related to the encapsulated structural fireproofing in the older residence halls that is not subject to abatement unless the buildings are demolished and non-encapsulated asbestos that the company would remediate only if it performed major renovations of those buildings. Under current accounting guidance, these AROs meet the definition of liabilities and should be recognized when incurred if their fair values can be reasonably estimated. Because there is no definitive timeframe in which these halls will be demolished and they are tied to the current bond funding that will not be alleviated until 2027, these conditional obligations are considered to have indeterminate settlement dates. Therefore, we could not develop a reasonable estimate of their fair values. However, we will continue to assess its ability to estimate fair values at each future reporting date. The related liability will be recognized once sufficient additional information becomes available.

**UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.  
A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010 AND 2009**

**NOTE 16 - FAIR VALUES OF FINANCIAL INSTRUMENTS**

The carrying amounts of cash and cash equivalents, restricted cash, other receivables, accounts payable and accrued expenses approximate fair value because of the short maturity of these instruments. Long-term investments are carried at fair value, as discussed in Note 5. Contributions receivable and assets held under split interest agreements, and the related liabilities, are reported at fair value based on life expectancy of the beneficiary and the present value of expected cash flows using a discount rate.

The fair value of bonds payable are estimated using discounted cash flow analyses based on the Foundation's current incremental borrowing rates for similar types of bond arrangements.

A comparison of the carrying value of the bonds payable is as follows:

	Carrying Amount	Fair Value
<b>June 30, 2010</b> -		
Bonds payable, net	\$ 43,495,392	\$ 44,635,452

The Foundation determined the estimated fair value amounts by using available market information and commonly accepted valuation methodologies. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that the Foundation or holders of the instruments could realize in a current market exchange. The use of different assumptions and/or estimation methodologies may have a material effect on the estimated fair value.

**NOTE 17 - FAIR VALUE MEASUREMENTS**

In 2009, the Financial Accounting Standards Board (FASB) reissued Statement of Financial Accounting Standards, No. 157, *Fair Value Measurements*, as FASB Accounting Standards Codification ASC 820. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It establishes a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of the asset or liability as of the measurement date. It also expands disclosures about instruments measured at fair value.

**UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.**  
**A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010 AND 2009**

**NOTE 17 - FAIR VALUE MEASUREMENTS (Continued)**

The three levels of the hierarchy are defined as:

Level 1: Inputs are quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. This includes (1) quoted prices for similar assets or liabilities in active markets; (2) quoted prices for identical or similar assets or liabilities in markets that are not active, (3) inputs other than quoted prices that are observable for the asset or liability; or (4) inputs that are derived principally from or corroborated by observable market data.

Level 3: Inputs are unobservable for the asset or liability. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed on the best information available in the circumstances.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The fair value of the Foundation's investments at June 30, 2010 is as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity securities	\$ 20,353,264	\$	\$	\$ 20,353,264
Bonds (fixed income securities)	9,996,919			9,996,919
Mutual funds	8,213,313			8,213,313
Lease income property			260,000	260,000
Cash surrender value of insurance policies		47,678		47,678
Alternative investments			11,831,133	11,831,133
Funds held in trust by others			282,545	282,545
<b>Total Assets</b>	<u>38,563,496</u>	<u>47,678</u>	<u>12,373,678</u>	<u>50,984,852</u>
Funds held in trust - liabilities			<u>210,525</u>	<u>210,525</u>
<b>Total</b>	<u>\$ 38,563,496</u>	<u>\$ 47,678</u>	<u>\$ 12,163,153</u>	<u>\$ 50,774,327</u>

**UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.**  
**A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010 AND 2009**

**NOTE 17 - FAIR VALUE MEASUREMENTS (Continued)**

The fair value of the Foundation's investments at June 30, 2009 is as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity securities	\$ 18,830,507	\$	\$	\$ 18,830,507
Bonds (fixed income securities)	9,911,859			9,911,859
Mutual funds	6,261,673			6,261,673
Lease income property		260,000		260,000
Cash surrender value of insurance policies		45,153		45,153
Alternative investments			10,600,912	10,600,912
Funds held in trust by others			252,173	252,173
<b>Total Assets</b>	<u>35,004,039</u>	<u>305,153</u>	<u>10,853,085</u>	<u>46,162,277</u>
<b>Funds held in trust - liabilities</b>			<u>207,193</u>	<u>207,193</u>
<b>Total</b>	<u>\$ 35,004,039</u>	<u>\$ 305,153</u>	<u>\$ 10,645,892</u>	<u>\$ 45,955,084</u>

The following methods and assumptions were used to estimate the fair value for each class of investment, measured at fair value:

Equity securities – Investments in equity securities are measured at fair value using quoted market prices. They are classified as Level 1 as they are traded in an active market for which closing stock prices are readily available.

Bonds (fixed income securities) – Investments in bonds (fixed income securities) are comprised of U.S. Treasury notes, mortgage backed securities, municipal bonds and corporate bonds and notes. They are classified as Level 1 as they trade with sufficient frequency and volume to enable the Foundation to obtain pricing information on an ongoing basis.

Mutual funds – Mutual funds are classified as Level 1 as they are traded in an active market for which closing prices are readily available.

**UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.**  
**A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010 AND 2009**

**NOTE 17 - FAIR VALUE MEASUREMENTS (Continued)**

Lease income property – In 2010, lease income property is classified as level 3 as the valuation is based on significant unobservable inputs. In 2009, lease income property is classified as level 2 as an independent appraiser provided the appraised value at June 30, 2009.

Cash surrender value of insurance policies – Cash surrender values of life insurance policies are classified as Level 2 as values are based on quotes for like instruments with similar credit ratings and terms.

Alternative investments – Investments in private equity funds, real estate funds and funds of funds for which there is no readily determinable fair value are classified as level 3 as the valuation is based on significant unobservable inputs.

Funds held in trust by others – The Foundation's beneficial interest in irrevocable split interest agreements held or controlled by a third party are classified as Level 3 as the fair values are based on a combination of Level 2 inputs (interest rates and yield curves) and significant unobservable inputs (entity specific estimates of cash flows). The fair values are measured at the present value of the future distributions the Foundation expects to receive over the term of the agreements.

While the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

**UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.**  
**A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010 AND 2009**

**NOTE 17 - FAIR VALUE MEASUREMENTS (Continued)**

The following table presents a reconciliation of the statement of financial position amounts for financial instruments measured at fair value on a recurring basis using significant unobservable inputs (level 3) for the year ended June 30, 2010:

	Balances June 30, 2009	Net realized gains (losses) included in change in net assets	Net unrealized gains (losses) included in change in net assets	Purchases, sales, issuances, and settlement, net	Net Transfers In (Out) of Level 3	Balances June 30, 2010
<b>Assets:</b>						
Private equity funds	\$ 207,633	\$ -	\$ (10,507)	\$ 221,296	\$ -	\$ 418,422
Real estate funds	205,811	-	(30,705)	32,124	-	207,230
Lease income property	-	-	-	-	260,000	260,000
Fund of fund hedge funds	10,187,468	(17)	1,018,030	-	-	11,205,481
Funds held in trust by others	<u>252,173</u>	<u>(6,794)</u>	<u>26,506</u>	<u>10,660</u>	<u>-</u>	<u>282,545</u>
	<u>10,853,085</u>	<u>(6,811)</u>	<u>1,003,324</u>	<u>264,080</u>	<u>260,000</u>	<u>12,373,678</u>
		Realized	Change in	Net	Net	
	Balances	(gains)	unrealized	(purchases)	transfers	Balances
	June 30, 2009	losses	(gains)	sales and	(in) out of	June 30, 2010
			losses	settlements	Level 3	
<b>Liabilities:</b>						
Funds held in trust by others	207,193	(6,794)	38,412	(28,286)	-	210,525
	<u>\$ 10,645,892</u>	<u>\$ (17)</u>	<u>\$ 964,912</u>	<u>\$ 292,366</u>	<u>\$ 260,000</u>	<u>\$ 12,163,153</u>

**UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.  
A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010 AND 2009**

**NOTE 17 - FAIR VALUE MEASUREMENTS (Continued)**

The following table presents a reconciliation of the statement of financial position amounts for financial instruments measured at fair value on a recurring basis using significant unobservable inputs (level 3) for the year ended June 30, 2009:

	Balances June 30, 2008	Net realized gains (losses) included in change in net assets	Net unrealized gains (losses) included in change in net assets	Purchases, sales, issuances, and settlement, net	Net Transfers In (Out) of Level 3	Balances June 30, 2009
<b>Assets:</b>						
Private equity funds	\$ -	\$ -	\$ (48,794)	\$ 256,427	\$ -	\$ 207,633
Real estate funds	-	-	-	205,811	-	205,811
Fund of fund hedge funds	13,111,679	55,760	(2,479,971)	(500,000)	-	10,187,468
Funds held in trust by others	<u>287,967</u>	<u>-</u>	<u>(37,230)</u>	<u>1,436</u>	<u>-</u>	<u>252,173</u>
	<u>13,399,646</u>	<u>55,760</u>	<u>(2,565,995)</u>	<u>(36,326)</u>	<u>-</u>	<u>10,853,085</u>
	Balances June 30, 2008	Realized (gains) losses	Change in unrealized (gains) losses	Net (purchases) sales and settlements	Net transfers (in) out of Level 3	Balances June 30, 2009
<b>Liabilities:</b>						
Funds held in trust by others	<u>230,736</u>	<u>-</u>	<u>7,599</u>	<u>(31,142)</u>	<u>-</u>	<u>207,193</u>
	<u>\$ 13,168,910</u>	<u>\$ 55,760</u>	<u>\$ (2,573,594)</u>	<u>\$ (5,184)</u>	<u>\$ -</u>	<u>\$ 10,645,892</u>

**UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.  
A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010 AND 2009**

**NOTE 17 - FAIR VALUE MEASUREMENTS (Continued)**

The Foundation used Net Asset Value (“NAV”) to determine the fair value of all the underlying investments which do not have a readily determinable fair value and prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. The following table lists investments in investment limited partnerships by major category:

Strategy	Private Equity Funds	Real Estate Funds	Multi-strategy Hedge Funds
	US & International equities in buyout, special situation, venture & opportunistic markets.	US real estate assets in primary & secondary markets.	US & global equity funds primarily in relative value, event driven and distressed markets.
NAV in Funds	\$418,422	\$207,230	\$11,205,481
Number of Funds	2	1	2
Remaining Life (In Years)	8.5 to 12.5 yrs	3.5 yrs	Perpetual
Unfunded Commitments	\$1,530,696	\$777,428	-
Timing to Draw Down Commitments	8.5 to 12.5 yrs	3.5 yrs	N/A
Redemption Terms	N/A *	N/A *	Ranges from quarterly to semi- annual with 90 to 95 days' notice
Redemption Restrictions	N/A *	N/A *	Within 10-15 days after redemption date-partial at 100%; full at 90% - 95% & residual ranging from 2-3 months or completion of annual audit
Redemption Restrictions in place at June 30, 2010	N/A *	N/A *	Within 10-15 days after redemption date-partial at 100%; full at 90% - 95% & residual ranging from 2-3 months or completion of annual audit

\* These funds are in private equity structure, with no ability to be redeemed.



**UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.  
A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010 AND 2009**

**NOTE 18 - REFUNDED RESTRICTED CONTRIBUTIONS**

Change in estimates reflects donor requested refunds for revenue recorded in prior years. Infrequently, the Foundation may be required or asked to return a contribution if (a) it is unable to comply with donor restrictions or the donor has changed his mind, or (b) the nonprofit organization has received a court order requiring it to return the contribution. The return of a restricted donation received in prior years is recorded as a loss in the restricted net asset class. If a restricted contribution is returned that was received in the current year, it is recorded as a decrease in contribution revenue instead of recording a loss.

Returned Contributions at June 30:

	2010
A) Unable to comply with donor restrictions or the donor has changed his mind:	\$ 1,200,000
B) The Foundation has received a court order requiring it to return contributions:	-
Total Returned Contributions	\$ 1,200,000

**NOTE 19 - COMMITMENTS**

The Foundation signed a contract with a construction company to build the new residence housing facility. The remaining amount of the purchase commitment at June 30, 2010 is \$2,423,005.

**SUPPLEMENTARY INFORMATION**

**UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.**  
**A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA**  
**SCHEDULES OF STUDENT HOUSING SYSTEM REVENUE AND EXPENSES**  
**YEARS ENDED JUNE 30, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>Revenue:</b>		
Rent	\$ 7,401,133	\$ 6,910,353
Interest	221,698	707,725
Other	236,226	226,585
Total revenue	<u>7,859,057</u>	<u>7,844,663</u>
<b>Operating Expenses:</b>		
Salaries and wages	1,414,828	1,507,942
Administrative and general	536,768	569,831
Maintenance and repairs	723,772	717,725
Other expenses	82,167	9,358
Insurance	201,747	184,306
Utilities	945,257	862,464
Interest	2,126,157	2,146,114
Depreciation	1,445,053	1,401,197
Amortization	63,248	81,820
Total operating expenses	<u>7,538,997</u>	<u>7,480,757</u>
<b>Other Expenses:</b>		
Costs incurred for early retirement of Series 1999 bond	<u>-</u>	<u>781,917</u>
Total expenses	<u>7,538,997</u>	<u>8,262,674</u>
<b>Excess of Revenue (Expenses) over Expenses (Revenue)</b>	<u><u>\$ 320,060</u></u>	<u><u>\$ (418,011)</u></u>

**UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.**  
**A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA**  
**SCHEDULE OF FINANCIAL POSITION**  
**(EXCLUDING THE STUDENT HOUSING SYSTEM)**  
**JUNE 30, 2010 AND 2009**

**ASSETS**

	2010	2009
Cash and cash equivalents	\$ 2,773,256	\$ 3,036,617
Restricted cash equivalents	4,757,082	5,309,912
Contributions receivable, net	1,886,640	2,187,476
Other receivables, net	314,861	200,819
Prepaid expenses	34,659	64,151
Long-term investments	50,394,629	45,604,951
Property and equipment, net	1,459,686	1,461,537
Assets held under split interest agreements	282,545	252,173
Cash surrender value of insurance policies	47,678	45,153
Property held for investment (\$260,000 at fair value for 2010 and 2009)	301,500	301,500
Collections	2,644,920	2,644,920
	<b>\$ 64,897,456</b>	<b>\$ 61,109,209</b>

**LIABILITIES AND NET ASSETS**

**Liabilities:**

Accounts payable and accrued expenses	\$ 133,882	\$ 138,309
Liabilities held under split interest agreements	210,525	207,193
Total liabilities	344,407	345,502

**Contingency**

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**Net Assets:**

Unrestricted	4,944,326	4,186,163
Temporarily restricted	15,575,649	13,751,493
Permanently restricted	44,033,074	42,826,051
Total net assets	64,553,049	60,763,707

**Total Liabilities and Net Assets**

	<b>\$ 64,897,456</b>	<b>\$ 61,109,209</b>
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**UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.**  
**A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA**  
**SCHEDULES OF OTHER PROGRAM SERVICES AND GENERAL AND ADMINISTRATIVE EXPENSES**  
**YEAR ENDED JUNE 30, 2010**  
**(With Comparative Totals for 2009)**

	Scholarship	Other Program Service	Student Housing System	Fundraising	General & Administrative	2010 Total	2009 Total
Amortization	\$ -	\$ -	\$ 63,248	\$ -	\$ -	\$ 63,248	\$ 81,820
Bad Debt	-	-	18,016	-	(6,384)	11,632	63,590
Bond Expense	-	-	48,205	-	-	48,205	781,917
Depreciation	-	-	1,445,053	-	1,851	1,446,904	1,408,414
Equipment	-	37,707	31	47	1,275	39,060	98,485
Housing Administrative & General	-	-	204,542	-	-	204,542	205,101
Insurance	-	-	201,747	-	19,340	221,087	211,873
Interest Expense	-	-	2,126,157	-	-	2,126,157	2,146,115
Investment & Consultant Fees	-	-	-	-	302,974	302,974	311,101
Lobbying	-	-	-	-	60,225	60,225	60,150
Maintenance & Repairs	-	-	716,925	-	-	716,925	690,619
Miscellaneous	-	33,972	-	7,067	18,749	59,788	98,126
Office	-	60,187	170,318	54,645	47,543	332,693	370,586
Professional Development	-	38,590	9,471	851	7,185	56,097	65,626
Professional Services	-	208,015	18,750	12,997	58,873	298,635	308,501
Public Radio Program	-	152,796	-	-	-	152,796	173,612
Public Relations	-	28,397	-	23,330	31,942	83,669	97,465
Recruitment	-	23,312	-	1,131	-	24,443	18,962
Rental	-	-	-	-	33,533	33,533	10,562
Salaries	-	706,976	1,414,828	154,943	255,176	2,531,923	2,766,979
Scholarship	920,001	-	-	-	-	920,001	1,090,405
Service Charges and Other Fees	-	86,454	58,559	8,820	5,758	159,591	160,733
Student and Staff Support	-	4,646	-	-	-	4,646	2,744
Travel & Entertainment	-	120,274	97,890	3,824	36,142	258,130	305,516
University Support	-	437,140	-	-	6,500	443,640	114,127
Utilities	-	-	945,257	-	-	945,257	862,464
	<u>\$ 920,001</u>	<u>\$ 1,938,466</u>	<u>\$ 7,538,997</u>	<u>\$ 267,655</u>	<u>\$ 880,682</u>	<u>\$ 11,545,801</u>	<u>\$ 12,505,593</u>

**UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.**  
**A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA**  
**CHAIRS UNDER EMINENT SCHOLARS PROGRAM**  
**SCHEDULE OF RECEIPTS, EXPENSES AND ENDOWMENT BALANCES**  
**YEAR ENDED JUNE 30, 2010**

Name of Gift	Beginning Corpus Balance	Beginning Net Balance	Corpus Contributed During the Year	Net Investment Earnings	Expenditures	Other Expenditures and Transfers	Fund Balance Net of Earnings, Expense & Transfers	Reclass for Spending	Loan From Unrestricted	Ending Corpus Balance	Ending Total Balance
William Craig Nystul Chair	\$ 1,210,852	\$ 1,160,008	\$ -	\$ 161,725	\$ 8,890	\$ 82,007	\$ 1,230,836	\$ -	\$ -	\$ 1,210,852	\$ 1,230,836
John C. Pace, Sr., Business Chair	1,000,000	954,583	-	133,085	7,316	67,484	1,012,868	-	-	1,000,000	1,012,868
John C. Pace, Sr., Memorial Eminent Scholar	2,644,500	2,580,980	-	359,833	19,780	182,463	2,738,570	-	-	2,644,500	2,738,570
John C. Pace, Jr., Distinguished University Professorship	3,966,750	3,871,470	-	539,748	29,668	273,695	4,107,855	-	-	3,966,750	4,107,855
Mary Ball Washington Chair	1,320,155	1,180,060	-	162,357	8,925	68,541	1,264,951	55,204	-	1,320,155	1,320,155
Total - Eminent Scholars Program	<u>\$ 10,142,257</u>	<u>\$ 9,747,101</u>	<u>\$ -</u>	<u>\$ 1,356,748</u>	<u>\$ 74,579</u>	<u>\$ 674,190</u>	<u>\$ 10,355,080</u>	<u>\$ 55,204</u>	<u>\$ -</u>	<u>\$ 10,142,257</u>	<u>\$ 10,410,284</u>

I hereby certify that the above is an accurate representation of the activity for this program.

  
 Susan Stephenson, Executive Director

08-31-10  
 Date

**UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.**  
**A COMPONENT UNIT OF THE UNIVERSITY WEST FLORIDA**  
**MAJOR GIFTS PROGRAM**  
**SCHEDULE OF RECEIPTS, EXPENSES AND ENDOWMENT BALANCES**  
**YEAR ENDED JUNE 30, 2010**

Name of Gift	Beginning	Beginning	Corpus	Investments			Fund Balance			Ending	Ending
	Corpus	Net	Contributed	Investment	& Other	Spending	Net of	Reclass	Loan from	Corpus	Total
	Balance	Balance	During the	Earnings	Expenses	Transfers	Earnings, Expenses	for	Unrestricted	Balance	Balance
			Year				& Transfers	Spending	Transfers		
Alexander Memorial Scholarship	\$ 282,852	\$ 228,927	\$ -	\$ 30,389	\$ 1,670	\$ 10,326	\$ 247,320	\$ 35,532	\$ -	\$ 282,852	\$ 282,852
Alfred duPont Foundation Scholarship	185,000	138,706	-	17,235	947	5,208	149,786	6,600	28,614	185,000	185,000
Bank of America	166,692	173,378	-	24,171	1,329	12,257	183,963	-	-	166,692	183,963
Baptist Hospital Fund	170,530	169,796	-	23,672	1,301	12,004	180,163	-	-	170,530	180,163
Barnett Bank Endowment	150,000	124,439	-	16,972	933	5,705	134,773	10,904	4,322	150,000	149,999
Blue Cross & Blue Shield Nursing Scholarship	150,000	113,277	-	15,138	832	5,101	122,482	5,606	21,913	150,000	150,001
C. L. Fountain Family Business Ethics	100,000	78,767	-	11,305	621	3,725	85,726	14,274	-	100,000	100,000
Cacilda Prado Pace Library Fund	150,000	109,797	-	15,089	829	3,757	120,300	29,700	-	150,000	150,000
Chadbourne Foundation - PJC/UWF	166,434	159,119	-	21,873	1,202	11,121	168,669	-	-	166,434	168,669
Chadbourne Foundation Business Ethics	200,000	147,148	-	19,499	1,072	4,903	160,672	69	39,259	200,000	200,000
Charles & Fran Switzer Business Ethics	198,774	156,713	-	21,485	1,181	7,206	169,811	28,963	-	198,774	198,774
CHARLOTTE	150,000	146,740	-	17,200	946	9,582	153,412	-	-	150,000	153,412
Dorothy Martin Endowment	150,000	139,730	-	19,225	1,057	8,116	149,782	219	-	150,000	150,001
E. W. Hopkins Jr., Professorship	175,343	176,940	-	24,668	1,356	12,509	187,743	-	-	175,343	187,743
Elizabeth R. Woolf	217,938	210,436	21,074	28,732	1,948	14,173	244,121	-	-	239,012	244,121
Gulf Power Electrical Engineering	152,700	115,784	-	15,318	842	5,184	125,076	18,452	9,172	152,700	152,700
Harold E. & Pat Marcus History/Archaeology	150,000	133,436	-	18,359	1,009	7,750	143,036	6,965	-	150,000	150,001
Jane & Fred Seligman Endowment	207,251	157,208	-	22,304	1,226	7,341	170,945	6,243	30,063	207,251	207,251
John C. Pace, Jr., Memorial Endowment	8,592,090	8,280,010	-	1,154,374	63,455	585,357	8,785,572	-	-	8,592,090	8,785,572
John C. Pace, Jr., Memorial Scholarship Fund	7,740,350	7,513,650	-	1,047,531	57,582	531,179	7,972,420	-	-	7,740,350	7,972,420
John L. Switzer Business Ethics	195,688	153,179	-	21,438	1,178	7,108	166,331	29,358	-	195,688	195,689
Katherine C. Pace Memorial Endowment	1,700,000	1,212,630	-	167,744	9,220	41,697	1,329,457	362,493	8,050	1,700,000	1,700,000
Kerrigan Daughters' Endowment	340,000	250,082	-	34,457	1,894	8,574	274,071	25,648	40,281	340,000	340,000
Kugelman Family Scholarship Endowment	185,563	187,326	-	26,148	1,437	13,251	198,786	-	-	185,563	198,786
Levin Fund	251,906	231,843	-	31,898	1,753	13,466	248,522	3,385	-	251,906	251,907
Mabie Fund	324,014	292,324	-	40,219	2,211	16,979	313,353	10,661	-	324,014	324,014
Mattie M. Kelly Music Education Fund	163,443	164,288	-	22,905	1,260	11,614	174,319	-	-	163,443	174,319
Maygarden Lecture Series	162,810	133,466	-	16,692	917	5,813	143,428	5,254	14,127	162,810	162,809
Medical Center Clinic Endowment	164,297	158,255	-	22,064	1,213	11,188	167,918	-	-	164,297	167,918

**UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.**  
**A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA**  
**MAJOR GIFTS PROGRAM**  
**SCHEDULE OF RECEIPTS, EXPENSES AND ENDOWMENT BALANCES**  
**YEAR ENDED JUNE 30, 2010**  
**(Continued)**

Name of Gift	Beginning	Beginning	Corpus	Investment	Investments	Spending	Fund Balance	Reclass	Loan	Ending	Ending
	Corpus	Net	Contributed				Net of				
	Balance	Balance	During the	Earnings	& Other	Transfers	Earnings, Expenses	Spending	from	Balance	Balance
			Year		Expenditures		& Transfers		Unrestricted		
National Defense Industrial Assoc Scholarship Endowment	\$ 150,000	\$ 112,888	\$ -	\$ 14,256	\$ 784	\$ 4,890	\$ 121,470	\$ 2,630	\$ 25,901	\$ 150,000	\$ 150,001
Orville Beckford Scholarship Endowment	150,050	135,542	-	18,648	1,025	7,872	145,293	4,757	-	150,050	150,050
Pickens Foundation for Education	160,132	153,040	-	21,336	1,173	10,819	162,384	-	-	160,132	162,384
Pre-Professional Endowment	165,338	177,597	-	24,762	1,361	12,556	188,442	-	-	165,338	188,442
Raymond C. Dyson Fund I	177,422	173,844	-	24,237	1,332	12,290	184,459	-	-	177,422	184,459
Raymond C. Dyson Fund II	162,282	156,246	-	21,783	1,197	11,046	165,786	-	-	162,282	165,786
Rotary Business Ethics	105,000	82,887	-	11,015	605	3,742	89,555	3,008	12,437	105,000	105,000
Sacred Heart Allied Health Endowment	163,897	166,759	-	23,249	1,278	11,789	176,941	-	-	163,897	176,941
Seymour Gitenstein Scholarship Endowment	200,000	134,392	-	25,421	1,397	8,814	149,602	13,477	36,921	200,000	200,000
Smart Chemistry Seminar Series	151,575	107,653	-	14,139	777	3,556	117,459	5,931	-	151,575	123,390
Switzer Brothers Professorship	581,859	451,188	-	61,937	3,405	20,669	489,051	92,808	-	581,859	581,859
T. T. Wentworth Junior History Curator	150,100	101,749	-	13,363	738	3,199	111,175	(982)	39,904	150,100	150,097
William D. Smart Seminar Series in Chem Endowment	151,575	107,653	-	14,138	777	3,556	117,458	5,989	28,127	151,575	151,574
Women's Athletic Trust Fund	166,332	155,982	25	21,470	1,180	9,033	167,264	-	-	166,357	167,264
<b>Total</b>	<b>\$ 25,579,237</b>	<b>\$ 23,474,814</b>	<b>\$ 21,099</b>	<b>\$ 3,257,858</b>	<b>\$ 179,450</b>	<b>\$ 1,516,025</b>	<b>\$ 25,058,296</b>	<b>\$ 727,944</b>	<b>\$ 339,091</b>	<b>\$ 25,600,336</b>	<b>\$ 26,125,331</b>

I hereby certify that the above is an accurate representation of the activity for this program.

  
 Susan Stephenson, Executive Director

08-31-10  
 Date