



Board of Trustees

UNIVERSITY of WEST FLORIDA

Audit and Compliance Committee Meeting Thursday, November 13, 2025 Zoom Webinar

[Zoom Webinar](#) | Passcode: 393156

Agenda

I. Call to Order

II. Roll Call

III. Greeting

IV. Public Comment

V. Approval of Minutes

- a. [August 14, 2025](#): Committee Meeting Minutes

VI. New Business

a. Action Items

- i. [AUD-1](#): Internal Audit Report: Athletics Budget Review and Athlete Degree Programs
- ii. [AUD-2](#): Internal Audit Report: Purchasing Card Audit (Q4 2024-25)
- iii. [AUD-3](#): Auditor General Audit Report: Operational Audit (Report No. 2026-18)
- iv. [AUD-4](#): UWF Business Enterprises, Inc. - Audited Financial Statements 2025
- v. [AUD-5](#): West Florida Historic Preservation, Inc. - Audited Financial Statements June 30, 2025
- vi. [AUD-6](#): UWF Foundation, Inc. Audited Financial Statements June 30, 2025

b. Information Items

- i. [INFO-1](#): IAMC Department Update

VII. Good of the Order

VIII. Adjournment

**Audit and Compliance Committee
August 14, 2025
UWF Conference Center
DRAFT Minutes**

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Committee Meeting

9:36 a.m.

The public was provided with information on the UWF Board of Trustees website to attend this public meeting in person in the UWF Conference Center or virtually through Zoom Webinar.

I. Call to Order

- A. The meeting of the UWF Board of Trustees Audit and Compliance Committee was called to order at 9:36 a.m. by Committee Chair Chris Young.

II. Roll Call

- A. Chair Young asked Anna Lochas to conduct roll call. Trustees Chris Young and Dick Baker were in attendance in person and Trustee Paul Hsu was in attendance virtually.
- B. Other Trustees in attendance included:
 1. Paul Bailey, Trista Bennett, Adam Kissel, Rebecca Matthews, Heather Riddell, Ashley Ross, Alonzie Scott, and Zack Smith were in attendance in person. Edward Fleming and Rachel Moya were in attendance virtually.
- C. Others in attendance included:
 1. Manny Diaz, Jr., Interim President; Jaromy Kuhl, Senior Vice President and Provost; Howard Reddy, Vice President of University Advancement; Betsy Bowers, Vice President of Finance and Administration; Mary Anderson, Interim Vice President and Dean of Students for Academic Engagement and Student Affairs; Clifford Humphrey, Chief of Staff and Vice President of Strategic Initiatives; Dave Scott, Associate Vice President for Athletics; Jamie Sprague, Chief Human Resource Officer; Julie Sheppard, Interim General Counsel; Anamarie Mixson, Assistant Vice President for the Office of the President; Abigail Megginson, Director, Government Relations; Alex Smith, Director of External Affairs; David Bryant, Chief Audit Executive; Matt Packard, Chief Compliance Officer; Dallas Snider, Vice Provost; Mohamed Khabou, Dean of Hal Marcus College of Science and Engineering; Allison Schwartz, Director of Undergraduate Research; Cass Boatwright, Director of Procurement and Contracts; and Anna Lochas, Board of Trustees Liaison.

III. Greeting

- A. Chair Young welcomed everyone to the meeting and noted that there were five action items and two information items on the Audit and Compliance Committee agenda.

IV. Public Comment

- A. Chair Young opened the floor for public comment. There was none.

V. Approval of Minutes

- A. Chair Young reminded the committee members that they had been given the opportunity ahead of time to review the minutes of the May 8, 2025, Audit and Compliance Committee meeting. Chair Young asked for a

motion to approve the minutes as presented if there were no changes or corrections.

1. Motion by: Trustee Baker
2. Seconded by: Trustee Hsu
3. Motion passed unanimously.

VI. New Business

A. Action Items

1. AUD-1: Internal Audit Report: Third Party Vendor Risk Management

- a. Chief Audit Executive, David Bryant, presented the first action item on the Internal Audit Report for Third Party Vendor Risk Management.
- b. Chair Young asked for a motion to accept the internal audit report for Third Party Vendor Risk Management as presented.
 - i. Motion by: Trustee Baker
 - ii. Seconded by: Trustee Hsu
 - iii. Motion passed unanimously.

2. AUD-2: Internal Audit Report: International Affairs Budget Review

- a. David Bryant presented the second action item on the Internal Audit Report for International Affairs.
- b. Chair Young asked for a motion to accept the internal audit report for International Affairs as presented.
 - i. Motion by: Trustee Baker
 - ii. Seconded by: Trustee Hsu
 - iii. Motion passed unanimously.

3. AUD-3: Internal Audit Report: Foreign Travel & Screening of Foreign Researchers

- a. David Bryant presented the third action item on the Internal Audit Report for Foreign Travel and Screening of Foreign Researchers.
- b. Chair Young asked for a motion to accept the internal audit report for Foreign Travel and Screening of Foreign Researchers as presented.
 - i. Motion by: Trustee Hsu
 - ii. Seconded by: Trustee Baker
 - iii. Motion passed unanimously.

4. AUD-4: 2024-25 Office of Compliance and Ethics Annual Report

- a. Matt Packard, Chief Compliance Officer, presented the fourth action item on the 2024-25 Office of Compliance and Ethics Annual Report.
- b. Chair Young asked for a motion to approve the Office of Compliance and Ethics Annual Report.
 - i. Motion by: Trustee Hsu
 - ii. Seconded by: Trustee Baker
 - iii. Motion passed unanimously.

5. AUD-5: 2025-2026 Office of Compliance and Ethics Work Plan

- a. Matt Packard presented the fifth action item on the 2025-2026 Office of Compliance and Ethics Work Plan.
- b. Chair Young asked for a motion to approve the Office of Compliance and Ethics 2025-2026 Work Plan.
 - i. Motion by: Trustee Hsu
 - ii. Seconded by: Trustee Baker
 - iii. Motion passed unanimously.

B. Information Items

1. INFO-1: Annual Fraud Awareness Training & Antifraud Framework Update

- a. Betsy Bowers, Vice President for Finance & Administration presented the first information item which was the Annual Fraud Awareness Training and Antifraud Framework Update.

2. INFO-2: Internal Auditing and Management Consulting Update

- a. David Bryant presented the second information item, which was an update on Internal Auditing and Management Consulting.

VII. Good of the Order

- A. Chair Young identified that all agenda items had been discussed. Chair Young asked if the committee members had any additional business to discuss. No other business was discussed.

VIII. Adjournment

10:25 a.m.

- A. Chair Young thanked those in attendance for their participation. With no other business to discuss, Chair Young adjourned the meeting at 10:25 a.m.

**Board of Trustees
Audit and Compliance Committee
November 13, 2025**

Internal Audit Report – Athletics Budget Review and Athlete Degree Progress

Recommended Action:

Acceptance of internal audit report issued.

Background Information:

We conducted an internal audit of Athletics Budget Review and Athlete Degree Progress. This audit was part of our 2024/25 approved audit work plan. The audit report was issued on October 2, 2025. The audit scope was April 1, 2024 through March 31, 2025. Our objectives were to evaluate internal controls over budgetary activities, identify and evaluate the financial impact of the Name, Image, and Likeness (NIL), and evaluate controls over athlete progress toward degree.

Results

Overall procedures and internal controls related to the Athletics' budgeting process seemed adequate and reasonable. There appear to be appropriate levels of oversight over the budget development process. At this time, UWF's athletic programs appear to be minimally impacted by Name, Image, and Likeness (NIL). UWF has implemented comprehensive mechanisms which appear effective for monitoring student progress, including student-athletes.

Recommendations

We made one observation in which improvements could be made. We recommended that for academic interventions assigned and monitored outside of the Navigate application, Athletics should retain documentation to evidence the student-athlete's completion of these interventions.

Implementation Plan:

Management has agreed to implement our recommendation by May 15, 2026.

Fiscal Implications:

Fiscal oversight by the Board of Trustees

Relevant Authority:

BOG Regulation 4.002

Supports Strategic Direction(s):

6: Operational Excellence

Supporting Documents:

1. Internal Audit Report – Athletics Budget Review and Athlete Degree Progress
 - a. Appendix A – Risk Rating Framework

Prepared by:

David J. Bryant, Chief Audit Executive, IAMC, President's Division, DBryant1@uwf.edu

Presenter:

David J. Bryant



Athletics Budget Review and Athlete Degree Progress

Audit Report # 25-26_001

**Internal Auditing & Management Consulting
October 2, 2025**

**David Bryant, CIA, CFE, CPA, CGFM, CGAP, CRMA
Chief Audit Executive**

SCOPE AND OBJECTIVES

We performed an audit of Athletics Budget and Athlete Progress Toward Degree for the period of April 1, 2024, through March 31, 2025. This audit was included in the 2024/25 approved audit work plan. Our objectives were to evaluate internal controls over budgetary activities, identify and evaluate the financial impact of the Name, Image, and Likeness (NIL), and evaluate controls over athlete progress toward degree.

Audit fieldwork began on April 29, 2025, and ended on August 28, 2025. Our audit conforms to the *Institute of Internal Auditors' Global Internal Audit Standards* and generally accepted auditing standards.

BACKGROUND

The University of West Florida (UWF), home of the Argonauts, features 15 intercollegiate varsity sports, including men's baseball, basketball, cross country, football, golf, soccer, and tennis and women's basketball, cross country, golf, softball, soccer, swimming and diving, tennis, and volleyball. UWF is a member of the Gulf South Conference¹ and competes at the Division II level of the NCAA.

The Department of Intercollegiate Athletics (Athletics) oversees and manages the University's competitive athletics program. While the collegiate level athletic landscape requires an investment in facilities, equipment, and support staff, the foundation of a successful and enduring program is also built on a commitment to strong administrative practices. Accordingly, this audit focuses on the following components that influence Athletics' operations:

- The Athletics' budget review process, to include governance and oversight.
- The potential financial impact of Name, Image, and Likeness (NIL).
- Student-athlete progress toward degree.

Athletics' Budget Process

The development of Athletics' budget is a multi-step process that typically begins in December of each year. The process is initiated when the Business Manager requests proposed "sub-budgets" from each head coach or unit leader. From December to February, these proposed sub-budgets are reviewed and discussed. As these sub-budgets are being created, the Business Manager is also preparing a budget for salaries and benefits. Once all preliminary budgets have been completed, a comprehensive draft budget is compiled. This comprehensive draft budget is first reviewed by key personnel within Athletics. The draft budget is then presented to the Athletic Budget Subcommittee for a detailed review of proposed expenditures and revenue sources. Once this step has been completed, the budget is presented to the University Budget Workgroup for any final adjustments. The budget is then presented to the University President for final approval. The budget approval process concludes in April, with submission of the finalized budget to the Budget Office.

¹ The University of West Florida's swimming and diving program competes in the New South Intercollegiate Swimming and Diving Conference (NSISC).

Name, Image, and Likeness

Name, Image, and Likeness generally refers to the personal “brand” of a student-athlete. The introduction of Name, Image, and Likeness laws, which allow for student-athletes to receive compensation from third parties for use of their personal brand, has introduced complexities to the operations of university-level athletics. NIL has the potential to impact the University financially, as well as affecting the success of athletic programs.

The University has taken steps to address the evolving NIL effects. The University has adopted University Policy AT-01.02-03/24, *Student-Athlete Name, Image, and Likeness*, which provides guidance to the University’s student-athletes participating in NIL activities. Within this guidance, the University outlines generally permissible and impermissible activities for student-athletes, the extent of institutional involvement, as well as other NIL-related directions.

Currently, the University does not directly pay student-athletes for their NIL. UWF has partnered with Influxer, a third-party licensed vendor, to provide an opportunity for student-athletes to monetize their name, image, and likeness through the sale of personalized merchandise.

Student-Athlete Academic Requirements

There are a wide variety of academic requirements student-athletes must meet to maintain eligibility for competition. Student-athletes must²:

- Be degree-seeking
- Meet semester-based credit hour requirements
- Meet a minimum GPA requirement
- Declare a major prior to entering their fifth full-time semester
- Remain in good academic standing with the University

To support student-athletes in their academic pursuits, Athletics has employed an Assistant Athletic Director of Academics & Student-Athlete Development. Acting as a liaison between the student-athlete, coaches, professors, and advisors, the assistant director monitors the student-athlete’s progress, with the goal ensuring satisfactory progress toward degree. Using a variety of resources, the assistant director reviews each student-athlete’s course grades, earned hours, and GPA, to confirm they align with the student-athlete’s degree program. Each student-athlete’s eligibility is then reported to the Compliance Senior Coordinator and coaches. This information is then reported to NCAA to ensure compliance with their requirements.

AUDIT METHODOLOGY

We reviewed applicable policies and procedures, departmental website information, financial information, and job descriptions. We reviewed pertinent Florida Statutes, Board of Governors Regulations, and NCAA rules/regulations. We interviewed key personnel within the department of Intercollegiate Athletics to gain an understanding of processes central to the audit. We

² A number of exemptions exist, depending on the student-athlete’s status (i.e., new, transfer, exchange, final semester before graduation).

assessed risk, evaluated internal controls in place, and used the results to develop a plan for audit testing.

We conducted audit testing to evaluate governance and oversight of the Athletics budgeting process, the impact of the NIL to University, and student-athlete academic progress.

CONCLUSION ON GOVERNANCE, RISK MANAGEMENT, AND CONTROLS

In our opinion, governance over the areas with responsibility for the processes, procedures, and activities related to the Athletics budgeting process, the evolving NIL landscape, and student-athlete progress toward degree, was sufficient to ensure that risks were being adequately considered and managed.

KEY OBSERVATIONS

Athletics' Budget Review Process

We reviewed Athletics' budgeting process to determine if overall procedures seemed adequate and reasonable. We interviewed the Business Manager, gained an understanding of the budgetary review workflow, determined key personnel associated with reviewing and approving the budget, performed a review of budget activities and documentation, and confirmed the existence of appropriate levels of oversight over the budget development process.

Name, Image, and Likeness Impact

We reviewed University policies and departmental procedures for NIL. We met with key personnel in Athletics to discuss related activities. Overall, the impact of NIL on most Division II schools, including the University, appears to be minimal, as Division II schools have fewer resources and less media exposure than larger Division I schools. Based on our research, testing, and discussions with key personnel:

- There do not appear to have been any quantifiable impacts on donations or athletics' revenue because of NIL
- The impact of NIL on the success of the University's athletic programs is undeterminable because:
 - The University is not explicitly aware of student-athletes that initially chose to attend other schools based on NIL opportunities
 - Student-athletes that transfer to other schools are not required to provide a reason for their transfer

At this time, UWF's athletic programs appear to be minimally impacted by NIL. Athletics' administrators indicated that if these impacts become significant, they would explore options for monitoring the effects and take steps to position the University to meet the needs of both its student-athletes and its Athletic program.

Athlete Progress Toward Degree

When a student-athlete is identified as needing academic intervention, Athletics makes resources available to the student-athlete. In some cases, academic interventions are assigned and monitored through Navigate360 (Navigate), the University's web-based student performance monitoring system. In other instances, academic interventions are assigned outside of Navigate,

and other mechanisms are used to monitor the student-athlete's progress. The comprehensive nature of these mechanisms appears effective for monitoring student progress, including student-athletes.

Only a small number of student-athletes require academic interventions. Because of the small sample size, our testing of these interventions was limited. Given our small non-statistical sample size, care should be taken when attempting to extrapolate the results of our testing to the entire population of student-athletes.

During audit testing, we observed one student-athlete who had been identified for academic intervention during the Fall 2024 semester. The student-athlete's assigned intervention was team study hall, which was monitored outside of the Navigate system. In this instance, documentation that the student-athlete completed the assigned intervention could not be provided. Athletics personnel stated that these records are overwritten each semester. See our recommended management actions.

RECOMMENDED MANAGEMENT ACTIONS

1. For academic interventions assigned and monitored outside of the Navigate application, we recommend that Athletics retain documentation to evidence the student-athlete's completion of these interventions.

We appreciate the cooperation, professionalism, and responsiveness of the employees who were involved in the audit.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David G. Bryant". The signature is fluid and cursive, with a large, stylized "B" at the end.

David Bryant, CIA, CFE, CPA, CGFM, CGAP, CRMA
Chief Audit Executive

REPORT DISTRIBUTION

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David Scott, Associate Vice President for Athletics
Jaime Hoelscher, Manager, FL Auditor General
Ken Danley, Supervisor, FL Auditor General
Julie Leftheris, BOG Inspector General
Kristie Johnson, BOT Coordinator

MANAGEMENT RESPONSES TO RECOMMENDATIONS

Recommendation #1

Management Response

Intercollegiate Athletics agrees. For interventions assigned and monitored outside of Navigate, we will retain documentation that evidences the student-athlete's completion of the intervention.

Responsible Party

Phil Ebert in coordination with head coaches

Targeted Implementation Date

May 15, 2026

Risk Prioritization: 1 of 1

Risk Rating³: Moderate

³ See Appendix A.

APPENDIX A – RISK RATING FRAMEWORK

Risk Rating	Criteria
High	<p>Significant internal control or risk management concern that if not corrected or mitigated could lead to serious consequences.</p> <p>Immediate attention from University personnel required.</p>
Moderate	<p>Minor procedural lapses, internal control gaps, and/or failure of defined controls which could lead adverse impacts.</p> <p>Timely attention from University personnel is warranted.</p>
Low	<p>Recommendation may lead to improvement in the quality and/or efficiency of the process or area audited, or conformance to best practices.</p> <p>Routine attention from University personnel is warranted.</p>

**Board of Trustees
Audit and Compliance Committee
November 13, 2025**

Internal Audit Report – Purchasing Card Audit (Q4 2024-25)

Recommended Action:

Acceptance of internal audit report issued.

Background Information:

We audited purchasing card activities for the period April 1, 2025 through June 30, 2025. During this period, there were approximately 7,200 transactions, totaling approximately \$3.87 million.

This audit was part of our 2024/25 approved audit work plan. The audit report was issued on August 25, 2025. Our objectives were to determine the extent of compliance with UWF PCard requirements by cardholders and approvers.

Results

We conducted audit testing to determine whether all transactions had been assigned to expense reports by cardholders. As of July 15, 2025, we noted that there were 61 transactions, totaling \$17,115.25, for 24 cardholders, which had not been assigned by a cardholder to an expense report.

We conducted audit testing to determine whether cardholders submitted their expense reports to their approvers by the established deadlines. For the quarter, we noted 88 expense reports which had not been submitted by the deadline of the 15th day of the subsequent month. In our report, we provided a breakdown of these exceptions by division.

We conducted audit testing to determine whether approvers had reviewed and approved expense reports by the established deadlines. For the quarter, we noted 54 expense reports which had not been approved by the deadline of the last day of the subsequent month. In our report, we provided a breakdown of these exceptions by division.

We selected 101 individual transactions, totaling \$761,851, which represented 19.88% of the \$3.87 million of transactions, to test for compliance with various PCard policies. We questioned the general ledger account coding of one transaction. In addition, there were 17 transactions, totaling \$52,341, for which we could not determine if the approver had reviewed the receipt before designating approval.

Recommendations

The exceptions noted in our report appeared to be isolated incidences, and did not appear to represent a lack of, or widespread failure of, established internal controls. As such, no recommendations were offered.

Implementation Plan:

N/A

Fiscal Implications:

Fiscal oversight by the Board of Trustees

Relevant Authority:

BOG Regulation 4.002

Supports Strategic Direction(s):

6: Operational Excellence

Supporting Documents:

1. Internal Audit Report – Purchasing Card Audit (Q4 2024-25)

Prepared by:

David J. Bryant, Chief Audit Executive, IAMC, President's Division, DBryant1@uwf.edu

Presenter:

David J. Bryant



Purchasing Card Audit (Q4 2024/25)

Audit Report # P24-25_003

Internal Auditing & Management Consulting
August 25, 2025

David Bryant, CIA, CFE, CPA, CGFM, CGAP, CRMA
Chief Audit Executive

SCOPE AND OBJECTIVES

We audited Purchasing Card (PCard) activities for the period of April 1, 2025 through June 30, 2025. This audit was included in the 2024/25 audit work plan. Our objectives were to determine the extent of compliance with UWF PCard requirements by cardholders and approvers.

Audit fieldwork began on July 1, 2025, and ended on August 25, 2025. Our audit conforms to the *Institute of Internal Auditors' Global Internal Audit Standards* and generally accepted auditing standards.

BACKGROUND

The UWF Office of Procurement and Contracts has approximately 350 PCards currently issued to employees. Employees are required to be trained in PCard policies and procedures before receiving a card or being assigned other PCard responsibilities. Between April 1, 2025 and June 30, 2025, there were approximately 7,200 transactions, totaling approximately \$3.87 million.

UWF uses Concur, a web-based travel and PCard system, to manage PCard and travel activities. The general timeline and description of PCard activities is as follows:

- All PCard charges uploaded from the credit card company (J.P. Morgan Bank) to Concur throughout a given month should be reviewed by the cardholder, who should save applicable invoices and other supporting documentation and assign the transaction to a Concur expense report. This report should be submitted to their approver by the 15th day of the next month (i.e. June 2025 transactions should be submitted by July 15).
- The approver should review the invoices included in the expense report and approve the report by the last day of the month (i.e. the expense report submitted by August 15 should be approved by August 31).

In October 2024, at the President's direction, the Vice President of Finance & Administration created a task force that recommended changes to PCard policies that would serve to strengthen general understanding of the policies and increase compliance with them. The implemented changes appear to have accomplished these objectives.

AUDIT METHODOLOGY

We extracted charge transaction information from Concur and from the J. P. Morgan Bank database. We performed the following test:

- Reconciliation of the activity recorded in Concur to the activity documented in the J.P. Morgan database to ensure all transactions were received into the Concur system

We extracted expense report details from Concur. We performed the following tests:

- All transactions were assigned to expense reports by the appropriate deadlines
- Expense reports were submitted by established deadlines
- Expense reports were approved by established deadlines
- Approval of the expense reports by the appropriate approvers was documented in Concur

For transactions assigned to expense reports, we selected transactions for testing based on a variety of attributes, including:

- Merchant Category Codes (MCC)
- Random cardholder activity
- Unusual/unknown vendors
- Transaction amounts

Merchant category codes, general ledger account numbers, and vendor names were examined to identify unusual transactions. We searched for duplicate transactions, those with invalid sales taxes added, and charges that might be split into smaller amounts to circumvent spending limits for individual cardholders. We reviewed a total of 101 individual transactions, totaling \$761,851, which represents 19.88% of the \$3.87 million of transactions for the April 1, 2025 to June 30, 2025 period.

We reviewed individual receipts/invoices to determine if Concur documented appropriate review by approvers.

KEY OBSERVATIONS

1. During our reconciliation of transactions recorded in Concur with transactions recorded in the J.P. Morgan Bank database, we noted one transaction, totaling \$1,179.42, which was not reflected in the J.P. Morgan Bank database, but was reflected in Concur. This discrepancy was the result of a setting in the J.P. Morgan Bank system for one cardholder. We contacted the Office of Procurement and Contracts, which researched the matter and resolved the discrepancy prior to issuance of this report.
2. During our review of Concur activity for the quarter, we noted as of July 15, 2025, there were 61 transactions, totaling \$17,115.25, for 24 cardholders, which had not been assigned by a cardholder to an expense report.
3. During our testing of expense reports, we noted cardholders had not submitted expense reports timely to their approver, which were due by 15th day after the end of the month. The details are as follows:

Transactions	Expense Report Due By	# of Expense Reports Not Submitted	# of Transactions Represented	Value of Transactions Represented
April 2025	05/15/25	9	50	\$14,578.31
May 2025	06/15/25	42	214	\$83,892.94
June 2025	07/15/25	37	198	\$31,813.34
Totals		88	462	\$130,284.59

The breakdown of the 88 **unsubmitted** expense reports for the quarter by division is as follows:

Cardholder Division	April 2025	May 2025	June 2025	Total
Academic Affairs	1	7	10	18
Academic Engagement and Student Affairs	1	4	5	10
Finance and Administration	0	3	1	4
Office of President*	7	27	21	55
University Advancement	0	1	0	1
Totals	9	42	37	88

*The Office of President Division, like other divisions, comprises multiple departments across the University. The exceptions noted above are spread across those departments. For the 55 unsubmitted expense reports during the quarter for the Office of the President Division, 45 were related to Athletics, 8 were related to the Small Business Development Center, and the remaining 2 were related to other departments.

- During our testing of expense report approvals, we noted expenses reports which had been submitted to the approver, but the approver had not acted on the reports by the end of the month. The details are as follows:

Transactions	Expense Report Approval Due By	# of Expense Reports Not Approved	# of Cardholders Represented	Value of Transactions Represented
April 2025	05/31/25	15	14	\$18,535.43
May 2025	06/30/25	21	16	\$25,209.00
June 2025	07/31/25	18	18	\$54,371.76
Totals		54	48	\$98,116.19

The breakdown of the 54 **unapproved** expense reports for the quarter by division is as follows:

Cardholder Division	April 2025	May 2025	June 2025	Total
Academic Affairs	8	12	9	29
Academic Engagement and Student Affairs	1	2	0	3
Finance and Administration	0	0	3	3
Office of President	6	7	6	19
University Advancement	0	0	0	0
Totals	15	21	18	54

Of the 18 expense reports for June 2025 transactions noted above that were not approved by July 31, 13 of the reports (72%) were not submitted for approval by the July 15 submission deadline, with 12 of the 13 reports being submitted on or after July 29, which severely limited the amount of time approvers had available to review and ultimately approve the reports by the end of the month, as required. We noted the same pattern of late submission of expense reports for the other months of the quarter as well.

5. All approved expense reports tested were approved by the appropriate approvers.
6. During our testing of transactions, we noted a variety of minor exceptions. The details are as follows:
 - a. We questioned the account coding for one of the 101 transactions, totaling \$247.71¹
 - b. We noted there was no evidence in Concur that the receipt was reviewed for 17 of the 101 transactions, totaling \$52,340.72²

For the 17 transactions for which Concur did not record evidence of receipt review, 9 were purchases in the Academic Affairs Division, 2 were purchases in the Division of Academic Engagement and Student Affairs, and the remaining 6 were purchases in the Office of the President Division.

The exceptions noted above appear to be isolated incidences, and do not appear to represent a lack of, or wide-spread failure of, established internal controls.

We appreciate the cooperation, professionalism, and responsiveness of the employees who were involved in the audit.

Respectfully submitted,



David Bryant, CIA, CFE, CPA, CGFM, CGAP, CRMA
Chief Audit Executive

¹ As this transaction occurred in the prior fiscal year, no adjusting entry has been recommended.

² Some approvers may have reviewed the 17 invoices/receipts noted in 6.b. above, however, the Concur application does not register such review if the approver only “hovers” over the invoice/receipt image with their mouse, without clicking on the item.

REPORT DISTRIBUTION

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Trustee Rebecca Matthews, BOT Chair

Trustee Chris Young, Chair BOT Audit & Compliance Committee

Trustee Dick Baker, BOT Audit & Compliance Committee

Trustee Paul Hsu, BOT Audit & Compliance Committee

Dr. Clifford Humphrey, Chief of Staff

Dr. Jaromy Kuhl, Provost

Dr. Mary Anderson, Interim VP and Dean of Students for Academic Engagement and Student Affairs

Betsy Bowers, VP of Finance and Administration

Howard Reddy, VP of University Advancement

Cass Boatwright, Director Procurement & Contracts

Jeffrey Djerlek, Controller

Jaime Hoelscher, Manager, FL Auditor General

Ken Danley, Supervisor, FL Auditor General

Julie Leftheris, BOG Inspector General

Anna Lochas, BOT Coordinator

**Board of Trustees
Audit and Compliance Committee
November 13, 2025**

Auditor General Audit Report – Operational Audit (Report No. 2026-18)

Recommended Action:

Acceptance of internal audit report issued.

Background Information:

The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations. This operational audit was conducted from February 2025 through June 2025 and focused on selected University processes and administrative activities.

Results

Finding 1: Required background screenings were not always obtained for individuals in positions of special trust or responsibility or at sensitive locations.

Finding 2: University controls over tangible personal property (TPP) need improvement.

Finding 3: University records did not demonstrate that historical treasures were properly accounted for or valued and recorded to support the amount reported on the University financial statements.

Finding 4: University purchasing card cancellations were not always made promptly.

Recommendations

Recommendation 1: The University should continue efforts to ensure that required level 2 background screenings are timely obtained and evaluated for each employee in a position of special trust or responsibility or at a sensitive location, and personnel decisions are made based on those evaluations.

Recommendation 2: The University should enhance controls to ensure proper accountability for University TPP. Such enhancements should ensure that University records reflect the accurate location of each TPP item and each TPP item is properly tagged.

Recommendation 3: The University should establish effective controls to ensure proper accountability over historical treasures. Such controls should include maintaining records identifying and describing each historical treasure and its related value in accordance with GAAP to support the amount reported on the University financial statements.

Recommendation 4: The University should enhance procedures to require and ensure that P-cards are promptly canceled upon a cardholder's separation from university employment.

Implementation Plan:

As further detailed in the responses included with the audit report, University management agreed with the audit findings. Action plans were created to address each of the findings. IAMC will monitor the implementation of these plans and include their status in its Audit Follow-Up Activities Report to the Committee.

Fiscal Implications:

Fiscal oversight by the Board of Trustees

Relevant Authority:

BOG Regulation 4.002

Supports Strategic Direction(s):

6: Operational Excellence

Supporting Documents:

1. AG Audit Report – Operational Audit (Report No. 2026-018)

Prepared by:

David J. Bryant, Chief Audit Executive, IAMC, President's Division, DBryant1@uwf.edu

Presenter:

David J. Bryant

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2026-018
September 2025

UNIVERSITY OF WEST FLORIDA



Sherrill F. Norman, CPA
Auditor General

Board of Trustees and President

During the 2024 calendar year, Dr. Martha D. Saunders served as President of the University of West Florida and the following individuals served as Members of the Board of Trustees:

Suzanne Lewis through 12-18-24, Chair ^a	Dr. Rachel Moya from 12-19-24
Jill Singer, Vice Chair	Ariauna Range through 4-7-24 ^b
Richard R. Baker	Alonzie Scott
Maggie Brown from 4-8-24 ^b	Robert D. Sires through 1-14-24 ^d
Dr. Paul Hsu	Stephanie White
Dr. Susan James ^c	

^a Chair position vacant from 12-19-24.

^b Student Body President.

^c Faculty Senate President.

^d Trustee position vacant from 1-15-24.

Note: Four Trustee positions were vacant for the entire calendar year.

The Auditor General conducts audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

The team leader was Helena Chappo, CPA, and the audit was supervised by Kenneth C. Danley, CPA.

Please address inquiries regarding this report to Jaime N. Hoelscher, CPA, Audit Manager, by e-mail at jaimehoelscher@aud.state.fl.us or by telephone at (850) 412-2868.

This report and other reports prepared by the Auditor General are available at:

FLAuditor.gov

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State of Florida Auditor General

Claude Pepper Building, Suite G74 · 111 West Madison Street · Tallahassee, FL 32399-1450 · (850) 412-2722

UNIVERSITY OF WEST FLORIDA

SUMMARY

This operational audit of the University of West Florida (University) focused on selected University processes and administrative activities and included a follow-up on findings noted in our report No. 2023-006. Our operational audit disclosed the following:

Finding 1: Required background screenings were not always obtained for individuals in positions of special trust or responsibility or at sensitive locations.

Finding 2: University controls over tangible personal property need improvement.

Finding 3: University records did not demonstrate that historical treasures were properly accounted for or valued and recorded to support the amount reported on the University financial statements.

Finding 4: University purchasing card cancellations were not always made promptly.

BACKGROUND

The University of West Florida (University) is part of the State university system of public universities, which is under the general direction and control of the Florida Board of Governors (BOG). The University is directly governed by a Board of Trustees (Trustees) consisting of 13 members. The Governor appoints 6 citizen members and the BOG appoints 5 citizen members. These members are confirmed by the Florida Senate and serve staggered 5-year terms. The Faculty Senate President and Student Body President also are members.

The BOG establishes the powers and duties of the Trustees. The Trustees are responsible for setting University policies, which provide governance in accordance with State law and BOG Regulations. The University President is selected by the Trustees and confirmed by the BOG. The University President serves as the Executive Officer and the Corporate Secretary of the Trustees and is responsible for administering the policies prescribed by the Trustees for the University.

FINDINGS AND RECOMMENDATIONS

Finding 1: Background Screenings

State law¹ requires universities to designate those positions that, because of special trust, responsibility, or sensitive location, require level 2 background screenings.² University policies³ require that a level 2 background screening be conducted prior to employment for individuals based on the responsibilities of the position. Those designated positions include, for example, employees working with minors or other

¹ Sections 110.1127 and 1012.915, Florida Statutes.

² Pursuant to Section 435.04, Florida Statutes, a level 2 background screening includes fingerprinting for Statewide criminal history records checks through the Florida Department of Law Enforcement, national criminal history records checks through the Federal Bureau of Investigation (FBI), and local criminal records checks through the FBI.

³ University Policy HR-20.02, *Recruitment, Selection, and Appointment*.

vulnerable populations; executive service personnel; and staff with access to cash, checks, purchasing cards, and financial account information. During the 2024 calendar year, the University had 1,258 positions required to obtain level 2 background screenings.

In April 2025, we requested for examination University records supporting level 2 background screenings for 29 selected University employees. We found that 1 employee had not undergone the required screening. Subsequent to our inquiry, the University identified an additional 20 employees who also lacked the required level 2 screening, including 17 employees hired from November 2018 through October 2023. According to University personnel, during that period, the University was unable to obtain level 2 background screenings through the FBI. Once the level 2 screenings resumed, the University requested the employees to obtain them. However, the screenings were not always obtained and, due to oversights, University personnel did not follow up to confirm that the screenings were conducted.

As of May 2025, level 2 background screenings had been obtained for 16 of the 18 employees who were still employed with the University and no unsuitable backgrounds were noted. Absent effective controls for monitoring and ensuring that required background screenings are timely obtained and evaluated, there is an increased risk that the University may employ individuals with unsuitable backgrounds.

Recommendation: The University should continue efforts to ensure that required level 2 background screenings are timely obtained and evaluated for each employee in a position of special trust or responsibility or at a sensitive location, and personnel decisions are made based on those evaluations.

Finding 2: Tangible Personal Property

University procedures⁴ require the University to keep records as to the assignment, accountability, transfer, and disposal of tangible personal property (TPP) for which the University has custody. The University Property Section must tag each TPP item costing \$5,000 or more, and departments are responsible for notifying the Property Section if applicable TPP does not have a tag.

On February 26, 2025, University TPP records identified 1,835 TPP items classified as furniture and equipment with costs totaling \$42.3 million. To evaluate controls over University TPP and compliance with University procedures, we selected 45 TPP items with costs totaling \$1.5 million from the University TPP records to locate on University premises. Seven (16 percent)⁵ of the 45 items could not be located and, while we located 38 of the items based on each item's recorded serial number, description, and location, 5 (13 percent)⁶ of the 38 items were not tagged.

In response to our inquiry, University personnel indicated that the control deficiencies mainly occurred because University procedures were not consistently followed. Absent effective controls over TPP and compliance with University TPP requirements, there is an increased risk that accountability for TPP will be diminished and that TPP may be lost, stolen, or misused.

⁴ The University *Property Guide*.

⁵ The total cost of the 7 TPP items was \$45,553 or 3 percent of the 45 TPP items' total cost.

⁶ The total cost of the 5 TPP items was \$112,836 or 8 percent of the 38 TPP items' total cost.

Recommendation: The University should enhance controls to ensure proper accountability for University TPP. Such enhancements should ensure that University records reflect the accurate location of each TPP item and each TPP item is properly tagged.

Finding 3: Historical Treasures

The *Interinstitutional Committee on Finance and Accounting Financial Statement Guide* provides, in part, that historical treasures are held for public exhibition, education, or research in furtherance of public service, rather than financial gain; and are protected, kept unencumbered, cared for, and preserved. Over the years, the University has collected historical treasures primarily consisting of personal papers, manuscripts, genealogical and business records, and other sources of information that document the history, geography, government, or people of the West Florida region.

Generally accepted accounting principles (GAAP)⁷ require historical treasures acquired by the University prior to the 2015-16 fiscal year to be measured at fair value⁸ and those acquired during or subsequent to that period to be measured at acquisition value.⁹ At June 30, 2024, the University financial statements reported \$20.2 million for historical treasures which, according to the University Web site, represented 800 collections including approximately 1.8 million items.

University personnel indicated that the value of most items ranged from about \$6 to \$33 each and that these values were assigned over 40 years ago and then increased by 10 percent in the 1999 calendar year to allow for inflation and other costs. While the University maintained an online catalog, primarily for research purposes, that indexed and described 384 collections and other items, we found that controls over the reported historical treasures could be enhanced. Specifically, the University did not maintain records identifying and describing all the items reported as historical treasures or each item's related value to support the historical treasures amount reported on the University financial statements at June 30, 2024.

In response to our inquiries, University personnel indicated that effective controls had not been established over historical treasures due, in part, to staffing limitations. Absent effective controls, the University does not have an accurate and complete record of its historical treasures and there is an increased risk that these items may not be properly valued and reported on the University financial statements.

Recommendation: The University should establish effective controls to ensure proper accountability over historical treasures. Such controls should include maintaining records identifying and describing each historical treasure and its related value in accordance with GAAP to support the amount reported on the University financial statements.

⁷ Government Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*.

⁸ Fair value is defined 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.

⁹ Acquisition value is defined as the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction or the amount at which a liability could be liquidated with the counterparty at the acquisition date.

Finding 4: Purchasing Card Cancellations

The University administers a purchasing card (P-card) program, which gives employees the convenience of purchasing low-cost items directly from vendors without using the purchase order process. The University *Procurement Card Reference Guide* (P-card Guide) requires that cardholders who are separating from University employment complete a separation clearance form that, among other things, notifies the P-card administrator to cancel the cardholder's P-card. Timely cancellation of P-cards upon cardholder employment separation is important to avoid misuse of the cards and because the financial institution that administers the University P-card program allows only 60 days to dispute charges.

During the 2024 calendar year, University P-card expenses totaled \$14.4 million and 409 P-cards were in use. University records indicated that 48 P-cards were canceled due to cardholder employment separations during that period. As part of our audit, we compared University P-card and personnel records for the 48 former cardholders and found that the University did not cancel the P-cards for 12 former employees, including 10 former temporary employees, until 7 to 475 days, or an average of 175 days, after the cardholders' employment separation dates. In response to our inquiries, University personnel indicated that the untimely cancellations primarily occurred because University personnel did not require temporary employees to complete a separation clearance form. Notwithstanding, the P-card Guide requires the form to be completed for all cardholders separating from University employment.

Although our examination of University records did not disclose any inappropriate charges after the employment separation dates of the 12 former employees, our procedures cannot substitute for the University's responsibility to implement adequate internal controls over P-card cancellations. The untimely cancellation of P-cards increases the risk for P-cards to be misused and may limit the University's ability to satisfactorily resolve disputed charges.

Recommendation: The University should enhance procedures to require and ensure that P-cards are promptly canceled upon a cardholder's separation from University employment.

PRIOR AUDIT FOLLOW-UP

The University had taken corrective actions for findings included in our report No. 2023-006.

OBJECTIVES, SCOPE, AND METHODOLOGY

The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted this operational audit from February 2025 through June 2025 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions

based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This operational audit focused on selected University processes and administrative activities.

For those areas, our audit objectives were to:

- Evaluate management's performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse, and in administering assigned responsibilities in accordance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines.
- Examine internal controls designed and placed in operation to promote and encourage the achievement of management's control objectives in the categories of compliance, economic and efficient operations, reliability of records and reports, and safeguarding of assets, and identify weaknesses in those controls.
- Determine whether management had taken corrective actions for findings included in our report No. 2023-006.
- Identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

This audit was designed to identify, for those areas included within the scope of the audit, weaknesses in management's internal controls significant to our audit objectives; instances of noncompliance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines; and instances of inefficient or ineffective operational policies, procedures, or practices. The focus of this audit was to identify problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining significance and audit risk and in selecting the particular transactions, legal compliance matters, records, and controls considered.

As described in more detail below, for those programs, activities, and functions included within the scope of our audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit; obtaining an understanding of the program, activity, or function; identifying and evaluating internal controls significant to our audit objectives; exercising professional judgment in considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

Our audit included the selection and examination of transactions and records, as well as events and conditions, occurring during the audit period of January 2024 through December 2024 and selected University actions taken prior and subsequent thereto. Unless otherwise indicated in this report, these records and transactions were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

An audit by its nature does not include a review of all records and actions of management, staff, and vendors and, as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, waste, abuse, or inefficiency.

In conducting our audit, we:

- Reviewed applicable laws, rules, University policies and procedures, and other guidelines, and interviewed University personnel to obtain an understanding of applicable processes and administrative activities and the related requirements.
- Evaluated the appropriateness of the University's comprehensive information technology disaster recovery plan and determined whether it had been recently tested.
- Examined University records for the 162 cash and investment bank account reconciliations completed for the audit period to determine whether they were timely performed and reviewed by appropriate University personnel.
- From the population of University tangible personal property (TPP) items recorded as furniture and equipment with costs totaling \$42.3 million as of February 26, 2025, selected for inspection 45 TPP items with recorded costs totaling \$1.5 million to determine whether the property items existed and were properly tagged as assets of the University.
- Requested for examination University records supporting historical treasure property items to determine whether detailed subsidiary records of the items were maintained and items were valued in accordance with generally accepted accounting principles.
- Examined University records supporting distance learning course fee revenue totaling \$2.3 million during the 2023-24 fiscal year to determine whether distance learning fees were assessed, collected, and separately accounted for in accordance with Section 1009.24(17), Florida Statutes.
- Evaluated University policies, procedures, and records supporting required level 2 background screenings to determine compliance with Sections 110.1127 and 1012.915, Florida Statutes. Specifically, from the 1,258 positions required to obtain level 2 background screenings, we requested for examination the screenings for 29 selected employees in those positions.
- From the population of contractual services expenses totaling \$38.5 million during the audit period, examined University records supporting 30 selected payments totaling \$5.4 million to determine whether the payments were reasonable, adequately documented, for a valid University purpose, properly authorized and approved, in compliance with applicable laws, rules, contract terms, and University policies; and whether applicable vendors were properly selected.
- From the population of 32,082 purchasing card (P-card) expenses totaling \$14.4 million during the audit period, examined University records supporting 30 selected P-card transactions totaling \$500,926 to determine whether the P-card program was administered in accordance with University policies and procedures and transactions were not of a personal nature.
- Examined P-card records for the 48 cardholders who separated from University employment during the audit period to determine whether the University promptly canceled the cardholders' P-cards.
- From the population of three major construction projects with total construction costs of \$12.8 million during the audit period, examined University records relating to one major construction project with total construction costs of \$5.9 million to determine whether:
 - The construction management entity (CME) was properly selected pursuant to Section 255.103, Florida Statutes.
 - Appropriate procedures addressing the negotiation and monitoring of general conditions costs had been established.

- University personnel properly monitored subcontractor selections and licenses.
 - Required insurance coverage was maintained by the CME.
 - Documentation supporting payments was sufficient and complied with the contract provisions.
 - Funding sources were allowable.
 - The University made use of its sales tax exemption to make direct purchases of materials or documented its justification for not doing so.
- From the population of Deferred Building Maintenance Program expenses totaling \$6.6 million during the audit period, examined University records supporting 16 selected expenses totaling \$5.8 million to determine whether the funds were expended in compliance with the restrictions imposed on the use of these resources in Chapter 2022-156, Laws of Florida, General Appropriations Act, Section 197.
 - Examined University records for the critical infrastructure project appropriated a total of \$20 million from the 2023-24 and 2024-25 General Appropriations Acts to determine if appropriate support was maintained.
 - Evaluated University policies and procedures to determine whether the University had appropriate controls in place to ensure vendor and employee information changes, such as address and bank information changes, were properly authorized, documented, and verified.
 - Inquired whether the University had any expenses or entered into any contracts under the authority granted by a state of emergency, declared or renewed during the audit period, to evaluate the reasonableness of University actions.
 - Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
 - Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.
 - Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions. Management's response is included in this report under the heading **MANAGEMENT'S RESPONSE**.

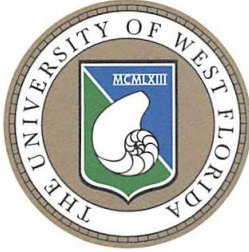
AUTHORITY

Section 11.45, Florida Statutes, requires that the Auditor General conduct an operational audit of each University on a periodic basis. Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.



Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE



Office of the President
11000 University Parkway
Pensacola, FL 32514

August 26, 2025

Ms. Sherill F. Norman, CPA
Auditor General
State of Florida
Claude Denson Pepper Building, Suite G74
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Ms. Norman,

This is the University of West Florida's acknowledgment of and response to the preliminary and tentative findings and recommendations, as transmitted by your correspondence of August 1, 2025. The responses relate to your operational audit of the:

University of West Florida
For the Audit Period of January through December 2024

Auditor General Finding 1 – Background Screenings

Required Level 2 background screenings were not always obtained for individuals in positions of special trust or responsibility or at sensitive locations.

Auditor General Recommendation 1

The University should continue efforts to ensure that required level 2 background screenings are timely obtained and evaluated for each employee in a position of special trust or responsibility or at a sensitive location, and personnel decisions are made based on those evaluations.

UWF Response to Finding 1

We agree with the observation and recommendation. The employees who were deficient were employees who were already hired, but the University was not able to conduct a level 2 background screen because of not having an ORI number for a period of time. The ORI number was removed by the FBI/FDLE for a number of years. In October 2023, the University received an ORI number again and was able to resume level 2 screens. Of the number mentioned in the report, two have not been level 2 screened. One is on extended medical leave and the other is out of the area until late August. Both will be screened upon returning to the University. The supervisor who was responsible for level 2 screening at the time has been removed from this duty. Processes have been put in place to ensure that a person is level 2 screened prior to hire or performing the duties in these positions of special trust.

office 850.474.2200
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uwf.edu

Responsible Auditee: Senior Associate Vice President/Chief Human Resource Officer
Implementation Date: September 30, 2025

Auditor General Finding 2 – Tangible Personal Property

University controls over tangible personal property need improvement.

Auditor General Recommendation 2

The University should enhance controls to ensure proper accountability for University TPP. Such enhancements should ensure that University records reflect the accurate location of each TPP item and that each TPP item is properly tagged.

UWF Response to Finding 2

We agree with the observation and recommendation. The University is adopting a new inventory tracking system, “*MyInventory*,” developed by the University of Florida. This streamlined application enables inventory tracking by room and supports uploading photos of both the inventory tag and the asset directly into the University’s existing ERP system. The transition to *MyInventory* is expected to significantly improve efficiency and accuracy compared to the current, more manual process.

Responsible Auditee: Senior Associate Vice President/Controller
Implementation Date: October 1, 2025

Auditor General Finding 3 – Historical Treasures

University records did not demonstrate that historical treasures were properly accounted for or valued and recorded to support the amount reported on the University’s financial statements.

Auditor General Recommendation 3

The University should establish effective controls to ensure proper accountability over historical treasures. Such controls should include maintaining records identifying and describing each historical treasure and its related value in accordance with GAAP to support the amount reported on the University’s financial statements.

UWF Response to Finding 3

We agree with the observation and recommendation. The University’s financial staff has reviewed relevant guidance and comparable disclosures, including those from agencies such as the National Archives. This review found that similar institutions exclude the value of historical treasures from their financial statements, instead disclosing the existence of the holdings without assigning a monetary value. In alignment with this practice, UWF will remove the previously reported amount from its fiscal year 2025 financial statements. The UWF Library, which maintains these historical treasures, will implement updates to more accurately reflect the nature and scope of the holdings without attributing a financial value.

Responsible Auditees: Senior Associate Vice President/Controller and Dean of Libraries
Implementation Date: August 1, 2025 (financial records) and March 31, 2026 (library holdings)

Auditor General Finding 4 – Purchasing Card Cancellations

University purchasing card cancellations were not always made promptly.

Auditor General Recommendation 4

The University should enhance procedures to require and ensure that P-cards are promptly canceled upon a cardholder's separation from University employment.

UWF Response to Finding 4

We agree with the observation and recommendation. To strengthen this process, the Procurement and Contracts Department will implement the following measures:

Automated Reconciliation

A daily report will automatically compare active cardholders against the University's active employee directory. Any discrepancies will trigger a notification to Procurement and Contracts. The Program Coordinator, or the Associate Director if unavailable, will initiate card termination.

Offboarding Integration

PCard termination is now included in the official employee separation checklist. The University's Separation Clearance form has been updated to include the following guidance: "*OPS staff who possess keys, a PCard, and/or University property are required to complete the form upon separation from UWF.*" Including OPS and temporary employees in this process is expected to enhance the timeliness of PCard cancellations, as the form is routed to Procurement—the department responsible for issuing PCards—for appropriate review and sign-off and recognize the importance of promptly terminating purchasing cards upon employee separation.

Training Enhancements

Cardholder, refresher, and supervisor training will now include guidance on terminating cards during separation or position changes.

Centralized Management

Procurement and Contracts is solely responsible for PCard terminations, with the Program Coordinator as the primary contact. The Associate Director will serve as backup. All terminations will be reviewed for compliance.

Escalation Protocol

If Procurement and Contracts is not notified of a separation within seven days, the matter will be escalated to the Vice President of Finance and Administration and the Chief Audit Executive. Departments with repeated violations may face disciplinary action and loss of Purchasing Card privileges.

Responsible Auditee: Director, Procurement & Contracts

Implementation Date: September 1, 2025

We find the Auditor General provides constructive assistance to us, as we strive to maintain an acceptable level of accountability.

Kind regards,



Manny Diaz, Jr.
Interim President

Cc: Ms. Rebecca Matthews, UWF BOT Chairman
Mr. Chris Young, UWF BOT Vice Chair and Audit & Compliance Committee (chair)
Ms. Rebecca Moya, UWF BOT Finance, Facilities, & Operations Committee (chair)
Mr. Paul Hsu, Audit & Compliance Committee
Mr. Dick Baker, Audit & Compliance Committee
Dr. Clifford Humphrey, Vice President, Strategic Initiatives/Chief of Staff
Dr. Jaromy Kuhl, Provost
Ms. Betsy Bowers, Vice President, Finance and Administration
Ms. Julie Sheppard, Interim General Counsel
Ms. Jamie Sprague, Associate Vice President/Chief Human Resource Officer
Mr. Jeffrey Djerlek, Sr. Associate Vice President/Controller
Ms. Cass Boatwright, Director, Procurement and Contracts
Mr. David Bryant, Chief Audit Executive

**Board of Trustees
Audit and Compliance Committee
November 13, 2025**

UWF Business Enterprises, Inc. - Audited Financial Statements June 30, 2025

Recommended Action:

Acceptance of the audited financial statements.

Background Information:

Pursuant to Florida Statute 1004.28¹ and BOG Regulation 9.011(5)², organizations affiliated with or through the University of West Florida (aka Direct Support Organizations) must be audited annually and presented to the University of West Florida Board of Trustees. The financial statements of UWF Business Enterprises, Inc. have been audited by independent certified public accountants for the fiscal year ending June 30, 2025.

Section 5 of the Master Management Agreement dated July 6, 2021 between the University of West Florida and UWF Business Enterprises, Inc. (BEI) states: *“Financial and Other Reports. The Corporation shall provide the University such reports and audits as are required by the Act or the MOU for Operations between the Parties.”*

The auditors found that these financial statements present fairly, in all material respects, the financial position of BEI as of June 30, 2025 and they found no instances of noncompliance.

Financial Highlights: BEI received its largest dining services commission yet of \$426,270 in 2024. Due to there being fewer First Time in College (FTIC) students in student housing who are required to purchase a mandatory meal plan, commissions in the fiscal year ending June 30, 2025, decreased to \$355,278.

Bookstore sales have been in decline over the last several years; however, this is considered beneficial to UWF students, since this decline is due to the increased availability of lower-cost course material options to students. The bookstore commissions received for the fiscal years June 30, 2024, and June 30, 2025, were \$270,553 and \$297,362, respectively. Commissions in the fiscal year 2025 were greater than the vendor’s minimum guarantee by \$29,736.

In its seventh year of management of the Argonaut Village facility, BEI earned rental income directly from tenant leases, with full occupancy during the fiscal year 2025.

¹ 1004.28(5)(a) “Each direct support organization shall provide for an annual financial audit of its accounts and records to be conducted by an independent certified public accountant in accordance with rules adopted by the Auditor General pursuant to s. 11.45(8) and by the university board of trustees. The annual audit report shall be submitted, within 9 months after the end of the fiscal year to the Auditor General and Board of Governors for review.”

² 9.011(5) “Support organizations shall provide for an annual audit conducted pursuant to university regulations or policies. The annual audit report shall be submitted to the university board of trustees for review.”

Implementation Plan:

N/A

Fiscal Implications:

Fiscal oversight by the Board of Trustees.

Relevant Authority:

Section 1004.28 Florida Statutes, BOG Regulation 9.011

Supports Strategic Direction(s):

6: Operational Excellence

Supporting Documents:

1. UWF Business Enterprises, Inc. - Audited Financial Statements June 30, 2025

Prepared by:

David J. Bryant, Chief Audit Executive, IAMC, President's Division, DBryant1@uwf.edu

Presenter:

David J. Bryant

UWF BUSINESS ENTERPRISES, INC.

FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

UNIVERSITY OF WEST FLORIDA BUSINESS ENTERPRISES, INC.
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
UWF Business Enterprises, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of UWF Business Enterprises, Inc. ("BEI"), a direct-support organization and component unit of the University of West Florida, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise BEI's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of UWF Business Enterprises, Inc. as of June 30, 2025 and 2024, and the changes in its financial position 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 audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 UWF Business Enterprises, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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

BEI's 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 UWF Business Enterprises, Inc.'s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' 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 GAAS 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 GAAS, 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 UWF Business Enterprises, Inc.'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 UWF Business Enterprises, Inc.'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 Matters

Required Supplementary Information

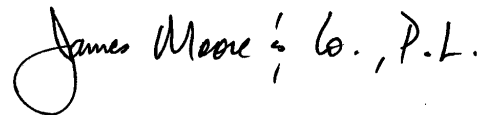
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

The schedule of general and administrative expenses, schedule of Argonaut Village and Schedule of GoLearn Expenses expenses are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the general and administrative expenses, schedule of Argonaut Village expenses and schedule of GoLearn expenses are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated on September 11, 2025 on our consideration of UWF Business Enterprises, Inc.'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 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 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 UWF Business Enterprises, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

Tallahassee, Florida
September 11, 2025

UNIVERSITY OF WEST FLORIDA BUSINESS ENTERPRISES, INC.
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024

This section of the UWF Business Enterprises, Inc.’s (“BEI”) annual financial report presents our discussion and analysis of the financial performance of BEI for the fiscal years ended June 30, 2025, 2024, and 2023. This discussion has been prepared by management.

Because the information contained in the Management’s Discussion and Analysis (“MD&A”) is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the Basic Financial Statements.

Reporting Entity

At the September 23, 2011, University of West Florida (“the University”) Board of Trustees meeting, a motion was passed unanimously by Board members to establish a new Direct Support Organization of the University under Florida Statute Section 1004.28 and University Regulation 5.016. BEI was established as a Florida not-for-profit corporation.

On October 18, 2011, BEI’s Articles of Incorporation were filed under the laws of the State of Florida and were certified by the Florida Department of State Division of Corporations on October 19, 2011.

BEI received official notice from the IRS of tax-exempt status under Section 501(c)(3) of the Internal Revenue Code on April 17, 2012. UWF Business Enterprises Inc. received tax-exempt status under code section 170(b)(1)(A)(v) as a governmental unit, political subdivision.

BEI was established to build and manage public-private partnerships, create new services and businesses to support the University campus community, and enhance current auxiliaries and businesses to increase alternative sources of revenue for the University.

BEI is focused on entrepreneurial ideas that will enhance academic training and enhance university-community life, allowing the University to continue to develop and grow, and increase revenue from alternative sources to further the University’s strategic priorities.

In May 2018, the University appointed Dr. Edward Ranelli, Dean Emeritus and Professor of the UWF College of Business, to serve as CEO. Previously, Dr. Ranelli was appointed as the President’s Designee to the BEI Board of Directors and then effective May 8, 2017, was elected to serve as BEI Board Treasurer.

In November 2022, the BEI Board of Directors approved a revision of the BEI Bylaws. The revised bylaws were approved by the UWF General Counsel in December 2022. The purpose of the revision included reducing the number of BEI board members. An election of officers was held in April 2023, and the number of BEI Board members decreased to three with a Chairperson, Vice Chairperson, and Secretary-Treasurer.

UNIVERSITY OF WEST FLORIDA BUSINESS ENTERPRISES, INC.
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024

Overview of the Financial Statements

The basic financial statements presented herein include all activities of BEI, as prescribed by statements of the Government Accounting Standards Board ("GASB"). BEI is a component unit of the University, from inception on October 18, 2011, through the period end, June 30, 2025.

The statement of net position presents information on all BEI's assets and liabilities. Assets less liabilities equal the organization's net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of BEI is improving or deteriorating.

The statement of revenues, expenses, and changes in net position presents information showing how BEI's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The statement of cash flows presents information about the cash receipts and cash payments of BEI from July 01, 2023, through June 30, 2024, and July 01, 2024, through June 30, 2025. It provides insight into the reasons for differences between operating income and associated cash receipts and payments, and the effects on BEI's financial position of its cash and its noncash investing, capital, and related financing transactions during the year.

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in BEI's basic financial statements. The notes are included immediately following the basic financial statements within this report.

Schedules provide supplementary information on expenses by BEI activity reported on the statement of revenues, expenses, and changes in net position. The schedules follow the notes to the basic financial statements.

Summary of Financial Condition

As noted earlier, net position may serve over time as a useful indicator of BEI's financial position.

UNIVERSITY OF WEST FLORIDA BUSINESS ENTERPRISES, INC.
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024

Condensed Statements of Net Position

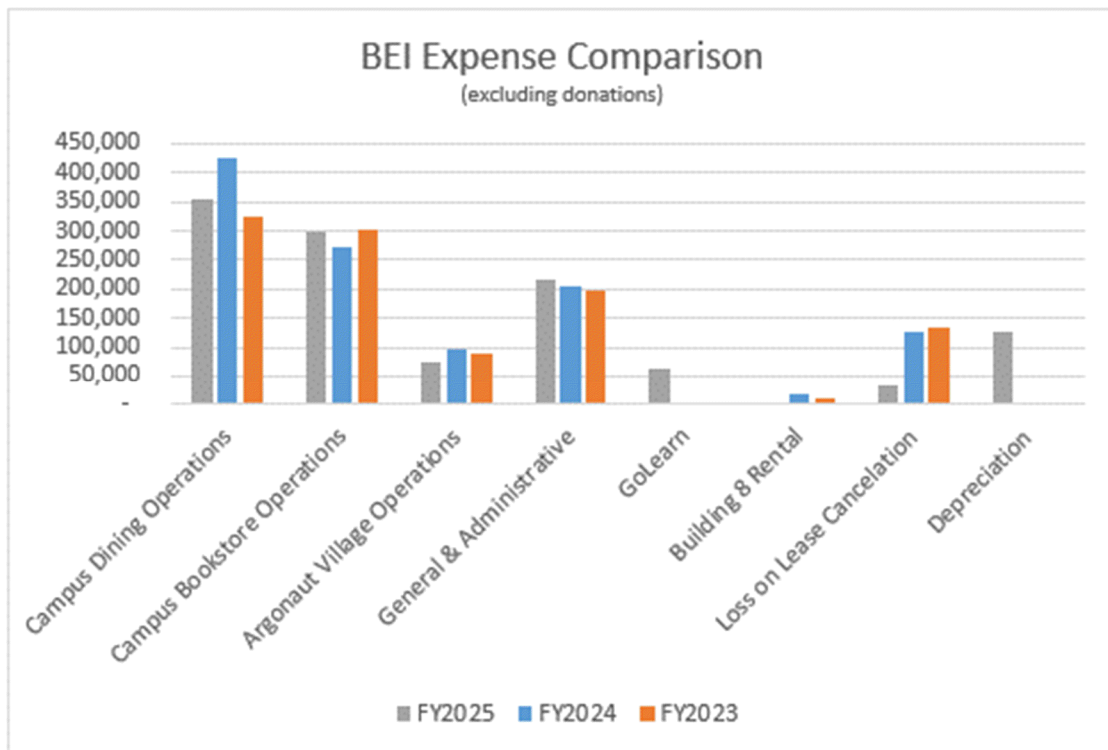
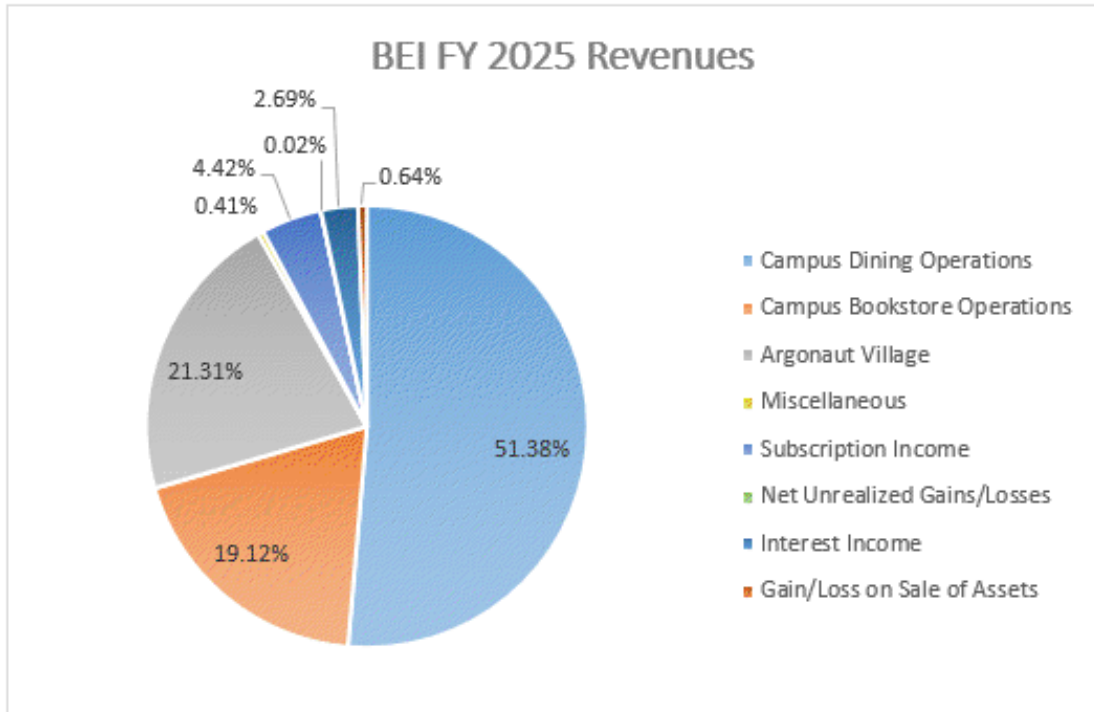
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Assets			
Total assets, excluding capital assets	\$ 3,526,444	\$ 3,606,816	\$ 2,946,267
Capital assets, net	<u>3,117,460</u>	<u>3,244,614</u>	<u>3,498,962</u>
Total Assets	<u><u>\$ 6,643,904</u></u>	<u><u>\$ 6,851,430</u></u>	<u><u>\$ 6,445,229</u></u>
Liabilities			
Current liabilities	\$ 619,355	\$ 676,557	\$ 600,140
Noncurrent liabilities	<u>6,517,489</u>	<u>6,776,915</u>	<u>7,304,986</u>
Total Liabilities	<u><u>\$ 7,136,844</u></u>	<u><u>\$ 7,453,472</u></u>	<u><u>\$ 7,905,126</u></u>
Deferred Inflows	<u><u>\$ 1,737,728</u></u>	<u><u>\$ 2,018,983</u></u>	<u><u>\$ 1,868,341</u></u>
Net Position			
Investment in capital assets	3,117,460	3,244,614	3,498,962
Unrestricted	<u>(5,348,128)</u>	<u>(5,865,639)</u>	<u>(6,827,200)</u>
Total Net Position	<u>(2,230,668)</u>	<u>(2,621,025)</u>	<u>(3,328,238)</u>
Total Liabilities, Deferred Inflows and Net Position	<u><u>\$ 6,643,904</u></u>	<u><u>\$ 6,851,430</u></u>	<u><u>\$ 6,445,229</u></u>

UNIVERSITY OF WEST FLORIDA BUSINESS ENTERPRISES, INC.
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024

**Condensed Statements of Revenues, Expenses and
Changes in Net Position**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Revenues			
Food Service Commissions	\$ 355,278	\$ 426,270	\$ 323,572
Bookstore Commissions	297,362	270,553	301,690
Deferred Revenues	443,749	528,071	543,071
Building Eight Rent	-	-	30,189
Argonaut Village Rent	331,475	336,925	323,439
Subscription Income	68,794	-	-
Contributions and In-kind	6,426	6,166	6,689
Miscellaneous Income	-	351	195
Total Revenues	<u>1,503,084</u>	<u>1,568,336</u>	<u>1,528,845</u>
Expenses			
Food Service Management	355,277	426,275	323,969
Bookstore Management	297,362	270,553	301,690
General and Administrative	214,906	204,967	198,671
Building Eight	-	18,479	8,871
Argonaut Village	73,228	96,429	88,581
GoLearn	64,220	-	-
Depreciation	127,154	126,384	133,261
Total Expenses	<u>1,132,147</u>	<u>1,143,087</u>	<u>1,055,043</u>
Non-Operating Revenue(Expenses)			
Contributions to UWF	-	-	(3,015)
Gain(loss)	10,000	243,886	-
Interest Income	41,852	37,293	5,856
Unrealized Gain	344	785	-
Loss on Lease Cancellation	(32,776)	-	-
Total Non-Operating Revenue(Expenses)	<u>19,420</u>	<u>281,964</u>	<u>2,841</u>
Change in net position	<u>390,357</u>	<u>707,213</u>	<u>476,643</u>
Net position - July 1	(2,621,025)	(3,328,238)	(3,804,881)
Net Position - June 30	<u><u>\$ (2,230,668)</u></u>	<u><u>\$ (2,621,025)</u></u>	<u><u>\$ (3,328,238)</u></u>

UNIVERSITY OF WEST FLORIDA BUSINESS ENTERPRISES, INC.
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024



UNIVERSITY OF WEST FLORIDA BUSINESS ENTERPRISES, INC.
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024

Financial Highlights

In the fiscal year ending June 30, 2022, BEI received \$224,081 in commissions. The fall and spring sessions of the fiscal years 2023 and 2024 proved to be a solid return to pre-pandemic faculty and staff attendance on campus. BEI received its largest commission since entering into the Management Services Contract at \$426,270. Due to there being fewer First Time In College (FTIC) students in student housing who are required to purchase a mandatory meal plan, commissions in the fiscal year ending June 30, 2025, decreased to \$355,278.

Due to the disruption of regular operations in response to the global pandemic, BEI and Aramark entered into a Memorandum of Understanding (MOU) agreement on July 14, 2020. The amendment supplements the original agreement and most notably waives the right to receive the full minimum guaranteed annual commission for 2020. In November 2020, a second amendment was signed. It essentially eliminated the minimum guaranteed commission for the fiscal year 2021, extinguished the rollover of in-kind catering balances remaining, and extended the amortization period of the capital dining improvements by five (5) years until May 2038. In June 2022, a third amendment was signed. It again removed the minimum guarantee and changed the commission rate from 6% to 5% for the fiscal year 2022. To grow the dining program, two (2) new commuter Dining Dollar meal plans were created for fall 2021. These plans offered great value at an affordable rate that gave the student flexibility in their dining choices. In June 2023, a fourth amendment was signed. It sustained the removal of the minimum guarantee and changed the commission rate from 6% to 7% for the fiscal year 2024. In November 2024, a fifth amendment was signed, which deleted the minimum guarantee from the MOU agreement, set the commission rate at 6%, and extended the amortization period of the capital dining improvements by five (5) years until June 2043. Per the agreement, the commission rate and meal plan increases will be negotiated annually through the life of the contract. In the fifth amendment, Aramark agreed to fund \$300,000 for the renovation of the Pace Coffee House, \$425,000 for the new drop program, and another \$350,000 for Chick-Fil-A renovations.

While the bookstore sales have been in decline over the last several years, these previous sales declines have not been a significant concern to BEI management because this reduction is generally due to the increased availability of lower-cost course material options to students. These lower-cost options are beneficial to both UWF students and the University metrics. To compensate for the sales declines, the bookstore has continued to increase merchandise sales in the fiscal years 2024 and 2025. The bookstore commissions received for the fiscal years June 30, 2024, and June 30, 2025, were \$270,553 and \$297,362, respectively. Commissions in the fiscal year 2025 were greater than the vendor's minimum guarantee by \$29,736. In July 2020, UWF-BEI and Follett executed Amendment 4 to their operating agreement, dated 2009, to include the Follett ACCESS Program Course Materials. This program delivers all required course materials to students as part of their tuition, thus ensuring students have all required course material on or before the first day of class. In February 2025, UWF-BEI and Follett executed Amendment 8 to their operating agreement to include \$1.0 million in cash advances for contract renewals, implementation of the Equity Access Program (EAP), as well as bookstore renovation and upgrades. Follett also agreed to annually fund an accounting position to assist with the billings and collections of student receivables.

UNIVERSITY OF WEST FLORIDA BUSINESS ENTERPRISES, INC.
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024

BEI assumed the management responsibility of the East Campus (Argonaut Village) retail location upon the termination of the contract with the prior dining services vendor on May 6, 2018. In its seventh year of management of the Argonaut Village facility, BEI earned rental income directly from tenant leases, with full occupancy during the fiscal year 2025.

BEI has a significant vendor who is behind on payments. The payments due to BEI are anticipated to be fully collected.

In May 2025, BEI began hosting the GoLearn app, a tutorial venture with the UWF Center for Behavioral Analysis. The GoLearn app consists of BCBA test prep study materials that include digital content, flashcards, quizzes, mock exam questions, and video content related to learning behavior analytic content and preparation for the BCBA licensing examination.

Due to BEI accomplishing full operations, the CEO's salary was taken on at full cost during the fiscal year 2023. To further improve financial operations, BEI initiated an Investment Policy and opened investment accounts in April 2023. BEI investments resulted in interest income for fiscal years June 30, 2024, and June 30, 2025, of \$37,293 and \$41,852, respectively.

Campus Bookstore and Dining

BEI receives commissions based on sales from both the dining services and bookstore services vendors for campus operations. From these funds, BEI provides agreed-upon, budgeted payments to the University for direct auxiliary support management and reserves.

In the spring of 2017, BEI requested formal presentations/proposals from alternative dining services providers for operation of the University's resident dining facility, operation of the campus retail dining establishments, including new competitive franchises, catering services, concession services for UWF Intercollegiate Athletics and other events, and operation of the Starbucks located at the Argonaut Village facility. During early summer 2017, the financial proposals were reviewed, leading to concurrence to proceed with the initial steps for the transition to a new dining services provider.

BEI entered into a Management Services Contract with Aramark effective May 6, 2018. The initial term of the agreement is ten (10) years, with an option to extend for an additional five (5) years upon agreement of both parties. Under the Management Services Contract, BEI is paid a commission during each operating year of the agreement. After the execution of the contract, BEI received \$6.1 million from Aramark to repay the unamortized balance of the capital investments and the balance of unearned advanced commission BEI owed to the former dining services vendor. BEI also received \$900,000 as an unrestricted grant to be used in furthering BEI's mission. The new dining services vendor also made a financial commitment to BEI in the agreement to invest \$3.575 million for dining facility renovations, including the purchase and installation of food service equipment and signage. The \$6.1 million contract buyout funds, the \$900,000 unrestricted grant, and the \$3.575 million capital investment are recorded as unearned income and amortized to revenue on a straight-line basis. Upon expiration or termination of the Management Services Contract by either party before the complete amortization of the capital investments disbursed as of the date of expiration or termination, BEI must reimburse the dining services vendor for the unamortized balances within 120 days.

UNIVERSITY OF WEST FLORIDA BUSINESS ENTERPRISES, INC.
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024

Certain capital investments made by the dining services and bookstore services vendors under the respective agreements with BEI ultimately become the property of the University. In recognition of this transfer of capital investments completed and placed into service, BEI's Statement of Revenues, Expenses, and Changes in Net Position reports a donation from BEI to the University. Donation from the dining services vendor was \$1.050 million for the fiscal year ended June 30, 2020. After these expenditures, the \$3.575 million capital investment commitment has a small balance remaining of about \$200 thousand. These funds are planned for use to refresh dining facilities in the future.

BEI and Follett Higher Education Group, Inc. entered into a Bookstore Operating Agreement on August 18, 2009. Effective November 15, 2016, BEI and the bookstore services vendor entered into Amendment Number Three to the Bookstore Operating Agreement, Amendment Number Three provided the following terms: extended the contract for an additional two (2) year period through September 30, 2024; confirmed the remaining unamortized balance of the initial contribution made in October 2012 will continue to be amortized through September 30, 2022; increased the commission rate for the period from July 1, 2022, through the end of the contract term; and provided for an investment of \$300,000 to be allocated to the build-out of the Argonaut Village Argo Fan Shop and renovations to the main campus bookstore. As of June 30, 2021, approximately \$295,000 was invested by the bookstore services vendor in the Argonaut Village Argo Fan Shop. The University bookstore vendor actively and continuously seeks avenues to improve service to the campus community.

Follett began operations in the new Argo Fan Shop located at the Argonaut Village facility in fiscal year 2018 and terminated the lease effective May 31, 2021. The Argo Fan Shop sold only UWF-branded gifts, clothing, and accessories. The Bookstore has continued its partnership with UWF Intercollegiate Athletics and is again the official provider of UWF emblematic merchandise at the home football games held on campus.

Argonaut Village

As part of the capital improvements under the Main Campus Dining Agreement, the former dining services vendor invested \$3.85 million to develop and construct over 13,100 gross square feet of mixed-use commercial and restaurant buildings at the east entrance of campus. The East Campus/Argonaut Village facility construction of the building shell level was completed in 2015. BEI executed a Lease Agreement with the former dining services vendor to sub-lease the space (i.e., act as Property Manager on behalf of BEI) to various businesses for operation. Upon termination of the Main Campus Dining Agreement effective May 5, 2018, the Lease Agreement terminated. On May 6, 2018, management of the Argonaut Village facility became the responsibility of BEI. BEI entered into lease agreements with the current tenants. Build-outs for all the units were complete as of 2019. The facility was fully leased with the occupancy of Building 1 in September 2019. Build-out costs for Building 1 of \$614 thousand were shared with the tenant. In February 2020, BEI made a capital improvement of about \$14 thousand with the installation of an exterior electric sign. In June 2024, the exterior electric sign was disposed of, and BEI made a capital investment of about \$102 thousand with the installation of a new exterior digital sign, which identifies the shopping center by name.

UNIVERSITY OF WEST FLORIDA BUSINESS ENTERPRISES, INC.
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024

Other Items

BEI continues to focus strategically on Argonaut Village development and management. There have been recent changes to the Designated Support Organization (DSO) Florida Statute Section 1004.28. Under the new legislative guidelines, BEI will continue to evaluate its purpose to advance the mission of the University.

Currently, as part of the focus on advancing the mission of the University, BEI has partnered with the UWF Center for Behavioral Analysis and has begun hosting the GoLearn app, which consists of BCBA test prep study materials that include digital content, flashcards, quizzes, mock exam questions, and video content related to learning behavior analytic content and preparation for the BCBA licensing examination.

Requests for Information

Questions concerning any of the information provided in this report or requests for additional financial information should be directed to UWF Business Enterprises, Inc., 11000 University Parkway, Building 20E, Pensacola, FL 32514

UWF BUSINESS ENTERPRISES, INC.
STATEMENTS OF NET POSITION
JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 389,297	\$ 1,177,791
Certificates of deposit	814,667	-
Accounts receivable, net	87,983	130,094
Prepaid expenses and other assets	22,570	23,853
Lease receivable	141,730	131,752
Investments	294,165	99,656
Interest receivable, leases	5,797	6,637
Total current assets	<u>1,756,209</u>	<u>1,569,783</u>
Noncurrent assets		
Long term lease receivable	1,770,235	2,037,033
Capital assets, net	3,117,460	3,244,614
Total assets	<u><u>\$ 6,643,904</u></u>	<u><u>\$ 6,851,430</u></u>
<u>LIABILITIES</u>		
Current liabilities		
Accounts payable	\$ 65,501	\$ -
Accrued liabilities	4,141	8,068
Due to the University of West Florida	105,964	140,418
Unearned service and management arrangement income, current portion	443,749	528,071
Total current liabilities	<u>619,355</u>	<u>676,557</u>
Noncurrent liabilities		
Unearned service and management arrangement income, long term portion	6,517,489	6,776,915
Total Liabilities	<u><u>\$ 7,136,844</u></u>	<u><u>\$ 7,453,472</u></u>
<u>DEFERRED INFLOWS</u>		
Deferred inflows		
Leases	\$ 1,737,728	\$ 2,018,983
Total Deferred Inflows	<u><u>\$ 1,737,728</u></u>	<u><u>\$ 2,018,983</u></u>
<u>NET POSITION</u>		
Net position		
Net investment in capital assets	\$ 3,117,460	\$ 3,244,614
Unrestricted	(5,348,128)	(5,865,639)
Total Net Position	<u><u>\$ (2,230,668)</u></u>	<u><u>\$ (2,621,025)</u></u>

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

UWF BUSINESS ENTERPRISES, INC.
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Operating revenues		
Food service commissions	\$ 355,278	\$ 426,270
Bookstore commissions	297,362	270,553
Service and management arrangements	443,749	528,071
Lease revenue	331,475	336,925
Subscription Income	68,794	-
Miscellaneous income	6,426	6,517
Total operating revenues	<u>1,503,084</u>	<u>1,568,336</u>
Operating expenses		
Food service management	355,277	426,275
Bookstore management	297,362	270,553
General and administrative	214,906	204,967
Building Eight	-	18,479
Argonaut Village	73,228	96,429
GoLearn	64,220	-
Depreciation	127,154	126,384
Total operating expenses	<u>1,132,147</u>	<u>1,143,087</u>
Operating income	<u>370,937</u>	<u>425,249</u>
Nonoperating revenues (expenses)		
Interest income	41,852	37,293
Unrealized gain on investments	344	785
Loss on Lease Cancellation	(32,776)	-
Gain on sale of capital assets	10,000	243,886
Total nonoperating revenues (expenses)	<u>19,420</u>	<u>281,964</u>
Change in net position	<u>390,357</u>	<u>707,213</u>
Net position, beginning of year	(2,621,025)	(3,328,238)
Net position, end of year	<u><u>\$ (2,230,668)</u></u>	<u><u>\$ (2,621,025)</u></u>

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

UWF BUSINESS ENTERPRISES, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Cash flows from operating activities		
Cash received from contracts	\$ 1,177,852	\$ 906,322
Cash payments to suppliers for goods and services	(976,590)	(924,201)
Net cash provided by (used in) operating activities	<u>201,262</u>	<u>(17,879)</u>
Cash flows from investing activities		
Purchase of certificate of deposit	(814,667)	-
Proceeds from redemption of certificate of deposit	-	176,981
Purchase of investments	(294,165)	(98,871)
Proceeds from sale of investments	100,000	-
Investment income	41,852	37,293
Net cash provided by (used in) investing activities	<u>(966,980)</u>	<u>115,403</u>
Cash flows from capital and related financing activities		
Purchase of capital assets	-	(102,375)
Loss on lease cancellation	(32,776)	
Sale of capital asset	10,000	461,500
Net cash provided by financing activities	<u>(22,776)</u>	<u>359,125</u>
Increase (decrease) in cash and cash equivalents	<u>(788,494)</u>	<u>456,649</u>
Cash and cash equivalents, beginning of year	1,177,791	721,142
Cash and cash equivalents, end of year	<u><u>\$ 389,297</u></u>	<u><u>\$ 1,177,791</u></u>
Reconciliation of operating income to net cash provided by (used in) operating activities:		
Operating income	\$ 370,937	\$ 425,249
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Depreciation	127,154	126,384
Loss on disposal of assets	-	12,725
Decrease (increase) in accounts receivable	42,111	(86,622)
Decrease (increase) in prepaid expenses	1,283	3,360
Decrease (increase) in lease receivable	256,820	(202,723)
Decrease (increase) in interest receivable	840	4,760
Increase (decrease) in due to UWF	(34,454)	77,192
Increase (decrease) in accounts payable	65,501	-
Increase (decrease) in accrued liabilities	(3,927)	(775)
Increase (decrease) in unearned revenue	(343,748)	(528,071)
Increase (decrease) in deferred inflows	(281,255)	150,642
Total adjustments	<u>(169,675)</u>	<u>(443,128)</u>
Net cash provided by (used in) operating activities	<u><u>\$ 201,262</u></u>	<u><u>\$ (17,879)</u></u>

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

UWF BUSINESS ENTERPRISES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(1) Summary of Significant Accounting Policies:

The following is a summary of the more significant accounting policies of UWF Business Enterprises, Inc. ("BEI"), which affect significant elements of the accompanying financial statements:

(a) **Organization and operations**— UWF Business Enterprises, Inc. was formed in 2011 as a Florida corporation, organized as a direct support organization of the University of West Florida (the University or UWF) under Section 1004.28, Florida Statutes, and Rule 6C-9.011, Florida Administrative Code, and therefore is considered a component unit of the University. BEI was organized for the explicit purpose of supporting the University of West Florida by the development of properties and facilities used or useful in the University's educational endeavors, to lessen the burdens of government and provide assistance to the faculty, staff and students of the University. BEI is a public charity under section 501(c)(3) of the Internal Revenue Code.

(b) **Basis of presentation and accounting**— Basis of accounting refers to when revenues, expenses and related assets and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurements focus applied.

The accompanying financial statements of the business-type activities of BEI have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Government Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. BEI applies all applicable GASB pronouncements.

BEI uses enterprise fund accounting. The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

(c) **Operating revenues and expenses**—Operating revenues and expenses generally result from providing services in connection with Dining Services, Bookstore Services, and Argonaut Village. Operating revenues are from commissions, service and management arrangements, contributions in kind and rental operations. Operating expenses are primarily from food and bookstore management, management of rental facilities, donations to the University, general and administrative, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

(d) **Cash and cash equivalents**— For the purposes of reporting cash flows, BEI considers all cash accounts and certificates of deposit with original maturities of three months or less to be cash or cash equivalents.

(e) **Accounts receivable**—Accounts receivable are stated net of an allowance for doubtful accounts. BEI estimates for doubtful accounts based on an analysis of certain customers taking into consideration the age of the past due accounts and an assessment of the customer's ability to pay. Accounts are considered past due when the payments due are not made within certain designated timeframes. Allowance for doubtful accounts was \$0 at June 30, 2025 or 2024.

UWF BUSINESS ENTERPRISES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(1) **Summary of Significant Accounting Policies:** (Continued)

(f) **Due to/from the University of West Florida**—Due to the University of West Florida, includes commissions owed to the University by BEI related to bookstore and dining operations.

(g) **Investments**—In general, investments are reported at fair value when available. BEI categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

(h) **Capital assets**— Capital assets consist of land, buildings and improvements, equipment, furniture and fixtures, and construction in progress. Assets are capitalized and recorded at cost at the date of acquisition or at estimated acquisition value at the date received in the case of donations. Additions, improvements, and other outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. BEI has a capitalization threshold of \$50,000 for buildings, building improvements, infrastructure, infrastructure improvements, and leasehold improvements and a \$5,000 capitalization threshold for tangible personal property. Depreciation is calculated on the straight-line basis over the following estimated useful lives of the related assets:

Buildings	40 Years
Maintenance Equipment	7 to 10 Years
Furniture and Fixtures	7 Years
Office Equipment	5 Years
Software	5 Years

(i) **Lease receivable**— BEI receives rental income from several vendors who lease space from BEI. Typically, rental agreements are structured with payment increases over the life of the lease. BEI recognizes revenue with lease assets and liabilities, per GASB 87. As per GASB 87, leases receivable now has a current portion and long-term portion and a related deferred inflow. The current and long-term portion represent the future cash payments and associated interest, while the deferred inflow represents the lease revenue to be recognized over the lease. Lease receivables were \$1,911,965 and \$2,168,785 with a current portion of \$141,730 and \$131,752 as of June 30, 2025 and 2024 respectively.

(j) **Income taxes**—Pursuant to a determination letter received from the Internal Revenue Service, the BEI is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, and as such, is liable for tax only on business income unrelated to the purpose for which it is exempt. No provision for income tax expense or liability has been made. There are currently no Internal Revenue Service audits in progress for any tax period. With few exceptions, the BEI is no longer subject to examination by major tax jurisdictions for years ended June 30, 2022 and prior.

(k) **Use of estimates**—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclose of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

UWF BUSINESS ENTERPRISES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(1) **Summary of Significant Accounting Policies:** (Continued)

(l) **Unearned service and management arrangement income**— Unearned service and management arrangement income represents amounts received in advance related to service and management arrangement contracts. Typically, amounts are recognized as revenue on a straight-line basis over the contract period, as indicated in the contracts.

(m) **Net Position**— Equity is classified as net position and is further classified into the following components:

Net Investment in Capital Assets - Consists of all capital assets, reduced by outstanding debt that is attributable to the acquisition of those assets.

Unrestricted - Consists of all other assets and liabilities not included in the above category.

(2) **Deposits:**

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, BEI's deposits may not be returned. At year end, the carrying amount of BEI's deposits was \$389,297 and the bank balance was \$390,180. Of each of the bank balances, \$250,000 was covered by Federal depository insurance with remaining balance covered by collateral held by the BEI's custodial bank which is pledged to a state trust fund that provides security for amounts held in excess of FDIC coverage in accordance with the Florida Security for Deposits Act Chapter 280, Florida Statutes.

(3) **Investments:**

Fair value of investments—In general, investments are reported at fair value when available. BEI categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The Fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value:

Level 1 – Inputs are quoted prices in active markets for identical assets.

Level 2 – Inputs are significant other observable inputs.

Level 3 – Inputs are significant unobservable inputs.

BEI's investments were entirely comprised of US Treasury securities, which are considered Level 1 investments.

UWF BUSINESS ENTERPRISES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(4) Capital Assets:

Capital assets consisted of the following at June 30, 2025:

	Beginning Balance	Additions	Disposals	Ending Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	3,752,664	-	-	3,752,664
Building Improvements	447,425	-	-	447,425
Furniture and Fixtures	121,548	-	(121,548)	-
	<u>4,321,637</u>	<u>-</u>	<u>(121,548)</u>	<u>4,200,089</u>
Less: Accumulated Depreciation	(1,077,023)	(127,154)	121,548	(1,082,629)
Total	<u>\$ 3,244,614</u>	<u>\$ (127,154)</u>	<u>\$ -</u>	<u>\$ 3,117,460</u>

Capital assets consisted of the following at June 30, 2024:

	Beginning Balance	Additions	Disposals	Ending Balance
Land	\$ 94,265	\$ -	\$ (94,265)	\$ -
Buildings	3,920,227	-	(167,563)	3,752,664
Building Improvements	359,354	102,375	(14,304)	447,425
Furniture and Fixtures	121,548	-	-	121,548
	<u>4,495,394</u>	<u>102,375</u>	<u>(276,132)</u>	<u>4,321,637</u>
Less: Accumulated Depreciation	(996,432)	(126,384)	45,793	(1,077,023)
Total	<u>\$ 3,498,962</u>	<u>\$ (24,009)</u>	<u>\$ (230,339)</u>	<u>\$ 3,244,614</u>

Depreciation expense amounted to \$127,154 and \$126,384 for the years ended June 30, 2025 and 2024, respectively.

(5) Service and Management Arrangements:

Dining services- On May 6, 2018, BEI entered into a management services contract with a new dining services vendor. The agreement terms were through June 30, 2028, with an option to extend for an additional five years upon agreement of both parties. Either party may terminate the agreement during the contract period with proper notice. Any guaranteed commissions owed to BEI shall be paid by the dining services vendor within 90 days of the termination date. Upon expiration or termination, the amount of unamortized financial commitment disbursed as of the date of expiration or termination and unrestricted grant shall become due to the vendor within 120 days.

UWF BUSINESS ENTERPRISES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(5) Service and Management Arrangements: (Continued)

In conjunction with the new contract, BEI received \$6.1 million to buyout and repay the unamortized balances of the old service agreement's capital investments and unearned advanced commissions. The agreement also provided a \$900,000 unrestricted grant to be used in furthering BEI's mission and up to \$3.575 million in dining and retail capital improvements. As of June 30, 2025, \$3.385 million in renovations were completed and began being amortized. All capital improvements provided under the contract are donated to the University.

During the year ended 2021, BEI entered into a new MOU with the dining services vendor which replaced the original contract language that amortized the service and management arrangement payments through May 2033 with new language that now will now amortize the service and management service arrangement payments through May 2038. The increase in the amortization period resulted in an increase in the unearned service and management arrangement income liability of approximately \$500,000 and is reported as a reduction on service and management arrangement income during the years ended June 30, 2025 and 2024.

The \$6.1 million contract buyout funds, the \$900,000 unrestricted grant, current capital improvements and any future improvements to be made under the agreement are recorded as unearned service and management arrangement income when received and amortized to revenue on a straight-line basis through May 2038.

During the year ended 2024, BEI entered into a new MOU with the dining services vendor, which replaced the original contract language that amortized the service and management arrangement payments through May 2038 with new language that will now amortize the service and management arrangement payments through June 2043.

Bookstore operations- On August 18, 2009, the University and a bookstore operations vendor entered into a Bookstore Operating Agreement pertaining to the operation of the University's bookstore facilities and certain bookstore upgrades. Bookstore services became an Assigned Function of BEI on October 15, 2012, and the Bookstore Operating Agreement was amended on this date to substitute BEI as party to the agreement in lieu of the University. The amendment additionally extended the contract between BEI and the bookstore operations vendor through September 2024. In February 2025, another amendment was signed that extended the contract between BEI and the bookstore operations vendor through September 2029.

Under the contract, a \$600,000 initial contribution was provided to BEI by the bookstore operations vendor. This initial contribution was recorded as unearned income and was being amortized on a straight-line basis over a 10-year contract period. The bookstore operations vendor has also agreed to invest up to an additional \$300,000 for store upgrades throughout various campus locations. The vendor has spent approximately \$295,131 as of the fiscal year ended June 30, 2025, related to these upgrades. Per the amendment executed in February 2025, the bookstore operations vendor agreed to make a \$300,000 one-time payment to BEI, subject to amortization through September 2029. This payment was received in July 2025.

UWF BUSINESS ENTERPRISES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(5) Service and Management Arrangements: (Continued)

All equipment, fixtures, and furniture included as store upgrades from the capital investments of the bookstore operations vendor or from future capital investments will remain the property of the bookstore operations vendor until the investment is fully amortized, over a five-year period commencing on the date of the first disbursement of funds, at which time the upgrades will become property of the University. As of June 30, 2025 and 2024, there were no fully amortized store upgrades. Upon such time that store upgrade titles are transferred to the University, the fair value of the assets will be recognized as donations to the University and income by BEI.

As discussed above, BEI received as part of a service and management arrangement an initial contribution of \$600,000 from the vendor for the operation of the bookstore. This unearned income was amortized on a straight-line basis from October 2012 through September 2022. In addition, as discussed above, BEI received, as part of a service and management arrangement, a contribution of \$300,000 from the vendor for the operation of the bookstore. This unearned income is being amortized on a straight-line basis from July 2025 through September 2029.

Unearned income consisted of the following as of June 30:

	<u>2025</u>	<u>2024</u>
Unamortized Unearned Income from Dining Service Agreement	\$ 6,961,238	\$ 7,304,986
Unamortized Unearned Income from Bookstore Services Agreement	-	-
Total Unearned Income from Service and Management Arrangements	<u>\$ 6,961,238</u>	<u>\$ 7,304,986</u>

Changes in unearned service and management arrangement income for the year ended June 30, 2025:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Unearned Service and Management Arrangement Income	<u>\$ 7,304,986</u>	<u>\$ -</u>	<u>\$ (343,748)</u>	<u>\$ 6,961,238</u>	<u>\$ 443,749</u>

Changes in unearned service and management arrangement income for the year ended June 30, 2024:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Unearned Service and Management Arrangement Income	<u>\$ 7,833,057</u>	<u>\$ -</u>	<u>\$ (528,071)</u>	<u>\$ 7,304,986</u>	<u>\$ 528,071</u>

UWF BUSINESS ENTERPRISES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(6) Related Parties:

The University provides administrative, managerial and facilities support for BEI. For the years ended June 30, 2025 and 2024, BEI disbursed \$355,278 and \$426,275, respectively, to the University for food service management pursuant to the Agreement discussed in Note (5). For the years ended June 30, 2025 and 2024, BEI disbursed \$297,362 and \$270,553, respectively, to the University for bookstore management pursuant to the Agreement discussed in Note (5). Amounts owed to the University for auxiliary services at June 30, 2025 and 2024 were \$105,964 and \$140,418, respectively.

(7) Management agreement with the University of West Florida:

On December 9, 2011, BEI and the University entered into a Master Management Agreement (the Agreement) which authorizes the President of the University to assign management and operation of certain University facilities and programs (Assigned Functions) to BEI. The Agreement requires BEI to use any excess funds to support University operations. However, BEI may retain funds (operating capital) that are necessary for the purposes of future projects and programs.

(8) Risk Management:

BEI is exposed to various levels of loss including, but not limited to, losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. BEI is insured for these risks. There were no insurance losses related to these risks for the years ended June 30, 2025 and 2024. BEI is not aware of any liabilities related to these risks as of June 30, 2025.

BEI has established a Low-Value Asset Policy to manage and account for certain property items that are portable and susceptible to theft or loss. No low-value assets have been identified as missing as of June 30, 2025, and 2024.

(9) Revenue Concentrations:

During the year ended June 30, 2025, and 2024, BEI received approximately 71% of its operating revenues from its two largest vendors.

(10) In-kind Contributions:

Each state university board of trustees is authorized to permit the use of property, facilities, and personnel services at any state university by any university direct support organization per Section 1004.28, Florida Statutes. Administrative and fiscal services, office space, and other miscellaneous support services are provided to the University direct support organization BEI by the University at no cost.

Rent for space utilized by BEI and owned by the University was estimated at \$6,081 and \$6,140, respectively, for the years ended June 30, 2025 and 2024. Administrative and fiscal services provided to BEI were estimated at \$294,442 and \$230,103, respectively, for the years ended June 30, 2025, and 2024. Amounts for in-kind contributions are not included in the financial statements

UWF BUSINESS ENTERPRISES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(11) Property Leased to Others:

BEI leases space to University-affiliated tenants, and other commercial tenants under operating lease agreements. As of June 30, 2025, the approximate future minimum rental payments to be received under the operating leases are as follows:

Year Ending June 30,	University-Affiliated Tenants		Commercial Tenants		Total
	Principal	Interest	Principal	Interest	
2026	63,377	8,999	78,353	67,902	218,631
2027	67,171	6,291	85,024	64,513	222,999
2028	71,135	3,429	91,512	61,016	227,092
2029	43,269	605	98,668	56,910	199,452
2030	-	-	80,558	53,014	133,572
2031-2035	-	-	451,850	213,213	665,063
2036-2040	-	-	434,213	115,705	549,918
2041-2045	-	-	282,748	35,600	318,348
2046-2050	-	-	64,087	2,608	66,695
Total	<u>\$ 244,952</u>	<u>\$ 19,324</u>	<u>\$1,667,013</u>	<u>\$ 670,481</u>	<u>\$2,601,770</u>

Total GASB 87 lease revenue for the years ended June 30, 2025 and 2024 was \$248,084 and \$251,498, respectively. Total interest income for leases was \$83,391 and \$85,427 for the years ended June 30, 2025 and 2024, respectively.

(12) Recently Issued Accounting Pronouncements:

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for fiscal years subsequent to June 30, 2025, that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on BEI's financial statements:

(a) GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The provisions for GASB 103 are effective for fiscal years beginning after June 15, 2025.

(b) GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. GASB Statement No. 104 requires governments to disclose separate information about specific types of capital assets and establishes criteria for identifying and reporting capital assets held for sale. The objective of GASB 104 is to enhance transparency and improve the usefulness of financial statements for stakeholders by providing more detailed information on these assets. The provisions are effective for fiscal years beginning after June 15, 2025.

**INDEPENDENT AUDITORS' 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,
UWF Business Enterprises, Inc.

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 UWF Business Enterprises, Inc., which comprise the statement of net position as of June 30, 2025, and the related statements of revenue, expenses, and change of net position, and cash flows for the year then ended, and related notes to the financial statements, and have issued our report thereon dated September 11, 2025.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered UWF Business Enterprises, Inc.'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 UWF Business Enterprises, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of UWF Business Enterprises, Inc.'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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.

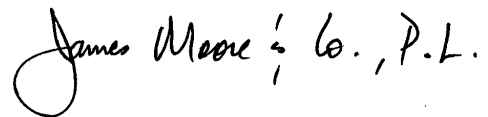
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether UWF Business Enterprises, Inc.'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 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive, flowing style.

Tallahassee, Florida
September 11, 2025

SUPPLEMENTAL INFORMATION

UWF BUSINESS ENTERPRISES, INC.
SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Bank fees	\$ -	\$ 1,282
Miscellaneous	2,533	2,868
Office supplies	8,535	8,150
Postage	5	26
Professional fees	20,538	19,957
Taxes and licenses	61	123
Wages	183,234	172,561
Total	<u>\$ 214,906</u>	<u>\$ 204,967</u>

- SEE INDEPENDENT ACCOUNTANTS' REPORT -

UWF BUSINESS ENTERPRISES, INC.
SCHEDULE OF ARGONAUT VILLAGE EXPENSES
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Insurance	\$ 23,759	\$ 24,109
Miscellaneous	2,492	13,954
Postage	431	38
Repairs and maintenance	27,727	20,101
Taxes and licenses	1,155	6,452
Utilities	17,664	31,775
Total	<u>\$ 73,228</u>	<u>\$ 96,429</u>

- SEE INDEPENDENT ACCOUNTANTS' REPORT -

UWF BUSINESS ENTERPRISES, INC.
SCHEDULE OF GOLEARN EXPENSES
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Administrative	\$ -	\$ -
Credit card fees	2,622	-
Distributions to Developer	61,598	-
Distributions to authors	-	-
Professional fees	-	-
Taxes and licenses	-	-
Utilities	-	-
Total operating revenues	<u>\$ 64,220</u>	<u>\$ -</u>

- SEE INDEPENDENT ACCOUNTANTS' REPORT -



September 11, 2025

To the Board of Directors
UWF Business Enterprises, Inc.:

We have audited the financial statements of the University of West Florida Business Enterprises, Inc. (the Organization), a direct-support organization and component unit of the University of West Florida, as of and for the year ended June 30, 2025, and have issued our report thereon dated September 11, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated July 21, 2021, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of UWF Business Enterprises, Inc. solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

We have identified the following significant risks as part of the planned scope of the audit, as required by Statement on Auditing Standards 134:

- Override of internal controls by management. Our responses to the significant risk included incorporating an element of unpredictability in designing audit procedures, obtaining an understanding of the process and related controls over journal entries and other adjustments, testing journal entries and other adjustments, reviewing significant accounting estimates for evidence of management bias, and obtaining an understanding of management's rationale for significant and unusual transactions.
- Management improperly recognizing revenue due to fraud. Our responses to the significant risk included substantively testing of revenues through third-party substantiation and performing predictive tests over revenue.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Organization is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended June 30, 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. None of the accounting estimates made during the course of the audit were deemed to be significant.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the Organization's financial statements relates to the disclosure regarding unearned service and management arrangement income at Note (5) to the financial statements.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. We encountered no such transactions.

Identified or Suspected Fraud

We have not identified or have obtained information that indicates that fraud may have occurred.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements for the year ended June 30, 2025.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. There were no material misstatements that we identified as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Organization's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no such circumstances.

Representations Requested from Management

We have requested certain written representations from management, which were included in the management representation letter provided to us dated September 11, 2025.

Management's Consultations with Other Accountants

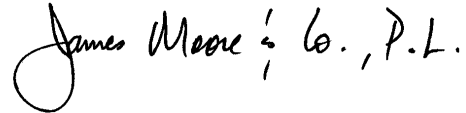
In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association the Organization, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Organization's auditors.

This report is intended solely for the information and use of the Audit Committee and management of the Organization and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large, looped initial "J".

JAMES MOORE & CO., P.L.



September 11, 2025

James Moore & Co., P.L.
Certified Public Accountants
2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308

This representation letter is provided in connection with your audit of the Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, and Statements of Cash Flows of the UWF Business Enterprises, Inc. (the Organization) as of June 30, 2025 and 2024, and for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the Organization in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, 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.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of September 11, 2025:

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 21, 2021, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- 2) We acknowledge our responsibility for 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.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of the system of internal control to prevent and detect fraud.
- 4) We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- 5) We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- 6) We have a process to track the status of audit findings and recommendations.
- 7) We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.



- 8) The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures, are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of the applicable financial reporting framework.
- 9) Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- 10) All Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- 11) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- 12) The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- 13) All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- 14) All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- 15) All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 16) All interfund and intra-entity transactions and balances have been properly classified and reported.
- 17) Special items and extraordinary items have been properly classified and reported.
- 18) Deposit and investment risks have been properly and fully disclosed.
- 19) Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- 20) All required supplementary information is measured and presented within the prescribed guidelines.
- 21) In regards to the tax preparation services and preparation of the financial statements performed by you, we have:
 - a) Made all management decisions and performed all management functions.
 - b) Designated Jeffrey Djerlek and Suzanna Daughtry, individuals with suitable skills, knowledge, or experience to oversee the services.
 - c) Evaluated the adequacy and results of the services performed.
 - d) Evaluated and accepted responsibility for the result of the service performed; and
 - e) Established and maintained controls, including a process to monitor the system of internal control.
- 22) Our liability for amounts due to the University of West Florida is fairly stated.

Information Provided

- 23) We have provided you with:
 - a) Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;



- b) Additional information that you have requested from us for the purpose of the audit; and
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- 24) All transactions have been recorded in the accounting records and are reflected in the financial statements.
- 25) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 26) We have no knowledge of any fraud, suspected fraud, or abuse that affects the entity and involves:
 - a) Management;
 - b) Employees who have significant roles in internal control; or
 - c) Others where the fraud could have a material effect on the financial statements.
- 27) We have provided to you our evaluation of the entity's ability to continue as a going concern, including significant conditions and events present, and we believe that our use of the going concern basis of accounting is appropriate.
- 28) We have no knowledge of any allegations of fraud, suspected fraud, or abuse affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- 29) We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 30) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- 31) There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- 32) UWF Business Enterprises, Inc. has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- 33) We have disclosed to you all guarantees, whether written or oral, under which UWF Business Enterprises, Inc. is contingently liable.
- 34) We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- 35) For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.



- 36) We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- 37) We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- 38) There are no:
 - a) Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - b) Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - c) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
 - d) Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- 39) UWF Business Enterprises, Inc. has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- 40) We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 41) We have evaluated the entity's ability to meet its obligations as they become due, and have not identified any conditions or events, individually or in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern.

DocuSigned by:

Suzanna Daughtry

52F4191A967341B
Suzanna Daughtry
Assistant Controller

DocuSigned by:

Ed Ranelli

6126705D727B454...
Ed Ranelli
CEO

**Board of Trustees
Audit and Compliance Committee
November 13, 2025**

West Florida Historic Preservation, Inc. - Audited Financial Statements June 30, 2025

Recommended Action:

Acceptance of the audited financial statements.

Background Information:

Pursuant to Florida Statute 1004.28¹, BOG Regulation 9.011(5)², and the agreement between UWF and West Florida Historic Trust, Inc., organizations affiliated with or through the University of West Florida (aka Direct Support Organizations) must be audited annually and presented to the University of West Florida Board of Trustees. West Florida Historic Preservation, Inc. (dba UWF Historic Trust) is such an entity and has been audited for the fiscal year ending June 30, 2025.

The financial statements of West Florida Historic Preservation, Inc. for the fiscal year ending June 30, 2025 have been audited by Saltmarsh, Cleaveland, and Gund, an independent certified public accountant firm.

The auditors found that these financial statements present fairly, in all material respects, the financial position of the UWF Historic Trust as of June 30, 2025, and they found no instances of noncompliance. The auditors proposed one journal entry to correct the prior period balance of temporarily restricted net assets.

Financial Highlights:

For the year ended June 30, 2025, the Trust completed projects using state grant funds totaling \$652,783.

Admissions continued to be strong with a slight increase of 3.34% from prior year.

The Trust was awarded a \$100,670 IMPACT 100 Pensacola Bay Area grant to reinterpret the first floor and to add a sensory space on the second floor of the Pensacola Children's Museum.

A \$99,200 boiler replacement was completed at the Museum of History.

¹ 1004.28(5)(a) "Each direct support organization shall provide for an annual financial audit of its accounts and records to be conducted by an independent certified public accountant in accordance with rules adopted by the Auditor General pursuant to s. 11.45(8) and by the university board of trustees. The annual audit report shall be submitted, within 9 months after the end of the fiscal year to the Auditor General and Board of Governors for review."

² 9.011(5) "Support organizations shall provide for an annual audit conducted pursuant to university regulations or policies. The annual audit report shall be submitted to the university board of trustees for review."

Implementation Plan:

N/A

Fiscal Implications:

Fiscal oversight by the Board of Trustees.

Relevant Authority:

Section 1004.28 Florida Statutes, BOG Regulation 9.011

Supports Strategic Direction(s):

6: Operational Excellence

Supporting Documents:

1. West Florida Historic Preservation, Inc. - Audited Financial Statements June 30, 2025

Prepared by:

David J. Bryant, Chief Audit Executive, IAMC, President's Division, DBryant1@uwf.edu

Presenter:

David J. Bryant

**WEST FLORIDA HISTORIC PRESERVATION, INC.
D/B/A UNIVERSITY OF WEST FLORIDA HISTORIC TRUST**

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

PENSACOLA, FLORIDA

FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

**WEST FLORIDA HISTORIC PRESERVATION, INC.
D/B/A UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)**

**PENSACOLA, FLORIDA
FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
West Florida Historic Preservation, Inc.
d/b/a University of West Florida Historic Trust
Pensacola, Florida

Opinion

We have audited the financial statements of the governmental activities and the entity-wide activities of West Florida Historic Preservation, Inc. d/b/a University of West Florida Historic Trust ("the Trust"), (a component unit of the University of West Florida), as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the entity-wide activities of the Trust as of June 30, 2025 and 2024, and the respective changes in financial position 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 ("GAAS") 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 the Trust 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 the Trust's ability to continue as a going concern for twelve months beyond the financial statement date, including any known information that may raise substantial doubt shortly thereafter.

Board of Directors
West Florida Historic Preservation, Inc.
d/b/a University of West Florida Historic Trust
Pensacola, Florida

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 GAAS 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 GAAS 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 Trust'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 Trust'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Board of Directors
West Florida Historic Preservation, Inc.
d/b/a University of West Florida Historic Trust
Pensacola, Florida

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2025, on our consideration of the Trust'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 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 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 Trust's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Saltmarsh", is positioned above the date and location.

Pensacola, Florida
September 16, 2025

**WEST FLORIDA HISTORIC PRESERVATION, INC.
D/B/A UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024**

The following is a narrative overview and analysis of the West Florida Historic Preservation, Inc. d/b/a University of West Florida Historic Trust's ("the Trust") significant financial activities for the fiscal years ended June 30, 2025 and 2024.

Operational Highlights

- For the year ended June 30, 2024, we received \$1,025,000 one-time funding in the year's state budget. The funds were awarded in the form of two grants, one for \$275,000 and the second for \$750,000. We were not allowed to proceed with spending the funds until we received the grant agreements. We received the agreement for the smaller grant in the Fall of 2023 but did not receive the agreement for the larger grant until July 2024. For the year ended June 30, 2025, we completed projects using the larger grant funds totaling \$652,783. The remaining \$97,217 will be spent in 2026.
- Our admissions continued to be strong with a slight increase of 3.34% from prior year. This is impressive as we have had several closed days due to snow this fiscal year. Museum store sales, both retail and wholesale, remain positive. Our special programs continue to provide additional income.
- Our parking management agreement with Premium Parking has generated an increase in parking revenues 50% over the budgeted amount.
- Overall visitation was down 15% but onsite sales increased by over 2%, special programs attendance increased by 31% and school children attendance increased by 16%.
- We were excited to receive a Foo Foo Festival grant for \$100,000 in fiscal year 2024 for the Blue Trees: Environmental Art Installation held in fiscal year 2025.
- The Pensacola Museum of Art celebrated its 70th Anniversary with several events and publication of a catalog featuring seventy works from its permanent collection.
- We held our fourth annual Bootleg Ball fundraiser on January 25, 2025 at the Museum of Commerce and received over \$23,000 in sponsorships.
- We were awarded a \$100,670 IMPACT 100 Pensacola Bay Area grant to reinterpret the first floor and to add a sensory space on the second floor of the Pensacola Children's Museum.
- We completed a \$99,200 boiler replacement at the Museum of History.
- We published our second edition of Historic Pensacola Magazine and have been placing copies in local hotels and businesses to spread awareness of our offerings and accomplishments. This will help increase visibility and attract new customers.

**WEST FLORIDA HISTORIC PRESERVATION, INC.
D/B/A UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024**

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Trust's basic financial statements. They are: 1) entity-wide and governmental fund financial statements and 2) notes to the financial statements.

Entity-wide financial statements are designed to provide readers with a broad overview of the Trust's finances in a manner similar to a private-sector business. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found starting on page 9 of this report.

Summary of Financial Condition

**West Florida Historic Preservation, Inc.
d/b/a University of West Florida Historic Trust
Net Position**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Total assets, excluding capital assets	\$ 2,719,328	\$ 3,020,015	\$ 2,611,792
Capital assets	<u>4,449,522</u>	<u>4,096,545</u>	<u>3,792,264</u>
Total assets	<u>\$ 7,168,850</u>	<u>\$ 7,116,560</u>	<u>\$ 6,404,056</u>
Current liabilities	<u>\$ 143,838</u>	<u>\$ 233,736</u>	<u>\$ 133,659</u>
Invested in capital assets	4,449,522	4,096,545	3,792,264
Reserved	171,754	215,816	210,449
Designated	38,805	38,798	38,790
PMA designated	33,966	33,966	33,966
Undesignated	<u>2,330,965</u>	<u>2,497,699</u>	<u>2,194,928</u>
Total fund balance/net position	<u>7,025,012</u>	<u>6,882,824</u>	<u>6,270,397</u>
Total liabilities and net position	<u>\$ 7,168,850</u>	<u>\$ 7,116,560</u>	<u>\$ 6,404,056</u>

A review of the Trust's Statements of Net Position at June 30, 2025, 2024, and 2023, shows that the Trust continues to maintain its financial position.

**WEST FLORIDA HISTORIC PRESERVATION, INC.
D/B/A UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024**

Summary of Financial Condition (Continued)

**West Florida Historic Preservation, Inc.
d/b/a University of West Florida Historic Trust
Revenues, Expenses, and Changes in Net Position**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Program revenues	\$ 1,799,559	\$ 1,932,715	\$ 1,414,917
General revenues	329,044	337,906	223,988
Total revenues	<u>2,128,603</u>	<u>2,270,621</u>	<u>1,638,905</u>
Historic Pensacola Village and museum activities	136,806	67,968	68,660
Historic preservation and education programs	383,278	250,096	185,495
Pensacola Museum of Art	246,399	272,314	221,916
Management and general	975,354	864,400	529,278
Depreciation	244,578	203,416	260,923
Total expenditures/expenses	<u>1,986,415</u>	<u>1,658,194</u>	<u>1,266,272</u>
Change in net position	<u>\$ 142,188</u>	<u>\$ 612,427</u>	<u>\$ 372,633</u>

The Statements of Revenues, Expenses, and Changes Net Position for the 2025 fiscal year indicate the Trust's continued operations.

Capital Assets

The Trust's investment in capital assets totaled \$4,449,522 (net of accumulated depreciation of \$3,589,068). Capital assets include land, buildings and improvements, and furniture, fixtures and equipment.

Economic Factors

Budgetary constraints of state and local governments can affect the Trust's funding.

Requests for Information

Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the following address:

West Florida Historic Preservation, Inc.
d/b/a University of West Florida Historic Trust
Attn: Executive Director
120 Church Street
Pensacola, FL 32502

WEST FLORIDA HISTORIC PRESERVATION, INC.
DBA UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
STATEMENTS OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEETS
JUNE 30, 2025 AND 2024

	2025			2024		
	General Fund	Adjustments (Note 1)	Statement of Net Position	General Fund	Adjustments (Note 1)	Statement of Net Position
Assets:						
Cash	\$ 566,470	\$ -	\$ 566,470	\$ 399,990	\$ -	\$ 399,990
Certificates of deposit	138,847	-	138,847	138,798	-	138,798
Due from UWF Foundation	1,303,261	-	1,303,261	1,269,157	-	1,269,157
Grants and local support receivable	376,137	-	376,137	879,148	-	879,148
Accrued interest receivable	41	-	41	41	-	41
Inventory	66,592	-	66,592	67,763	-	67,763
Prepaid assets	17,432	-	17,432	15,070	-	15,070
Historical properties, antiques and collections	249,714	-	249,714	249,214	-	249,214
Deposits	834	-	834	834	-	834
Capital assets -						
Non-depreciable	-	1,157,160	1,157,160	-	1,648,184	1,648,184
Depreciable, net of accumulated depreciation	-	3,292,362	3,292,362	-	2,448,361	2,448,361
Total Assets	\$ 2,719,328	\$ 4,449,522	\$ 7,168,850	\$ 3,020,015	\$ 4,096,545	\$ 7,116,560
Liabilities:						
Accounts payable	\$ 26,030	\$ -	\$ 26,030	\$ 143,582	\$ -	\$ 143,582
Deferred revenue	117,808	-	117,808	90,154	-	90,154
Total liabilities	143,838	-	143,838	233,736	-	233,736
Fund Balance/Net Position:						
Invested in capital assets	-	4,449,522	4,449,522	-	4,096,545	4,096,545
Nonspendable	334,572	(334,572)	-	332,881	(332,881)	-
Restricted/reserved	171,754	-	171,754	215,816	-	215,816
Assigned/designated	38,805	-	38,805	38,798	-	38,798
PMA assigned/designated	33,966	-	33,966	33,966	-	33,966
Unassigned/undesignated	1,996,393	334,572	2,330,965	2,164,818	332,881	2,497,699
Total fund balance/net position	2,575,490	4,449,522	7,025,012	2,786,279	4,096,545	6,882,824
Total Liabilities and Fund Balance/Net Position	\$ 2,719,328	\$ 4,449,522	\$ 7,168,850	\$ 3,020,015	\$ 4,096,545	\$ 7,116,560

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

WEST FLORIDA HISTORIC PRESERVATION, INC.
DBA UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
STATEMENTS OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE/NET POSITION
YEARS ENDED JUNE 30, 2025 AND 2024

	2025			2024		
	General Fund	Adjustments (Note 1)	Statement of Activities	General Fund	Adjustments (Note 1)	Statement of Activities
Program Revenues:						
Grants and local support	\$ 861,884	\$ -	\$ 861,884	\$ 1,024,234	\$ -	\$ 1,024,234
Admissions, including tours, Pensacola Museum of Art and school programs	513,189	-	513,189	495,214	-	495,214
Rents and leases	410,727	-	410,727	409,125	-	409,125
Museum store income, net	13,759	-	13,759	4,142	-	4,142
Total program revenues	1,799,559	-	1,799,559	1,932,715	-	1,932,715
General Revenues:						
Interest and dividends	29,661	-	29,661	29,259	-	29,259
Miscellaneous	181,208	-	181,208	188,905	-	188,905
Realized and unrealized gains	118,175	-	118,175	119,742	-	119,742
Total general revenues	329,044	-	329,044	337,906	-	337,906
Total revenues	2,128,603	-	2,128,603	2,270,621	-	2,270,621
Expenditures/Expenses:						
Historic Pensacola Village and museum activities	136,806	-	136,806	67,968	-	67,968
Historic preservation and education programs	383,278	-	383,278	250,096	-	250,096
Pensacola Museum of Art	246,399	-	246,399	272,314	-	272,314
Management and general	975,354	-	975,354	864,400	-	864,400
Depreciation	-	244,578	244,578	-	203,416	203,416
Capital outlay	597,555	(597,555)	-	507,697	(507,697)	-
Total expenditures/expenses	2,339,392	(352,977)	1,986,415	1,962,475	(304,281)	1,658,194
Change in fund balance/net position	(210,789)	352,977	142,188	308,146	304,281	612,427
Fund Balance/Net Position, Beginning of Year	2,786,279	4,096,545	6,882,824	2,478,133	3,792,264	6,270,397
Fund Balance/Net Position, End of Year	<u>\$ 2,575,490</u>	<u>\$ 4,449,522</u>	<u>\$ 7,025,012</u>	<u>\$ 2,786,279</u>	<u>\$ 4,096,545</u>	<u>\$ 6,882,824</u>

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

**WEST FLORIDA HISTORIC PRESERVATION, INC.
D/B/A UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose:

West Florida Historic Preservation, Inc. ("WFHPI"), formerly Historic Pensacola, Inc., was organized as a not-for-profit corporation under Section 266.0018, Florida Statutes, to engage in the restoration and exhibition of historical landmarks in the vicinity of Pensacola, Florida. In 2001, Section 266.0018, Florida Statutes was repealed, at which time the legislature transferred the historic preservation responsibilities to the University of West Florida ("UWF"). On July 1, 2001, WFHPI was designated as a direct support organization of UWF under Section 267.1732, Florida Statutes, in order to assist UWF in carrying out its dual historic preservation and historic preservation education purposes and responsibilities. In November 2013, West Florida Historic Preservation, Inc. changed its name to West Florida Historic Preservation, Inc., d/b/a University of West Florida Historic Trust ("the Trust").

The general operating authority of the Trust is contained in Section 267.1732, Florida Statutes (Chapter 2001-199, Laws of Florida). The Trust operates under an operating agreement with UWF and is considered a component unit of UWF.

Expenses paid by the Trust to renovate or modify property controlled by UWF and leased by the Trust are capitalized and reflected in buildings and improvements in these financial statements. The Trust assists UWF in operating, preserving and maintaining various historical properties owned by the State of Florida and controlled by UWF. Certain expenses related to these activities are directly paid by UWF and are not included in these financial statements. Those expenses, which are not reflected in these financial statements, are as follows:

	2025	2024
Telephone	\$ 10,803	\$ 11,386
Operating supplies	-	20,008
Office equipment rental	2,074	464
Electricity	35,026	69,101
Natural gas	739	1,925
Other utilities	8,134	12,441
Repairs and maintenance	110,652	54,768
Equipment	-	847
Contractual services	18,224	9,126
Professional services	6,477	5,809
Security	4,728	12,699
Insurance	28,466	28,784
Other	597	-
	<u>\$ 225,920</u>	<u>\$ 227,358</u>
Totals	<u>\$ 225,920</u>	<u>\$ 227,358</u>

**WEST FLORIDA HISTORIC PRESERVATION, INC.
D/B/A UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Organization and Purpose (Continued):

Salaries of UWF employees who staff the Trust are paid directly by UWF. These in-kind salaries amounted to \$1,438,636 and \$1,265,373 for the years ended June 30, 2025 and 2024, respectively, and are not reflected in the books of the Trust. Additionally, UWF donates office space in the Bowden Building located at 120 Church Street in downtown Pensacola, Florida to the Trust. Management estimates the fair value of this donated office space to be \$237,000 and \$280,000 for the years ended June 30, 2025 and 2024, respectively. This donated office space is not reflected in the books of the Trust.

In November 2013, the Trust entered into a Memorandum of Understanding (“MOU”) with the University of West Florida Foundation (“UWFF”), a direct service organization of UWF, where all membership income is collected and recorded by UWFF. Membership income held by UWFF amounted to \$63,977 and \$57,656 as of June 30, 2025 and 2024, respectively.

Each state university board of trustees is authorized to permit the use of property, facilities, and personal services at any state university by any university direct support organization per Section 1004.28, Florida Statutes. Administrative and fiscal services, office space, and other miscellaneous support services are provided to UWF direct support organizations by UWF at no cost. No value is assigned to administrative and fiscal services in the accompanying statements of activities and governmental fund revenues, expenditures, and changes in fund balance/net position.

Pensacola Museum of Art:

On July 1, 2016, the assets of the Pensacola Museum of Art (“PMA”), an independent not-for-profit corporation, became part of UWF. On that date, UWFF was gifted a historic building, land, a fine arts collection, furniture and equipment, cash and cash equivalents, a permanent endowment, and other current assets from the dissolving entity totaling approximately \$4.2 million. UWFF transferred the historic building and land to UWF and the fine arts collection, furniture and equipment, and all other assets were transferred to the Trust, with the exception of the permanent endowment.

The Trust maintains a management agreement with UWF covering the preservation of historic properties for UWF. UWFF will continue to steward the endowment for purposes of the PMA, now a division of the Trust. The PMA division has a non-governing advisory board that reports to the Trust’s board of directors. Under the agreement, UWFF will handle all and record all unified membership income for the PMA. PMA unified membership income collected by UWFF amounted to \$71,916 and \$15,094 as of June 30, 2025 and 2024, respectively.

**WEST FLORIDA HISTORIC PRESERVATION, INC.
D/B/A UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

DeFuniak Springs Landmark:

On March 20, 2024, the Trust entered into a gift agreement with DeFuniak Springs Landmarks, Inc. ("Landmarks") and UWFF. Landmarks is a Florida not-for-profit corporation formed to preserve, protect and promote historic and cultural sites in the City of DeFuniak Springs, Florida. Upon dissolution of Landmarks, UWFF and the Trust were gifted all assets, cash and investments. UWFF maintains all cash and investments. The Trust began administration of Landmarks mission of public education, archeological study and research, and funding of historic preservation projects during fiscal year 2024.

Measurement Focus, Basis of Accounting and Financial Statement Presentation:

These financial statements have been prepared in conformity with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board ("GASB"). The Trust utilizes the following fund type:

- General Fund, a governmental fund, is used to account for all revenues and expenditures applicable to the general operations of the Trust that are not required either legally or by accounting principles generally accepted in the United States of America ("GAAP") to be accounted for in another fund.

Government-Wide Financial Statements:

The government-wide financial statements (i.e., the statements of net position and governmental fund balance sheets and the statements of activities and governmental fund revenues, expenditures, and changes in fund balance/net position) report information on all of the activities of the Trust. Governments typically report activities as either governmental activities, which are supported by grants and other intergovernmental revenues, or business-type activities, which rely to a significant extent on fees and charges for support. The Trust reports its activities as governmental activities.

Because the Trust reports only governmental activities and only one program, it is considered to be a special-purpose government for financial reporting purposes under GAAP. As such, the government-wide financial statements are presented together with the governmental fund financial statements with an adjustment column presented to reconcile the two sets of statements.

The Trust has one governmental fund type, which is the General Fund. The General Fund is used to account for all resources and operations. Governmental funds are accounted for on a "spending" or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

**WEST FLORIDA HISTORIC PRESERVATION, INC.
D/B/A UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements (Continued):

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Governmental Funds:

The General Fund is accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; that is, when they are measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Trust considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when the related liability is incurred. Primary revenues consist of charges for services, licenses, and permits. All of these revenues are susceptible to accrual.

Use of Estimates:

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

Inventory:

Inventory consists of merchandise held for resale in the museum gift shops. Inventory is stated at lower of cost or market and is accounted for under the first-in, first-out method.

Capital Assets:

Property and equipment are recorded at cost. Donated capital assets are recorded at their estimated fair market value on the date of contribution. Expenditures which equal or exceed \$5,000 that materially increase values, change capacities, or extend useful lives are capitalized. Repairs and maintenance costs are charged to operations when incurred.

**WEST FLORIDA HISTORIC PRESERVATION, INC.
D/B/A UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued):

Depreciation is computed using the straight-line method. Estimated useful lives of property and equipment range as follows:

Buildings and improvements	10 - 40 years
Furniture, fixtures and equipment	5 - 10 years

Historical Properties, Antiques, and Collections:

Purchased historical properties, antiques, and collections that are held for educational and curatorial purposes are recorded at cost. Donated items are not capitalized but are recorded both as revenue and expense in the government-wide statement of activities. Whether purchased or donated, each item is cataloged, preserved, and cared for, and activities verifying their existence and assessing their condition are performed continuously.

Historical properties, antiques, and collections are acquired for purposes of preservation and display. Management considers these items to be historically significant and should be preserved perpetually. Accordingly, depreciation is not recorded for these items.

Program Revenue:

Program revenue from local governments and government grants is recorded based upon the terms of the grantor allotment which generally provides that revenue is earned when the allowable costs of the specific grant provisions have been incurred or the performance of the services has been rendered. Such revenue is subject to audit by the grantor. If the examination results in a deficiency of allowable expenses, the Trust will be required to refund any deficiencies.

Income Taxes:

The Trust is exempt from federal income taxes under Internal Revenue Service Code Section 501(c)(3). As a result, there is no provision for taxes in the accompanying financial statements.

Donated Services, Materials, and Facilities:

The Trust receives donated services from a variety of unpaid volunteers assisting in the museum and education programs. No amounts have been recognized in the accompanying statements of activities for these donated services.

As discussed previously, UWF pays certain expenses and donates office space to the Trust.

**WEST FLORIDA HISTORIC PRESERVATION, INC.
D/B/A UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adjustments Between Governmental Fund Balance Sheets and Statements of Net Position:

Capital assets are not financial resources and therefore are not reported in the governmental fund. Adjustment is made to include capital assets in the entity-wide statements of net position.

Nonspendable fund balance represents amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact. Nonspendable amounts are not reported in the entity-wide statements of net position, therefore, an adjustment is made to exclude the nonspendable fund balance category from the entity-wide statements of net position.

Adjustments Between Governmental Fund Statements of Revenue, Expenditures, and Changes in Fund Balances and Statements of Activities:

Because capital assets are not reported in the governmental fund, no depreciation is recognized in the governmental fund statements of revenues, expenditures, and changes in fund balances. Instead, capital outlays are reported as expenditures. Adjustment is made to include depreciation expense and remove capital outlays in the entity-wide statements of activities.

NOTE 2 - DEPOSITS AND INVESTMENTS

The Trust's deposits and investments consist of demand deposits and certificates of deposit. The carrying amount of the Trust's deposits and investments at June 30, 2025 and 2024 was \$703,932 and \$537,403, respectively, and the bank balance was \$746,258 and \$555,806, respectively, all of which was held by a qualified public depository under Chapter 280, Florida Statutes. As such, these deposits are considered to be fully insured.

NOTE 3 - DUE FROM UWFF/UWF

In March 2013, the Trust entered into a MOU with UWFF, where the Trust may transfer current cash assets to UWFF to invest on the Trust's behalf. These funds are invested as a Quasi-Endowment with UWFF and are part of the overall investment pool subject to spending and investment policies of UWFF as agreed to in the MOU. The Trust's investment with UWFF amounted to \$1,303,261 and \$1,269,157 at June 30, 2025 and 2024, respectively.

**WEST FLORIDA HISTORIC PRESERVATION, INC.
D/B/A UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 4 - CAPITAL ASSETS

Capital assets consist of the following:

June 30, 2025:	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Historic Pensacola Village</u>				
Land	\$ 1,010,660	\$ -	\$ -	\$ 1,010,660
Buildings and improvements	5,502,420	733,239	(12,991)	6,222,668
Furniture, fixtures and equipment	2,764	-	-	2,764
<u>Barkley House</u>				
Furniture, fixtures and equipment	17,489	-	-	17,489
<u>Pensacola Museum of Art</u>				
Furniture, fixtures and equipment	101,775	-	-	101,775
<u>General and Administrative</u>				
Furniture, fixtures and equipment	506,961	36,578	(6,805)	536,734
Construction in progress	318,762	146,500	(318,762)	146,500
	<u>7,460,831</u>	<u>916,317</u>	<u>(338,558)</u>	<u>8,038,590</u>
Less accumulated depreciation	<u>(3,364,286)</u>	<u>(244,578)</u>	<u>19,796</u>	<u>(3,589,068)</u>
	<u>\$ 4,096,545</u>	<u>\$ 671,739</u>	<u>\$ (318,762)</u>	<u>\$ 4,449,522</u>

**WEST FLORIDA HISTORIC PRESERVATION, INC.
D/B/A UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 AND 2024**

NOTE 4 - CAPITAL ASSETS (Continued)

June 30, 2024:	Beginning Balance	Increases	Decreases	Ending Balance
<u>Historic Pensacola Village</u>				
Land	\$ 1,010,660	\$ -	\$ -	\$ 1,010,660
Buildings and improvements	5,362,165	175,616	(35,361)	5,502,420
Furniture, fixtures and equipment	4,923	-	(2,159)	2,764
<u>Barkley House</u>				
Furniture, fixtures and equipment	17,489	-	-	17,489
<u>Pensacola Museum of Art</u>				
Furniture, fixtures and equipment	101,775	-	-	101,775
<u>General and Administrative</u>				
Furniture, fixtures and equipment	449,799	64,947	(7,785)	506,961
Construction in progress	44,001	318,762	(44,001)	318,762
	6,990,812	559,325	(89,306)	7,460,831
Less accumulated depreciation	(3,198,548)	(203,416)	37,678	(3,364,286)
	<u>\$ 3,792,264</u>	<u>\$ 355,909</u>	<u>\$ (51,628)</u>	<u>\$ 4,096,545</u>

Depreciation expense was \$244,578 and \$203,416 for the years ended June 30, 2025 and 2024, respectively.

NOTE 5 - DEFERRED REVENUE

Rental revenue is considered earned when the event has occurred or the performance of the services has been rendered. Amounts received by the Trust in advance of the date of the event or performance of services are recorded as deferred revenue until the event has occurred or services are rendered. Total deferred revenue amounted to \$117,808 and \$90,154 at June 30, 2025 and 2024, respectively.

**WEST FLORIDA HISTORIC PRESERVATION, INC.
D/B/A UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 6 - FUND BALANCE/NET POSITION

In the financial statements, fund balances/net position are classified as follows:

Nonspendable Fund Balance:

Nonspendable fund balance represents amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact. Nonspendable fund balances as of June 30, 2025 and 2024 are presented as follows:

	2025	2024
Nonspendable -		
Inventory	\$ 66,592	\$ 67,763
Prepaid assets and deposits	18,266	15,904
Historical properties, antiques and collections	249,714	249,214
	<u>\$ 334,572</u>	<u>\$ 332,881</u>

Restricted Fund Balance / Reserved Net Position:

Restricted fund balance or reserved net position represent amounts that can be spent only for specific purposes required by law or other externally imposed conditions by grantors or creditors. Restricted fund balances/reserved net position as of June 30, 2025 and 2024 are presented as follows:

	2025	2024
Restricted -		
Old Christ Church fund	\$ 100,042	\$ 141,004
Kranc Property	57,500	57,500
Cemetery Projects	9,212	-
Restricted Donations	5,000	17,312
	<u>\$ 171,754</u>	<u>\$ 215,816</u>

Assigned Fund Balance / Designated Net Position:

Assigned fund balance or designated net position represent amounts that are designated by the Board of Directors, under authorization governed in the Trust's By-Laws, for a particular purpose but not spendable until a majority vote of approval by the Board of Directors. The assigned fund balance/designated net position of \$38,805 and \$38,798 as of June 30, 2025 and 2024, respectively, represents the remaining cash balance in the Veal Education Fund.

**WEST FLORIDA HISTORIC PRESERVATION, INC.
D/B/A UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 6 - FUND BALANCE/NET POSITION (Continued)

Assigned Fund Balance / Designated Net Position (Continued):

PMA assigned fund balance or designated net position represents amounts that are designated by the Board of Directors but are not spendable until a majority vote of approval. In 2017, the Pensacola Museum of Art received a BP claim and the Board of Directors approved to designate these funds for future purchases of artwork and collections to be held at the museum. The assigned fund balance/designated net position of \$33,966 as of June 30, 2025 and 2024, represents the remaining designated BP funds.

Use of Restricted Resources:

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Trust's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the Trust's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications, committed and then assigned fund balances, if any, before using unassigned fund balances.

NOTE 7 - COMMITMENTS AND CONTINGENCIES

Dependency on Government Support:

The Trust receives a substantial amount of support from UWF, and state and local government agencies. A reduction in the level of future support from these entities could have a substantial effect on the Trust's programs and activities.

UWF Agreement:

As discussed in Note 1, the Trust is committed to assist UWF under an operating agreement which extends for an indefinite term.

NOTE 8 - RISK MANAGEMENT

The Trust is exposed to various levels of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Trust is insured for these risks. There were no insurance losses related to these risks in excess of insurance coverage in any of the three prior fiscal years. The Trust is not aware of any liabilities related to these risks as of June 30, 2025.

OTHER REPORT



**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
West Florida Historic Preservation, Inc.
d/b/a University of West Florida Historic Trust
Pensacola, 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 (“*Government Auditing Standards*”), the financial statements of the governmental activities and the entity-wide activities of West Florida Historic Preservation, Inc., d/b/a University of West Florida Historic Trust (“the Trust”), (a component unit of the University of West Florida), as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Trust’s basic financial statements, and have issued our report thereon dated September 16, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Trust’s internal control over financial reporting (“internal control”) as a basis for designing 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 Trust’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Trust’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 Trust’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.

Board of Directors
West Florida Historic Preservation, Inc.
d/b/a University of West Florida Historic Trust
Pensacola, Florida

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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Trust'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 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 *Governmental 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 Trust'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 Trust's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script, appearing to read "Saltmarsh".

Pensacola, Florida
September 16, 2025



To the Management and Board of Directors
West Florida Historic Preservation, Inc.
d/b/a University of West Florida Historic Trust
120 Church Street
Pensacola, Florida 32502

We have audited the financial statements of the governmental activities and the entity-wide activities of West Florida Historic Preservation, Inc., d/b/a University of West Florida Historic Trust (“the Trust”) as of and for the year ended June 30, 2025, and have issued our report thereon dated September 16, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated July 15, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (“GAAS”) and in accordance with *Government Auditing Standards*. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the Trust solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

We have identified the following significant risks:

- Improper revenue recognition – Material misstatements due to fraudulent financial reporting often result from an overstatement of revenues (for example, through premature revenue recognition or recording fictitious revenues) or an understatement of revenues (for example, through improperly shifting revenues to a later period). Therefore, GAAS requires us to presume that there is a risk of material misstatement due to fraud relating to revenue recognition.
- Management override of controls – Due to the unpredictable way in which management override of controls could occur, GAAS requires us to presume that there is a risk of material misstatement due to fraud relating to management override of controls.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Trust is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended June 30, 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

- Management's estimate of depreciation expense, which is based on the estimated useful lives and salvage values of the underlying capital assets.
- Management's estimate of donated collections, which is based on the estimated fair market value of the collections at the time of donation.

Management's periodic evaluation of these estimates and the underlying assumptions used are based on the Trust's experience, various known and inherent risks, and current economic conditions. We evaluated the factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Trust's financial statements relate to:

- The disclosure of fund balance/net position described in Note 6 to the financial statements.
- The disclosure of commitments and contingencies in Note 7 to the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Corrected and Uncorrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole.

The attached schedule summarizes the uncorrected financial statements misstatement whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The following material misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by management.

- Adjustment to true up depreciation and accumulated depreciation.
- Adjustment to true-up investments held at UWF Foundation.
- Adjustment to rollforward retained earnings.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Trust's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain representations from management, which are included in the management representation letter dated September 16, 2025.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants, other than Mrs. Stevens, regarding auditing and accounting matters.

Other Significant Matters, Findings or Issues

Accounting and Auditing Discussions with Management

In the normal course of our professional association with the Trust, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating conditions affecting the entity, and operating plans and strategies that may affect the risk of material misstatement. None of the matters discussed resulted in a condition to our retention as the Trust's auditors.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquires of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This report is intended solely for the information and use of the Trust's Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Saltmarsh".

Pensacola, Florida
September 16, 2025

Proposed JE # 301

Adjustment to correct prior period balance of temporarily restricted net assets.

✓	297000	FUND BALANCE/TEMP. RESTRICTED	48,222.00	
✓	4113.02	Business Office		48,222.00
Total			48,222.00	48,222.00

**Board of Trustees
Audit and Compliance Committee
November 13, 2025**

UWF Foundation, Inc. - Audited Financial Statements June 30, 2025

Recommended Action:

Acceptance of the audited financial statements.

Background Information:

Pursuant to Florida Statute 1004.28¹, BOG Regulation 9.011(5)², and UWF Regulation 5.016, organizations affiliated with or through the University of West Florida (aka Direct Support Organizations) must be audited annually and presented to the University of West Florida Board of Trustees. As required, the financial statements of the UWF Foundation, Inc. for the fiscal year ending June 30, 2025 have been audited by Saltmarsh, Cleaveland, and Gund, an independent certified public accountant firm.

The audit report stated:

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Foundation as of June 30, 2025 and 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Our consideration of internal control was for the limited purpose of planning and performing our audit 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.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The auditors proposed five journal entries to correct various transactions and account balances.

Financial Highlights: The Foundation's assets totaled \$201.1 million as of June 30, 2025, which reflects an increase of \$7.6 million compared to June 30, 2024. Net position at June 30, 2025 was \$169.5 million, an increase of approximately \$11.0 million compared to prior year.

¹ 1004.28(5)(a) "Each direct support organization shall provide for an annual financial audit of its accounts and records to be conducted by an independent certified public accountant in accordance with rules adopted by the Auditor General pursuant to s. 11.45(8) and by the university board of trustees. The annual audit report shall be submitted, within 9 months after the end of the fiscal year to the Auditor General and Board of Governors for review."

² 9.011(5) "Support organizations shall provide for an annual audit conducted pursuant to university regulations or policies. The annual audit report shall be submitted to the university board of trustees for review."

Implementation Plan:

N/A

Fiscal Implications:

Fiscal oversight by the Board of Trustees.

Relevant Authority:

Section 1004.28 Florida Statutes, BOG Regulation 9.011

Supports Strategic Direction(s):

6: Operational Excellence

Supporting Documents:

1. UWF Foundation, Inc. - Audited Financial Statements June 30, 2025

Prepared by:

David J. Bryant, Chief Audit Executive, IAMC, President's Division, DBryant1@uwf.edu

Presenter:

David J. Bryant

UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.
A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA
PENSACOLA, FLORIDA
FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.
A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA
PENSACOLA, FLORIDA
FINANCIAL STATEMENTS
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UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.
A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA
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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of University of West Florida Foundation, Inc. (the "Foundation") (a component unit of the University of West Florida), as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Foundation as of June 30, 2025 and 2024, and the respective changes in financial position and, where applicable, cash flows thereof 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 ("GAAS") 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 the Foundation 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 the Foundation's ability to continue as a going concern for twelve months beyond the financial statement date, including any 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 GAAS 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 GAAS 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Foundation's basic financial statements. 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 financial statements. The Schedule of Expenditures of State Financial Assistance is included in the compliance section, as required by Chapter 10.650, *Rules of Auditor General*, and for purposes of additional analysis is not a required part of the basic financial statements.

The Schedules of Student Housing System Revenues and Expenses, Schedules of Net Position (Excluding the Student Housing System), Schedules of Functional Expenses, Chairs Under Eminent Scholars Program – Schedule of Receipts, Expenses, and Endowment Balances, Major Gifts Program – Schedule of Receipts, Expenses and Endowment Balances, and Schedule of Expenditures of State Financial Assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2025, 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 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 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.



Pensacola, Florida
October 9, 2025

UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.
A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024
(UNAUDITED)

This management’s discussion and analysis (“MD&A”) provides an overview of the financial position and activities of the University of West Florida Foundation, Inc (the “Foundation”) as of and for the years ended June 30, 2025 and 2024.

The Foundation is presented as a discrete component unit of the University of West Florida (the “University” or “UWF”). The Foundation’s mission is to exclusively support and enhance the University’s mission of teaching, research, and service as determined by the University of West Florida Board of Trustees (“BOT”).

Overview of the Financial Statements

The financial statements are prepared on the accrual basis of accounting with accounting principles generally accepted in the United States of America, as promulgated by the Government Accounting Standards Board (“GASB”).

Pursuant to GASB Statement No. 35, *Basic Financial Statements - Management’s Discussion and Analysis – for Public Colleges and Universities*, the Foundation’s basic financial statements include the statements of net position; the statements of revenue, expenses and changes in net position; the statements of cash flows, and other required supplemental information.

The Statements of Net Position

The statements of net position reflect the assets, liabilities, and deferred inflows of resources of the Foundation and present the financial position of the Foundation at a specified time. Assets less liabilities and deferred inflows equal net position, which is one indicator of the Foundation’s current financial condition. The changes in net position that occur over time indicate improvement or deterioration in the Foundation’s financial condition. Restricted net position is comprised of expendable and nonexpendable and consists of assets that have constraints placed upon their use either by external donors or creditors or through laws or regulations imposed through constitutional provisions or enabling legislature. Nonexpendable assets represent endowment assets whose principal cannot be spent and are required by the donor to be held in perpetuity. Net investment in capital assets includes net capital assets less outstanding bonds payable. Unrestricted net position consists of net assets that do not meet the definition of restricted or net investment in capital assets.

UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.
A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024
(UNAUDITED)

The Statements of Net Position (Continued)

The following is a summary of the Foundation's statements of net position as of June 30, 2025 and the two preceding years.

	2025	2024	2025-2024		2023	2024-2023	
			Dollar Change	Percentage Change		Dollar Change	Percentage Change
Assets:							
Current assets	\$ 16,318,265	\$ 17,846,776	\$ (1,528,511)	-8.6%	\$ 16,752,541	\$ 1,094,235	6.5%
Noncurrent assets	184,828,309	175,670,431	9,157,878	5.2%	167,973,322	7,697,109	4.6%
Total Assets	\$ 201,146,574	\$ 193,517,207	\$ 7,629,367	3.9%	\$ 184,725,863	\$ 8,791,344	4.8%
Liabilities:							
Current liabilities	\$ 4,552,364	\$ 4,605,727	\$ (53,363)	-1.2%	\$ 4,246,054	\$ 359,673	8.5%
Noncurrent liabilities	25,276,343	28,725,225	(3,448,882)	-12.0%	31,954,520	(3,229,295)	-10.1%
Total liabilities	29,828,707	33,330,952	(3,502,245)	-10.5%	36,200,574	(2,869,622)	-7.9%
Deferred Inflows of Resources:							
Split-interest agreements	1,793,165	1,615,603	177,562	11.0%	1,471,900	143,703	9.8%
Net Position:							
Net investment in capital assets	7,224,910	6,446,927	777,983	12.1%	11,318,230	(4,871,303)	-43.0%
Unrestricted	4,571,811	4,173,914	397,897	9.5%	3,337,286	836,628	25.1%
Restricted -							
Expendable	74,733,748	67,425,218	7,308,530	10.8%	59,762,615	7,662,603	12.8%
Nonexpendable	82,994,233	80,524,593	2,469,640	3.1%	72,635,258	7,889,335	10.9%
Total net position	169,524,702	158,570,652	10,954,050	6.9%	147,053,389	11,517,263	7.8%
Total Liabilities, Deferred Inflows and Net Position	\$ 201,146,574	\$ 193,517,207	\$ 7,629,367	3.9%	\$ 184,725,863	\$ 8,791,344	4.8%

The Foundation's assets totaled \$201.1 million as of June 30, 2025. Current assets contribute \$16.3 million and consist primarily of funds available to meet current obligations. Noncurrent assets contribute \$184.8 million and consist primarily of investments expected to be held and net capital assets. This balance reflects an increase of \$7.6 million compared to June 30, 2024. The total change in assets is primarily related to an increase in investments of \$8.3 million, an increase in other receivables net of \$3.0 million, and a decrease in net capital assets of \$2.5 million.

The Foundation's liabilities total \$29.8 million as of June 30, 2025. This is composed of \$4.6 million in current liabilities including accounts payable and accrued expenses along with current year debt service amounts. Total noncurrent liabilities are \$25.3 million which consists of long-term debt and other obligations extending out more than one year. The amount of total liabilities reflects a decrease of \$3.5 million related primarily to a paydown of bonds for student housing.

UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.
A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024
(UNAUDITED)

The Statements of Net Position (Continued)

Deferred inflows of resources of \$1.8 million represent planned giving donations made under split interest agreements and will be available in future years, net of liabilities owed to other beneficiaries.

Net position totals \$169.5 million and is made up of \$7.2 million of net investment in capital assets and \$4.6 million in unrestricted net assets. It also includes \$74.7 million in restricted expendable net assets and \$83.0 million in restricted nonexpendable net assets. The total net position has increased by \$11.0 million compared to prior year. The primary contributor to this change was an increase of restricted expendable net assets by \$7.3 million and an increase in restricted nonexpendable net assets by \$2.5 million.

The Statements of Revenues, Expenses, and Changes in Net Position

Change in net position is based on the activity presented in the statements of revenues, expenses, and changes in net position. The purpose of this statement is to present the revenues earned and the expenses incurred by the Foundation. Revenue, expenses, and changes in net position of the Foundation for the years ended June 30, 2025 and 2024 are presented in the following table:

			2025-2024			2024-2023	
	2025	2024	Dollar Change	Percentage Change		Dollar Change	Percentage Change
Operating revenues	\$ 34,020,471	\$ 36,292,677	\$ (2,272,206)	-6.3%	\$ 31,114,053	\$ 5,178,624	16.6%
Operating expenses	26,526,041	25,231,323	1,294,718	5.1%	21,687,079	3,544,244	16.3%
Operating income	7,494,430	11,061,354	(3,566,924)	-32.2%	9,426,974	1,634,380	17.3%
Nonoperating revenues (loss)	1,436,703	(3,629,282)	5,065,985	-139.6%	514,605	(4,143,887)	-805.3%
Other changes in net position	2,022,917	4,085,191	(2,062,274)	-50.5%	1,226,410	2,858,781	233.1%
Change in net position	10,954,050	11,517,263	(563,213)	-4.9%	11,167,989	349,274	3.1%
Net position, beginning of year	158,570,652	147,053,389	11,517,263	7.8%	135,885,400	11,167,989	8.2%
Net position, end of year	<u>\$ 169,524,702</u>	<u>\$ 158,570,652</u>	<u>\$ 10,954,050</u>	6.9%	<u>\$ 147,053,389</u>	<u>\$ 11,517,263</u>	7.8%

Operating revenues total \$34.0 million and are primarily composed of \$12.1 million of net unrealized and realized gain (loss) on investments, \$12.1 million related to the student housing system, and \$6.1 million of contributions.

UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.
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The Statements of Revenues, Expenses, and Changes in Net Position (Continued)

Operating expenses total \$26.5 million and are primarily composed of \$11.4 million related to the student housing system, \$8.8 million of services to the University, \$3.0 million of scholarships to students, and \$2.5 million in general and administrative expenses.

Operating income is \$7.5 million, nonoperating revenues are \$1.4 million, and contributions to endowments are \$2.0 million for fiscal year 2025. As a result, net position increased by \$11.0 million.

Overall, financial position and operations were favorable with investments showing positive returns by approximately \$14.9 million. Total expenses were up approximately \$1.3 million at \$26.5 million and revenues (operating and nonoperating) increased by \$2.8 million. Although inflation rates have stabilized, the economic outlook still remains uncertain with inflation increasing at rates above 2% year over year and the Federal Reserve monitoring interest rates to combat inflation risking a recession as a result.

The Statements of Cash Flows

The statement of cash flows is important to readers because it shows the Foundation's ability to generate cash required for its operations and payment of obligations in a timely fashion. It also provides information regarding decisions made by management as to the use of cash available.

The statement of cash flows shows the cash provided by and used in operating, investing, capital and related financing activities, and noncapital activities.

- Operating activities include funds received (i.e. private donors, student rents, interest and dividends) and payments (i.e. for programs, programmatic equipment, materials, and supplies) made for the Foundation and the University.
- Investing activities represent funds used to purchase investments, proceeds from sales of investments, and the funds held for West Florida Historic Trust.
- Capital and related financing activities include the purchase of property and equipment and the principal payments on the bonds.
- Noncapital and related financing activities include funds received for endowments and university support.

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(UNAUDITED)

Economics Factors That Will Affect the Future

The economic outlook of the Foundation is affected by several factors, including contributions, return on investments, and the State of Florida legislative changes. Annual contributions and endowments have a direct impact on enhancing University programs. The Foundation is not aware of currently known facts, decisions, or conditions that are expected to have a significant effect on the overall financial position or results of operations during the 2026 fiscal year.

Requests for Information

Questions concerning information provided in the MD&A or requests for additional information should be addressed to the University of West Florida Foundation, 11000 University Parkway, Building 12, Pensacola, FL 32514 or by calling (850) 474-3380.

BASIC FINANCIAL STATEMENTS

UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.
A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA
STATEMENTS OF NET POSITION
JUNE 30, 2025 AND 2024

ASSETS

	2025	2024
Current Assets:		
Cash and cash equivalents	\$ 2,999,245	\$ 3,860,791
Contributions receivable, net	1,779,057	1,635,467
Other receivables, net	3,276,080	252,568
Due from University	790,833	863,541
Prepaid expenses	337,919	321,357
Investments	7,135,131	10,913,052
Total current assets	<u>16,318,265</u>	<u>17,846,776</u>
Noncurrent Assets:		
Restricted cash reserves	1,585,529	1,712,398
Contributions receivable, net	2,771,221	3,148,702
Investments	143,604,974	131,556,240
Capital assets, net	33,014,992	35,501,333
Assets held under split interest agreements	3,439,344	3,355,188
Other assets	412,249	396,570
Total noncurrent assets	<u>184,828,309</u>	<u>175,670,431</u>
Total Assets	<u><u>\$ 201,146,574</u></u>	<u><u>\$ 193,517,207</u></u>

LIABILITIES, DEFERRED INFLOWS AND NET POSITION

Current Liabilities:		
Accounts payable and accrued expenses	\$ 1,204,956	\$ 1,383,575
Bonds payable, net	3,347,408	3,222,152
Total current liabilities	<u>4,552,364</u>	<u>4,605,727</u>
Noncurrent Liabilities:		
Liabilities under split-interest agreements	1,530,408	1,623,814
Due to West Florida Historic Trust	1,303,261	1,269,157
Bonds payable, net	22,442,674	25,832,254
Total noncurrent liabilities	<u>25,276,343</u>	<u>28,725,225</u>
Deferred Inflows of Resources:		
Split-interest agreements	<u>1,793,165</u>	<u>1,615,603</u>
Net Position:		
Net investment in capital assets	7,224,910	6,446,927
Unrestricted	4,571,811	4,173,914
Restricted -		
Expendable	74,733,748	67,425,218
Nonexpendable	82,994,233	80,524,593
Total net position	<u>169,524,702</u>	<u>158,570,652</u>
Total Liabilities, Deferred Inflows and Net Position	<u><u>\$ 201,146,574</u></u>	<u><u>\$ 193,517,207</u></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 REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Operating Revenues:		
Contributions	\$ 6,085,598	\$ 9,037,544
Interest and dividend income	2,494,159	2,226,255
Net unrealized and realized gain on investments	12,068,085	12,488,417
Student housing system	12,125,284	11,567,456
University support - non cash	1,148,171	857,492
Other operating revenues	99,174	115,513
Total operating revenues	<u>34,020,471</u>	<u>36,292,677</u>
Operating Expenses:		
Scholarships	2,951,853	2,899,586
Other program services	8,834,512	8,850,039
Student housing system	11,411,513	10,485,190
Fundraising services	820,516	773,779
General and administrative	2,507,647	2,222,729
Total operating expenses	<u>26,526,041</u>	<u>25,231,323</u>
Operating Income	<u>7,494,430</u>	<u>11,061,354</u>
Nonoperating Revenues (Loss):		
Real property provided by the University	90,000	-
Other nonoperating losses	-	(3,622,274)
Student housing system - loss on disposal of capital assets	(7,034)	(7,008)
Student housing system - other nonoperating revenues	1,353,737	-
Total nonoperating revenues (loss), net	<u>1,436,703</u>	<u>(3,629,282)</u>
Net Income Before Other Changes in Net Position	8,931,133	7,432,072
Other Changes in Net Position:		
Endowed contributions	<u>2,022,917</u>	<u>4,085,191</u>
Change in Net Position	10,954,050	11,517,263
Net Position, Beginning of Year	<u>158,570,652</u>	<u>147,053,389</u>
Net Position, End of Year	<u><u>\$ 169,524,702</u></u>	<u><u>\$ 158,570,652</u></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, 2025 AND 2024

	2025	2024
Cash Flows From Operating Activities:		
Cash receipts from contributions	\$ 6,319,489	\$ 7,984,905
Interest and dividends received	2,829,393	2,619,839
Cash receipts from student housing system	11,776,668	11,031,660
Cash receipts from other operating revenues	118,370	153,816
Cash paid for operating expenses	(22,445,110)	(21,562,793)
Net cash provided by (used in) operating activities	<u>(1,401,190)</u>	<u>227,427</u>
Cash Flows From Investing Activities:		
Purchase of investment securities	(34,372,043)	(31,553,856)
Proceeds from sales of investment securities	38,182,697	28,569,324
Due from West Florida Historic Trust	34,104	131,342
Net cash provided by (used in) investing activities	<u>3,844,758</u>	<u>(2,853,190)</u>
Cash Flows From Capital and Related Financing Activities:		
Acquisition of property and equipment	(2,280,576)	(1,602,943)
Bond principal payments	(3,264,324)	(3,141,641)
Proceeds from sale of real property	-	2,771,053
Net cash used in capital and related financing activities	<u>(5,544,900)</u>	<u>(1,973,531)</u>
Cash Flows From Noncapital Financing Activities:		
Endowment contributions	2,022,917	4,085,191
University support	90,000	-
Net cash provided by noncapital financing activities	<u>2,112,917</u>	<u>4,085,191</u>
Net Decrease in Cash	(988,415)	(514,103)
Cash, Beginning of Year	<u>5,573,189</u>	<u>6,087,292</u>
Cash, End of Year	<u><u>\$ 4,584,774</u></u>	<u><u>\$ 5,573,189</u></u>
Displayed As:		
Cash and cash equivalents	\$ 2,999,245	\$ 3,860,791
Noncurrent restricted cash reserves	<u>1,585,529</u>	<u>1,712,398</u>
	<u><u>\$ 4,584,774</u></u>	<u><u>\$ 5,573,189</u></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, 2025 AND 2024
(Continued)

	<u>2025</u>	<u>2024</u>
Reconciliation of Operating Income to Net		
Cash Provided By (Used In) Operating Activities:		
Operating income	\$ 7,494,430	\$ 11,061,354
Adjustments to reconcile operating income to		
net cash provided by (used in) operating activities -		
Net unrealized and realized gain on long-term investments	(12,081,467)	(12,630,629)
Provision for uncollectible accounts	68,349	9,639
Change in fair value of -		
Contributions receivable	(145,670)	210,690
Cash surrender value of insurance policies	(15,679)	(10,979)
Depreciation	3,143,620	3,215,552
Change in operating assets and liabilities -		
Contributions receivable	352,806	(1,285,123)
Other receivables	(95,106)	50,458
Due from University	72,708	(502,073)
Prepaid expenses	(16,562)	(128,452)
Accounts payable and accrued expenses	(178,619)	236,990
	<u>\$ (1,401,190)</u>	<u>\$ 227,427</u>
 Supplemental Disclosure of Cash Flow Information:		
Interest paid	<u>\$ 997,278</u>	<u>\$ 1,118,300</u>
 Supplemental Disclosure of Noncash Capital and		
Related Financing Activities Information:		
Real property provided by the University	<u>\$ 90,000</u>	<u>\$ -</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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity:

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 is considered a discrete component unit of the University due to the University's governance and budgetary oversight responsibility and due to the Foundation's significant operational and financial relationship with 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 11 to the financial statements.

Basis of Accounting:

The Foundation follows standards of accounting and financial reporting that are generally accepted in the United States of America for governmental entities. The Foundation's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting, which recognizes revenue when earned and expenses as incurred.

Fund Accounting:

To help ensure observance of limitations and restrictions placed on the use of resources, the accounts of the Foundation are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund in the general ledger. For reporting purposes, these funds are combined into one column.

The net position of the Foundation is reported in three categories as follows:

Net Investment in Capital Assets - Represents funds that consist of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any revenue bonds that are attributable to and expended on the acquisition, construction or improvement of those assets net of any related unspent debt proceeds.

UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.
A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Continued):

Unrestricted - Represents funds that are available without restriction for carrying out the Foundation's objectives.

Restricted - Restricted net position represents net position that is restricted by constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through enabling legislation. Restricted funds include:

Expendable: Represents funds that are subject to donor, grantor or other outside party restrictions to use for the benefit of various programs at the University and includes the expendable portion of endowment funds. These programs include endowed chairs and professorships, research funding and student scholarships.

Nonexpendable: Represents the nonexpendable portion (corpus) of endowment funds that are subject to donor, grantor, or other outside party restrictions for the benefit of various programs at the University. These programs include endowed chairs, professorships, and student scholarships. The corpus of the permanent endowments is retained and reported in nonexpendable endowments, while the net earnings or losses on endowment funds are included in expendable funds available for expenditure.

As a general practice, the Foundation applies restricted resources when an expense relating to the purpose restriction imposed by the outside party is incurred before unrestricted resources are used.

Operating and Nonoperating Activities:

Operating revenues and expenses represent ongoing activities of the Foundation, as well as ongoing activities that are in support of the University's programs. Operating activities relate to the Foundation's principal function, which is to solicit, receive, hold, invest and administer charitable contributions for the benefit of the University. Operating revenues also include rental revenue from student housing facilities. Nonoperating revenues (losses) include certain revenue sources that provide additional funding not included in operating revenues and include University related support and endowment contributions, offset by disposal of capital assets.

Cash and Cash Equivalents:

The amount reported as cash and cash equivalents consists of cash on hand and cash in demand accounts.

UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.
A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents (Continued):

For the purpose of reporting cash flows, the Foundation considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Noncurrent cash and cash equivalents at June 30, 2025 and 2024, include cash that is restricted or is not expected to be used during the Foundation's next fiscal year.

Restricted Cash Reserves:

Restricted cash reserves represent funds held 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. All investments are reported at fair value. Investments with maturities less than 12 months and investments placed with the State Treasury Special Purpose Investment Account ("SPIA") are classified as current investments. These current investments were created to provide liquidity and be a source of funds to meet planned or anticipated expenses for current operations. Investments classified as noncurrent primarily represent the corpus of donor restricted contributions and amounts subject to other internal designations by the Board of Directors and management as well as investments not expected to be used during the next fiscal year.

Investments placed with SPIA include accounts for Foundation operations, as well as accounts restricted for housing operations. SPIA has established a minimum balance for each account. Each SPIA participant is required to give six months' notice for all withdrawals below the floor, which is calculated as forty percent of the previous three months' average daily balance.

Contributions Receivable:

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, all non-endowed pledges that have met all eligibility requirements that are verifiable, probable, and measurable are recorded at their estimated realizable value on a discounted basis. An allowance for uncollectible contribution receivables is estimated and recorded based on management's judgment of the collectability in future years.

UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.
A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets:

Capital assets consists of office equipment, student housing system, future use, or sale, and works of art. Purchased assets are recorded at cost, while donated assets are recorded at fair market value at the date of donation. Where a contributed asset has an uncertain fair market value due to deed restrictions, the Foundation records no value for the property. The Foundation has a capitalization threshold of \$20,000. Depreciation is allocated over the estimated useful lives of the respective assets on a straight-line basis as follows:

	<u>Years</u>
Property and improvements	7 - 45
Equipment and software	3 - 10

The Foundation capitalizes interest costs on borrowing incurred during the construction of qualifying assets. The capitalized interest is amortized over the life of the borrowing.

Split-Interest Agreements:

The Foundation serves as trustee for split-interest agreements classified as charitable gift annuities and charitable remainder unitrust. Assets received under charitable gift annuities and charitable remainder unitrust 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 deferred inflows of resources. 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 charitable gift annuities and charitable remainder unitrust are based on discount rates and mortality tables established by the Internal Revenue Code and Regulations. The Foundation is a charitable recipient of a charitable lead trust. Assets received under the charitable lead trust are recorded at fair market value, with changes recorded as deferred inflows of resources. The determination of the future values is discounted in the same manner as contribution receivables based on the prevailing five-year Treasury constant maturities.

Deferred Inflows of Resources:

The Foundation reports increases in net position that relate to future periods as deferred inflows of resources in a separate section of the statement of net position. Deferred inflows of resources relate to split-interest agreements.

UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.
A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition:

Contributions of cash, investment securities or pledges receivable are recognized at fair value when all eligibility requirements have been met and are recognized when funds are received. Property and equipment donated to the Foundation are recorded at their estimated values at the dates of donation. Conditional promises to give are not recognized until the condition has been met. Additions to endowments and other trusts are not recognized until the resources are received and all eligibility requirements have been met.

Each state university board of trustees is authorized to permit the use of property, facilities, and personal services at any state university by any university direct support organization per Section 1004.28, Florida Statutes. Administrative and fiscal services, office space, and other miscellaneous support services are provided to university direct support organizations by the University. As discussed in Note 6, the Foundation records the University's support as contributed services on the statement of revenues, expenses, and changes in net position.

Bond Discounts and Premiums:

Bond discounts and premiums 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 and premiums are presented as an adjustment to 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 accumulated sick leave.

At June 30, 2025 and 2024, accrued compensated absences totaling \$490,057 and \$752,280, respectively, were reported as a component of accrued expenses in the accompanying financial statements.

Other Program Services:

Other program services consist of expenditures to support the objectives of the University and/or its various colleges and departments.

UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.
A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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).

Use of 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.

Retirement Plan and Other Post-Employment Healthcare Benefits:

As discussed in more detail in Note 10, Foundation employees may elect to participate in the Florida Retirement System consisting of a defined benefit plan; the Deferred Retirement Option Program, an alternative method for retirement payment; and the Public Employee Optional Retirement Program, a defined contribution plan. These plans have vesting and service requirements. Certain eligible faculty and administrators may also elect to participate in the Optional Retirement Program, a defined contribution plan which provides full and immediate vesting of contributions. Certain key University personnel participate in a money-purchase retirement savings plan with specific vesting schedules.

As required by Section 112.0804, Florida Statutes, retirees and their eligible dependents are provided the same health care coverage as is offered to active employees at the same premium cost (borne by the retiree) applicable to active employees. The University allows retirees to participate in the plan at reduced or blended group rates. These rates may provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees.

Since all employees who work for the Foundation are employees of the University, the liabilities for pensions and other post-employment benefits is reported by the University and not reflected on the Foundation's financial statements.

UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.
A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications:

Certain accounts in the 2024 financial statements have been reclassified for comparative purposes to conform with the presentation in the 2025 financial statements.

NOTE 2 - CASH AND INVESTMENTS

Cash and Cash Equivalents:

At June 30, 2025 and 2024, unrestricted cash and cash equivalents consisting of bank demand accounts were as follows:

	2025	2024
Foundation cash on deposit	\$ 2,699,789	\$ 3,785,835
Housing cash on deposit	299,456	74,956
	<u>\$ 2,999,245</u>	<u>\$ 3,860,791</u>

At June 30, 2025 and 2024, restricted cash and cash equivalents were as follows:

	2025	2024
Housing operating reserves	\$ 1,203,607	\$ 1,079,979
Housing replacement reserves	367,523	549,768
Housing bond service accounts	14,399	82,651
	<u>\$ 1,585,529</u>	<u>\$ 1,712,398</u>

UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.
A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 - CASH AND INVESTMENTS (Continued)

Custodial Credit Risk - Deposits:

Custodial credit risk for deposits is the risk that, in the event of a depository financial institution's failure, the Foundation's deposits may not be returned to it. It is the Foundation's policy to monitor deposits on account to avoid deposits that are not covered by depository insurance or are uncollateralized. The Foundation's cash balances held at financial institutions are insured by the Federal Deposit Insurance Corporation ("FDIC") up to certain limits. At June 30, 2025 and 2024, the Foundation's uninsured cash balance at financial institutions totaled approximately \$1,094,000 and \$1,180,000, respectively.

Additional financial instruments that potentially subject the Foundation to custodial credit risk consist of cash deposits at brokerage firms. These accounts are not insured by the FDIC. At June 30, 2025 and 2024, the Foundation maintained cash and cash equivalent balances at these institutions totaling approximately \$3,898,000 and \$4,462,000, respectively.

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.

Investments:

The Foundation has an investment policy which provides guidelines for the investments of Foundation assets. The purpose of these assets is to further the overall mission of the University. The objectives of the assets are the enhancement of capital and real purchasing power while limiting exposure to risk of loss. Real purchasing power of real rate of return will be defined as returns in excess of inflation as defined by Consumer Price Index. The investment policy provides information on authorized asset classes, target allocations and ranges of acceptable investment categories.

UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.
A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 - CASH AND INVESTMENTS (Continued)

Investments (Continued):

Investments are carried at fair value and consist of the following:

	Cost	Fair Value	Unrealized Gain (Loss)
June 30, 2025:			
Certificates of deposit	\$ 524,694	\$ 522,678	\$ (2,016)
Equity securities -			
Common stock and mutual funds	54,877,169	81,650,506	26,773,337
Debt securities	30,391,319	31,725,466	1,334,147
External investment pool -			
SPIA	2,156,847	2,163,316	6,469
Alternative investments -			
Fund of fund hedge funds	6,660,500	12,116,481	5,455,981
Private equity investments	16,581,640	18,716,767	2,135,127
Real estate investment funds	5,488,953	3,844,891	(1,644,062)
	<u>\$ 116,681,122</u>	<u>\$ 150,740,105</u>	<u>\$ 34,058,983</u>
June 30, 2024:			
Certificates of deposit	\$ 624,254	\$ 604,683	\$ (19,571)
Equity securities -			
Common stock and mutual funds	51,760,215	76,575,039	24,814,824
Debt securities	27,156,558	27,442,688	286,130
External investment pool -			
SPIA	5,065,571	5,044,295	(21,276)
Alternative investments -			
Fund of fund hedge funds	6,660,500	10,644,307	3,983,807
Private equity investments	15,055,054	17,630,736	2,575,682
Real estate investment funds	5,776,413	4,527,544	(1,248,869)
	<u>\$ 112,098,565</u>	<u>\$ 142,469,292</u>	<u>\$ 30,370,727</u>

Principal Financial Group is the custodian for the Foundation's equity securities, debt securities and fund of fund hedge funds.

UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.
A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 - CASH AND INVESTMENTS (Continued)

Investments (Continued):

As further discussed in Note 6, on July 1, 2016, the Foundation entered into a cash and securities agreement with the Pensacola Museum of Art ("PMA") for the furtherance of the PMA mission. The Foundation acts as a manager of PMA's certificates of deposit and mutual funds which are included in the Foundation's investment balance. These investments are kept separate from the Foundation's investment pool. Balances at June 30 were as follows:

	2025	2024
Certificates of deposit	\$ 522,678	\$ 604,683
Mutual funds	242,482	217,391
	<u>\$ 765,160</u>	<u>\$ 822,074</u>

At June 30, 2025 and 2024, housing maintained contingency and improvement reserves which consisted of investments in the amount of \$3,170,803 and \$4,453,954, respectively. See Note 7 for further discussion of these reserves.

At June 30, 2025 and 2024, the fair market value of all endowed investments was at a level above the minimum required by donor stipulations, totaling \$31,645,174 and \$24,742,017, respectively. However, individual donor-restricted endowment funds were deficient, totaling \$40,317 and \$118,602, respectively, where the fair value of the investments at June 30, 2025 and 2024, was less than the level required by the donor stipulations. See Note 9 for further discussion of endowments.

The net return on investments was as follows:

	Total Unrestricted	Total Expendable	Total Housing
Year Ended June 30, 2025 -			
Dividends and interest	\$ 9,552	\$ 2,484,607	\$ 335,234
Net realized gain on investments	22,925	9,284,249	6,729
Unrealized gain on investments	1,542,762	1,218,149	6,653
	<u>\$ 1,575,239</u>	<u>\$ 12,987,005</u>	<u>\$ 348,616</u>
Year Ended June 30, 2024 -			
Dividends and interest	\$ 5,408	\$ 2,220,847	\$ 393,584
Net realized gain (loss) on investments	20,254	8,105,060	(571)
Unrealized gain on investments	1,609,890	2,753,213	142,783
	<u>\$ 1,635,552</u>	<u>\$ 13,079,120</u>	<u>\$ 535,796</u>

UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.
A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 - CASH AND INVESTMENTS (Continued)

Custodial Credit Risk - Investments:

Custodial risk for investments is the risk that, in the event of the failure of the counterparty, the Foundation will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. It is the Foundation's policy to require that all securities be held by the Foundation's agent in the Foundation's name. The Foundation's investments as of June 30, 2025 and 2024, excluding mutual funds, alternative investments, and the external investment pool are uninsured and registered with securities held by the Foundation's agent in the Foundation's name. Mutual funds and alternative investments do not have specific securities, are uninsured and are held in the book entry form. The external investment pool consists of 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 and is uninsured.

Concentration of Credit Risk:

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The Foundation's investment policy requires diversification of investments sufficient to reduce the potential of a single security, single sector of securities, or single investment manager having a disproportionate or significant impact on the portfolio. Guidelines for individual sectors of the portfolio further indicate percentage limitations.

Disclosure of any issuer of investments that in the aggregate is 5% or more of the portfolio is required to be disclosed as a concentration of credit risk (investments issued by or explicitly guaranteed by the US Government and investments in mutual funds, external investment pools and other pooled investments are exempt). As of June 30, 2025 and 2024, there were no concentrations of credit risk.

UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.
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NOTE 2 - CASH AND INVESTMENTS (Continued)

Credit Risk:

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2025 and 2024, the credit quality ratings of the Foundation's debt securities were as follows:

<u>Standard and Poor's Credit Rating</u>	<u>2025</u>	<u>2024</u>
AAA	\$ 9,750,980	\$ 12,154,509
AA	7,437,778	3,209,043
A	3,434,537	3,414,556
BBB	5,672,578	6,491,315
BB	2,592,168	1,091,016
B	1,981,704	770,353
Below B	711,132	308,254
Unrated	144,589	3,642
	<u>\$ 31,725,466</u>	<u>\$ 27,442,688</u>

As of June 30, 2025 and 2024, the external investment pool was rated at AA-f by Standard and Poor's.

Alternative investments consist of funds that may include underlying securities including equities, fixed income, real estate, and other types of investments. The schedule above only reflects the credit risk related to debt securities that are directly held by the Foundation.

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Foundation's policy for managing its exposure to fair value loss occurring from interest rate risk is through maintaining diversification of its investments and investment maturities so as to minimize the impact of downturns in the market as stated above.

As of June 30, 2025, the Foundation's debt securities had the following weighted average maturities:

<u>Total</u>		<u>1-5 years</u>	<u>More than 5 years</u>
<u>Fair Value</u>			
\$ 31,725,466	\$	22,595,424	\$ 9,130,042

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NOTE 2 - CASH AND INVESTMENTS (Continued)

Interest Rate Risk (Continued):

As of June 30, 2024, the Foundation's debt securities had the following weighted average maturities:

Total Fair Value	1-5 years	More than 5 years
\$ 27,442,688	\$ 15,640,211	\$ 11,802,477

As of June 30, 2025 and 2024, the external investment pool has an effective duration of 3.33 and 3.23 years, respectively.

Alternative investments consist of funds that may include underlying securities including equities, fixed income, real estate, and other types of investments. The schedule above only reflects the interest rate risk related to debt and equity securities that are directly held by the Foundation.

Foreign Currency Risk:

Foreign currency risk is the risk that changes in exchange rates between the U.S. dollar and foreign currencies could adversely affect an investment's fair value. It is the Foundation's policy to limit its exposure to foreign currency risk by limiting the asset allocation in international investments in accordance with the established targets in the approved investment policy. As of June 30, 2025 and 2024, the Foundation did not have any direct investments subject to this risk. As of June 30, 2025 and 2024, the Foundation's assets were held in U.S. currency. The currency risk on international and global assets is absorbed by the underlying investment managers.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 - CASH AND INVESTMENTS (Continued)

Fair Value Measurements:

The Foundation utilizes various methods to measure fair value of its assets and liabilities on a recurring basis. U.S. GAAP establishes a hierarchy that prioritizes inputs to valuation methods. The three levels of hierarchy are:

Level 1: Unadjusted quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than quoted market prices and can include active markets and markets not considered to be active.

Level 3: Unobservable inputs that are supported by little or no market activity.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level of any input that is significant to the fair value measurement in its entirety. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Changes in valuation techniques may result in transfers in or out of an investment's assigned level as described above.

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JUNE 30, 2025 AND 2024

NOTE 2 - CASH AND INVESTMENTS (Continued)

Fair Value Measurements (Continued):

The fair value of the Foundation's assets and liabilities at June 30, 2025 is as follows:

Description	Total	(Level 1)	(Level 2)	(Level 3)	(NAV)
Assets measured at fair value -					
Equity securities-Domestic & International	\$ 81,650,506	\$ 77,180,540	\$ 4,469,966	\$ -	\$ -
Debt securities	31,725,466	19,881,174	11,844,292	-	-
External investment pool; SPIA	2,163,316	-	-	2,163,316	-
Alternative investments:					
Private equity investments	6,237,148	-	-	6,237,148	-
Real estate investment funds	3,844,891	-	-	3,844,891	-
Total alternative investments	10,082,039	-	-	10,082,039	-
Funds held in trust by others	3,439,344	3,439,344	-	-	-
Contributions receivable, net	4,550,278	-	-	4,550,278	-
Total assets measured at fair value	133,610,949	100,501,058	16,314,258	16,795,633	-
Assets measured at net asset value (NAV) -					
Fund of fund hedge funds	12,116,481	-	-	-	12,116,481
Private equity investments	12,479,619	-	-	-	12,479,619
Total assets measured at NAV	24,596,100	-	-	-	24,596,100
Total assets	158,207,049	100,501,058	16,314,258	16,795,633	24,596,100
Liabilities:					
Funds held in trust	1,530,408	-	-	1,530,408	-
Due to WFHT	1,303,261	-	1,303,261	-	-
Total liabilities	2,833,669	-	1,303,261	1,530,408	-
Total	\$ 155,373,380	\$ 100,501,058	\$ 15,010,997	\$ 15,265,225	\$ 24,596,100

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 - CASH AND INVESTMENTS (Continued)

Fair Value Measurements (Continued):

The fair value of the Foundation's assets and liabilities at June 30, 2024 is as follows:

Description	Total	(Level 1)	(Level 2)	(Level 3)	(NAV)
Assets measured at fair value -					
Equity securities-Domestic & International	\$ 76,575,039	\$ 72,884,661	\$ 3,690,378	\$ -	\$ -
Debt securities	27,442,688	16,499,987	10,942,701	-	-
External investment pool; SPIA	5,044,295	-	-	5,044,295	-
Alternative investments:					
Private equity investments	6,191,646	-	-	6,191,646	-
Real estate investment funds	4,527,544	-	-	4,527,544	-
Total alternative investments	10,719,190	-	-	10,719,190	-
Funds held in trust by others	3,355,188	3,355,188	-	-	-
Contributions receivable, net	4,784,169	-	-	4,784,169	-
Total assets measured at fair value	127,920,569	92,739,836	14,633,079	20,547,654	-
Assets measured at net asset value (NAV) -					
Fund of fund hedge funds	10,644,307	-	-	-	10,644,307
Private equity investments	11,439,090	-	-	-	11,439,090
Total assets measured at NAV	22,083,397	-	-	-	22,083,397
Total assets	150,003,966	92,739,836	14,633,079	20,547,654	22,083,397
Liabilities:					
Funds held in trust	1,623,814	-	-	1,623,814	-
Due to WFHT	1,269,157	-	1,269,157	-	-
Total liabilities	2,892,971	-	1,269,157	1,623,814	-
Total	\$ 147,110,995	\$ 92,739,836	\$ 13,363,922	\$ 18,923,840	\$ 22,083,397

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 - CASH AND INVESTMENTS (Continued)

Fair Value Measurements (Continued):

The following methods and assumptions were used to estimate the fair value for each class of asset and liability, 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.

Debt securities - Investments in fixed income securities 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. However, a small segment of debt security holdings is in a High Yield Commingled Fund where there are inputs, other than quoted prices included in Level 1, that are observable, either directly or indirectly, and therefore included in Level 2.

External investment pool - Investments in the Special Purpose Investment Account ("SPIA") of the Florida Treasury Pool are classified as Level 3. Participants contribute to this Treasury Pool on a dollar basis. These funds are commingled, and a fair value of the pool is determined from the individual values of the securities. The fair value of the securities is summed, and a total pool fair value is determined. A fair value factor is calculated by dividing the pool's total fair value by the pool participant's total cash balances. The fair value factor is the ratio used to determine the fair value of an individual participant's pool balance. At June 30, 2025 and 2024, the unaudited fair value factor was 1.003 and 0.9958, respectively. 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.

Alternative investments - Investments in private equity partnerships for which there is no readily determinable fair value is classified as Level 3 as the valuation is based on significant unobservable inputs.

Private equity and real estate investment funds for which there are not readily determinable fair values are classified as Level 3 as the valuation is based on significant unobservable inputs. Private equity real estate are partnerships formed for the purpose of acquiring, holding, managing and selling income producing real estate and real estate related assets including interest in joint venture development projects for current income, investment and capital appreciation over a three to five year holding period.

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JUNE 30, 2025 AND 2024

NOTE 2 - CASH AND INVESTMENTS (Continued)

Fair Value Measurements (Continued):

Funds held in trust by others - Funds held in trust by others 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. The liabilities are classified as Level 3 as they are measured at the present value of the future distributions the Foundation expects to receive over the term of the agreements.

Contributions receivable - Unconditional promises to give that are expected to be collected in future years are recorded at an estimated fair value determined using the discounted present value of expected cash flows. They are classified as Level 3 as the discounts on those amounts are computed using a risk adjusted discount rate applicable at the time promises are received.

Due to WFHT - The amount payable to WFHT is classified as Level 2 as the value correlates directly to the fair value of WFHT's interest in the Foundation's investment pool.

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.

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JUNE 30, 2025 AND 2024

NOTE 2 - CASH AND INVESTMENTS (Continued)

Fair Value Measurements (Continued):

The following table presents a reconciliation of the statement of net 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, 2025:

	Private Equity	Real Estate	SPIA	Contributions Receivable, net	Funds Held in Trust by Others	Total
Assets:						
Beginning balance	\$ 6,191,646	\$ 4,527,544	\$ 5,044,295	\$ 4,784,169	\$ -	\$ 20,547,654
Total gains or losses:						
Included in change						
in net assets	446,137	(169,803)	21,274	-	-	297,608
Purchases, issuances, sales, and settlements:						
Purchases	1,208,670	-	2,168,905	-	-	3,377,575
Settlements	(1,609,305)	(512,850)	(5,071,158)	-	-	(7,193,313)
New pledges, payments, write-offs, and change in fair value:						
New pledges	-	-	-	564,000	-	564,000
Payments	-	-	-	(916,806)	-	(916,806)
Write-offs	-	-	-	(26,755)	-	(26,755)
Change in fair value	-	-	-	145,670	-	145,670
Total assets	6,237,148	3,844,891	2,163,316	4,550,278	-	16,795,633
Liabilities:						
Beginning balance	-	-	-	-	1,623,813	1,623,813
Adjustments	-	-	-	-	(202,561)	(202,561)
Total gains or losses:						
Included in change						
in net assets	-	-	-	-	293,716	293,716
Settlements	-	-	-	-	(184,560)	(184,560)
Total liabilities	-	-	-	-	1,530,408	1,530,408
Total	\$ 6,237,148	\$ 3,844,891	\$ 2,163,316	\$ 4,550,278	\$ (1,530,408)	\$ 15,265,225

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 - CASH AND INVESTMENTS (Continued)

Fair Value Measurements (Continued):

The following table presents a reconciliation of the statement of net 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, 2024:

	Private Equity	Real Estate	SPIA	Contributions Receivable, net	Funds Held in Trust by Others	Total
Assets:						
Beginning balance	\$ 5,556,090	\$ 5,509,234	\$ 6,425,243	\$ 3,731,530	\$ -	\$ 21,222,097
Total gains or losses:						
Included in change in net assets	684,544	(1,020,763)	221,331	-	-	(114,888)
Purchases, issuances, sales, and settlements:						
Purchases	1,196,588	39,073	2,909,602	-	-	4,145,263
Settlements	(1,245,576)	-	(4,511,881)	-	-	(5,757,457)
New pledges, payments, Write-offs:						
New pledges	-	-	-	3,040,500	-	3,040,500
Payments	-	-	-	(1,755,376)	-	(1,755,376)
Write-offs	-	-	-	(21,795)	-	(21,795)
Change in fair value	-	-	-	(210,690)	-	(210,690)
Total assets	6,191,646	4,527,544	5,044,295	4,784,169	-	20,547,654
Liabilities:						
Beginning balance	-	-	-	-	1,720,127	1,720,127
Adjustments	-	-	-	-	(168,703)	(168,703)
Total gains or losses:						
Included in change in net assets	-	-	-	-	256,950	256,950
Settlements	-	-	-	-	(184,560)	(184,560)
Total liabilities	-	-	-	-	1,623,814	1,623,814
Total	\$ 6,191,646	\$ 4,527,544	\$ 5,044,295	\$ 4,784,169	\$ (1,623,814)	\$ 18,923,840

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 - CASH AND INVESTMENTS (Continued)

Fair Value Measurements (Continued):

The following tables set forth a summary of valuation techniques and quantitative information utilized in determining the fair value of the Level 3 assets and liabilities as of June 30, 2025, excluding investments valued using the practical expedient or the NAV.

Asset or Liability Type	Fair Value	Valuation Technique(s)	Unobservable Input	Range (weighted average)
Real Estate Investment Fund - Harbert V:				
Real Estate Partnership Interest	\$ 17,532	NOI/Cap Rate	Capitalization Rate	N/A
Real Estate Investment Fund - Harbert VI:				
Real Estate Partnership Interest	\$ 182,491	Direct Capitalization	Capitalization Rate	6.59%
Real Estate Partnership Interest	\$ 349,797	Market Transactions (a)	N/A	N/A
		Independent Appraisal/Opinion of		
Real Estate Partnership Interest	\$ 56,318	Value	Capitalization Rate	7.00%
Real Estate Partnership Interest	\$ 5,091	Discounted Cash Flow Model	Terminal Capitalization Rate	6.00%
			Levered IRR	16.00%
			Revenue Growth Rate	3.00%
Real Estate Investment Fund - Harbert VII:				
Real Estate Holdings	\$ 2,562,323	Direct Capitalization	Capitalization Rate	6.03%
Real Estate Holdings	\$ 7,747	Market Transactions (a)	N/A	N/A
Real Estate Holdings	\$ 535,429	Independent Appraisal/BOV	Capitalization Rate	5.46%
Real Estate Partnership Interest	\$ 128,162	Discounted Cash Flow Model	Terminal Capitalization Rate	6.00%
			Levered IRR Revenue	16.00%
			Growth Rate	3.00%
Private Equity Investments - Portfolio Advisor Credit Opportunities Fund II:				
Fund II Common Securities	\$ 38,488	Market Comparable Companies	EBITDA Multiple	7.3x - 14.6x
Fund II Preferred Securities	\$ 30,801	Market Comparable Companies	EBITDA Multiple	7.3x - 14.6x
Fund II Limited Partnership	\$ 154	Waterfall Analysis	EBITDA Multiple	N/A

(a) Market Transactions include related capital expenditures of a particular investment.

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NOTES TO FINANCIAL STATEMENTS
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NOTE 2 - CASH AND INVESTMENTS (Continued)

Fair Value Measurements (Continued):

Asset or Liability Type	Fair Value	Valuation Technique(s)	Unobservable Input	Range (weighted average)
Fund II Debt Securities	\$ 634	Waterfall Analysis	EBITDA Multiple	N/A
Fund II Debt Securities	\$ 75,155	Cost (Recent Transaction)	N/A	N/A
Fund II Debt Securities	\$ 230,214	Relative Value Analysis	Yield to Maturity	11.2% - 16.5%
Fund III Common Securities	\$ 643,842	Market Comparable Companies	EBITDA Multiple	9.3x - 17.8x
Fund III Limited Partnership	\$ 800,385	Market Comparable Companies	EBITDA Multiple	11.0x - 17.6x
Fund III Preferred Securities	\$ 120,283	Waterfall Analysis	EBITDA Multiple	11.7x - 19.4x
Fund III Common Securities	\$ 73,228	Waterfall Analysis	EBITDA Multiple	N/A
Fund III Limited Partnership	\$ 13,621	Cost (Recent Transaction)	N/A	N/A
Fund III Debt Securities	\$ 815,863	Cost (Recent Transaction)	N/A	N/A
Fund III Debt Securities	\$ 1,075,472	Relative Value Analysis	Yield to Maturity	10.0% - 16.7%
Private Equity Investments - Golub Capital Partners International:				
Debt Securities	\$ 1,800,000	Market Rate Approach	Market Interest Rate	9.3% - 10.4%
Private Equity Investments - AEA Fund VII:				
Debt Securities	\$ 339,008	Market Approach (Current Multiple Method)	EBITDA Multiple	12.3x-12.6x
LLR Equity Partners VII -				
Limited Partnership	\$ 180,000	Market Comparable Companies	N/A	N/A
External Investment Pool:				
SPIA	\$ 2,163,316	Factor Times Cost	Value of a \$1 contributed multiplied by Treasury determined fair value factor.	1.0030
Contributions Receivable, net	\$ 4,550,278	Discounted Present Value	Discounted present value of expected cash flows at a risk- adjusted discount rate applicable at the time promises are received	N/A
Funds Held in Trust - Liabilities	\$ (1,530,408)	Factor Times Annuity	Value of \$1 paid every year discounted for both mortality and interest multiplied by the annual amount paid to annuitant(s)	N/A

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NOTE 2 - CASH AND INVESTMENTS (Continued)

Fair Value Measurements (Continued):

The following tables set forth a summary of valuation techniques and quantitative information utilized in determining the fair value of the Level 3 assets and liabilities as of June 30, 2024, excluding investments valued using the practical expedient or the net asset value ("NAV").

Asset or Liability Type	Fair Value	Valuation Technique(s)	Unobservable Input	Range (weighted average)
Real Estate Investment Fund - Harbert V:				
Real Estate Partnership Interest	\$ 15,107	Appraisal	Capitalization Rate	9.75%
Real Estate Partnership Interest	\$ 4,784	Market Transactions	N/A	8.75%
Real Estate Investment Fund - Harbert VI:				
Real Estate Partnership Interest	\$ 173,000	Direct Capitalization	Capitalization Rate	5.70%
Real Estate Partnership Interest	\$ 345,491	Market Transactions (a) Independent Appraisal/Opinion of	N/A	N/A
Real Estate Partnership Interest	\$ 260,157	Value	Capitalization Rate	7.61%
Real Estate Partnership Interest	\$ 43,993	Discounted Cash Flow Model	Terminal Capitalization Rate	9.00%
			Levered IRR	17.55%
			Revenue Growth Rate	2.68%
Real Estate Investment Fund - Harbert VII:				
Real Estate Partnership Interest	\$ 545,529	Market Transactions (a)	N/A	N/A
Real Estate Partnership Interest	\$ 2,537,411	Direct Capitalization	Capitalization Rate	5.47%
Real Estate Partnership Interest	\$ 523,182	Independent Appraisal/BOV	Capitalization Rate	6.08%
Real Estate Partnership Interest	\$ 78,890	Discounted Cash Flow Model	Terminal Capitalization Rate	5.50%
			Levered IRR Revenue	16.00%
			Growth Rate	3.00%
Private Equity Investments - Portfolio Advisor Credit Opportunities Fund II:				
Fund II Common Securities	\$ 50,426	Market Comparable Companies	EBITDA Multiple	7.4x - 16.8x
Fund II Preferred Securities	\$ 31,842	Market Comparable Companies	EBITDA Multiple	7.4x - 16.0x
Fund II Preferred Securities	\$ 453	Cost (Recent Transaction)	N/A	N/A
Fund II Limited Partnership	\$ 1,680	Market Comparable Companies	EBITDA Multiple	N/A
Fund II Debt Securities	\$ 633	Waterfall Analysis	EBITDA Multiple	N/A

(a) Market Transactions include related capital expenditures of a particular investment.

UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 - CASH AND INVESTMENTS (Continued)

Fair Value Measurements (Continued):

Asset or Liability Type	Fair Value	Valuation Technique(s)	Unobservable Input	Range (weighted average)
Fund II Debt Securities	\$ 3,293	Cost (Recent Transaction)	N/A	N/A
Fund II Debt Securities	\$ 28,280	Implied Yield	Yield to Maturity	N/A
Fund II Debt Securities	\$ 265,713	Relative Value Analysis	Yield to Maturity	12.1% - 15.5%
Fund III Common Securities	\$ 544,551	Market Comparable Companies	EBITDA Multiple	8.0x - 19.3x
Fund III Limited Partnership	\$ 746,306	Market Comparable Companies	EBITDA Multiple	10.8x - 19.9x
Fund III Preferred Securities	\$ 152,512	Market Comparable Companies	N/A	N/A
Fund III Common Securities	\$ 47,003	Cost (Recent Transaction)	N/A	N/A
Fund III Limited Partnership	\$ 14,302	Cost (Recent Transaction)	N/A	N/A
Fund III Debt Securities	\$ 634,894	Cost (Recent Transaction)	N/A	N/A
Fund III Debt Securities	\$ 1,640,932	Relative Value Analysis	Yield to Maturity	11.2% - 14.6%
Private Equity Investments - Golub Capital Partners International:				
Debt Securities	\$ 1,800,000	Market rate approach	Market interest rate	10.1% - 11.2%
Private Equity Investments - AEA Fund VII:				
Debt Securities	\$ 228,826	Market Approach (Current Multiple)	EBITDA Multiple	11.4x
External Investment Pool				
SPIA	\$ 5,044,295	Factor times cost	Value of a \$1 contributed multiplied by Treasury determined fair value factor.	0.9958
Contributions receivable, net	\$ 4,784,169	Discounted present value	Discounted present value of expected cash flows at a risk- adjusted discount rate applicable at the time promises are received	N/A
Funds Held in Trust - Liabilities	\$ (1,623,814)	Factor times Annuity	Value of \$1 paid every year discounted for both mortality and interest multiplied by the annual amount paid to annuitant(s)	N/A

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NOTES TO FINANCIAL STATEMENTS
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NOTE 2 - CASH AND INVESTMENTS (Continued)

Fair Value Measurements (Continued):

The following table lists investments in hedge funds and investment limited partnerships by strategy, excluding investments measured at fair value, as of June 30, 2025:

	Net Asset Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Fund of Fund Hedge Funds:				
Equity market neutral	\$ 12,116,481	\$ -	Quarterly to Semi-annual	95 Days
Private equity investments	<u>12,479,619</u>	<u>1,672,722</u>	N/A*	N/A*
	<u><u>\$ 24,596,100</u></u>	<u><u>\$ 1,672,722</u></u>		

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

The following table lists investments in hedge funds and investment limited partnerships by strategy, excluding investments measured at fair value, as of June 30, 2024:

	Net Asset Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Fund of Fund Hedge Funds:				
Equity market neutral	\$ 10,644,307	\$ -	Quarterly to Semi-annual	95 Days
Private equity investments	<u>11,439,090</u>	<u>2,137,633</u>	N/A*	N/A*
	<u><u>\$ 22,083,397</u></u>	<u><u>\$ 2,137,633</u></u>		

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

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NOTE 3 - CONTRIBUTIONS RECEIVABLE

As of June 30, 2025 and 2024, the Foundation records unconditional promises to give using fair value adjusted for the current year-end at discount rates, ranging from 0% to 44% based on the prevailing five-year Treasury constant maturities. As of June 30, 2025 and 2024, the fair value adjustment to contributions revenue was \$505,902 and \$651,572, 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. In 2025 and 2024, there were no transfers of contributions receivable into or out of Level 3.

Unconditional promises to give at June 30, 2025 and 2024, are due as follows:

	2025	2024
In one year or less	\$ 1,813,634	\$ 1,698,684
Between one and five years	2,723,278	2,697,988
Greater than five years	520,071	1,071,117
Total contributions receivable, gross	5,056,983	5,467,789
Less discounts to net fair value	505,902	651,572
Less allowance for doubtful accounts	803	32,048
Net contributions receivable, fair value	<u>\$ 4,550,278</u>	<u>\$ 4,784,169</u>
Current contributions receivable, net	\$ 1,779,057	\$ 1,635,467
Noncurrent contributions receivable, net	<u>2,771,221</u>	<u>3,148,702</u>
Total contributions receivable, net	<u><u>\$ 4,550,278</u></u>	<u><u>\$ 4,784,169</u></u>

Time-restricted and endowment contributions receivable (gross) not recognized in the statement of net position under the provisions of GASB No. 33 were \$8,690,103 and \$9,532,639 at June 30, 2025 and 2024, respectively.

Conditional promises to give for state matching funds from the State of Florida Major Gifts Trust Fund amounted to \$2,438,052 at June 30, 2025 and 2024. The funds will be forwarded to the Foundation in the event that future appropriations are made by the state legislature.

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NOTE 4 - OTHER RECEIVABLES

Other receivables at June 30, 2025 and 2024, consist of the following:

	<u>2025</u>	<u>2024</u>
Student loan fund	\$ 68,340	\$ 68,340
Rent, less allowance of \$345,719 in 2025 and \$304,125 in 2024	200,633	160,334
Settlement receivable	2,970,000	-
Other	<u>37,107</u>	<u>23,894</u>
Net other receivables	<u>\$ 3,276,080</u>	<u>\$ 252,568</u>

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. As of June 30, 2025 and 2024, the Foundation held \$359,165 and \$326,131, respectively, that was invested in a quasi-endowment. Earnings in the quasi-endowment are transferred to the University, as needed, to support the Student Loan Program.

Subsequent to June 30, 2025, the Foundation's Student Housing System finalized a settlement agreement with a construction firm dated July 3, 2025 following a years long dispute related to building defects in President's Hall, which is part of the University's student housing system. The settlement agreement was agreed upon and arose from conditions existing as of June 30, 2025, therefore, the total settlement amount of \$3,300,000, less contingency fee of \$330,000, resulted in a recognized receivable as of June 30, 2025 of \$2,970,000 and is included in other receivables, net on the statement of net position. After fees and related repairs, the net settlement proceeds resulted in a gain of \$1,353,737 and is included in student housing system – other nonoperating revenues on the statements of revenues, expenses, and changes in net position for the year ended June 30, 2025. Under the terms of the agreement, the entire settlement amount was to be paid within 20 days of the execution date. Subsequent to June 30, 2025, the Foundation received the settlement amount in full on July 21, 2025.

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NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<i>Capitals assets not being depreciated:</i>					
Land	\$ 2,179,483	\$ -	\$ -	\$ -	\$ 2,179,483
Construction in progress	1,435,167	2,203,017	(1,616,263)	(304,253)	1,717,668
Works of art and historical treasures	127,150	-	-	-	127,150
Total capital assets not being depreciated	3,741,800	2,203,017	(1,616,263)	(304,253)	4,024,301
<i>Capitals assets being depreciated:</i>					
Student Housing System	80,808,529	25,623	(83,244)	304,253	81,055,161
Timeless Tanglewood property	6,710	-	-	-	6,710
Office equipment and software	561,500	51,936	-	-	613,436
Total capital assets being depreciated	81,376,739	77,559	(83,244)	304,253	81,675,307
Less accumulated depreciation for:					
Student Housing System	49,088,038	3,129,437	(76,210)	-	52,141,265
Timeless Tanglewood property	4,363	667	-	-	5,030
Office equipment and software	524,805	13,516	-	-	538,321
Total accumulated depreciation	49,617,206	3,143,620	(76,210)	-	52,684,616
Total capital assets, net	\$ 35,501,333	\$ (863,044)	\$ (1,623,297)	\$ -	\$ 33,014,992

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NOTE 5 - CAPITAL ASSETS (Continued)

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<i>Capitals assets not being depreciated:</i>					
Land	\$ 3,059,483	\$ -	\$ (880,000)	\$ -	\$ 2,179,483
Construction in progress	555,517	1,561,597	-	(681,947)	1,435,167
Works of art and historical treasures	1,113,070	-	(985,920)	-	127,150
Total capital assets not being depreciated	<u>4,728,070</u>	<u>1,561,597</u>	<u>(1,865,920)</u>	<u>(681,947)</u>	<u>3,741,800</u>
<i>Capitals assets being depreciated:</i>					
Student Housing System	80,165,146	21,506	(60,070)	681,947	80,808,529
Timeless Tanglewood property	5,595,202	-	(5,588,492)	-	6,710
Office equipment and software	541,660	19,840	-	-	561,500
Idle property	1,191,002	-	(1,191,002)	-	-
Total capital assets being depreciated	<u>87,493,010</u>	<u>41,346</u>	<u>(6,839,564)</u>	<u>681,947</u>	<u>81,376,739</u>
Less accumulated depreciation for:					
Student Housing System	46,074,671	3,066,429	(53,062)	-	49,088,038
Timeless Tanglewood property	925,259	140,189	(1,061,085)	-	4,363
Office equipment and software	515,871	8,934	-	-	524,805
Idle property	1,191,002	-	(1,191,002)	-	-
Total accumulated depreciation	<u>48,706,803</u>	<u>3,215,552</u>	<u>(2,305,149)</u>	<u>-</u>	<u>49,617,206</u>
Total capital assets, net	<u>\$ 43,514,277</u>	<u>\$ (1,612,609)</u>	<u>\$ (6,400,335)</u>	<u>\$ -</u>	<u>\$ 35,501,333</u>

Depreciation expense for the years ended June 30, 2025 and 2024 was \$3,143,620 and \$3,215,552, respectively.

The University's Student Housing System consists of the following: the Villages Phase I (West) and II (East), completed in 1997 and 1999, respectively; the first (Martin Hall), the second (Pace Hall), and the third (Argo Hall) portions of Phase III completed in 2000, 2001, and 2004, respectively; and the first (Heritage Hall) and the second (President's Hall) portions of Phase IV completed in 2010 and 2012, respectively. The buildings are depreciated over their estimated useful lives of 30 years, and the furniture, fixtures, and equipment are depreciated over their useful lives of 5 - 10 years. At June 30, 2025 and 2024, depreciation for the Student Housing System totaled \$3,139,490 and \$3,075,363, respectively. See Note 11 for further disclosure.

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NOTE 5 - CAPITAL ASSETS (Continued)

Timeless Tanglewood property represents a portion of an estate that was gifted to the Foundation in 2018 which consists of a building and furniture and fixtures. The remaining gift is included in land and works of art & historical treasures, stated above. This estate was recognized as the UWF President's Club at Timeless Tanglewood and was used to host related events. In April 2024, the entire Tanglewood Estate was sold excluding a couple items held for future sale. This sale resulted in a loss on sale of \$3,622,274 and is included in other nonoperating losses on the statements of revenues, expenses, and changes in net position for the year ended June 30, 2024. The net proceeds from the sale will provide future scholarships to students.

The Foundation routinely evaluates the carrying value of its long-lived assets. The Foundation records impairment losses on long-term assets when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If such assets are considered to be impaired, the charge to operations is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

During the year ended June 30, 2016, management decided to take the Southside units, which are part of the University's student housing system, offline. This action was compliant with the covenants in Section 5.14 of all the bond agreements, which allow housing facilities to be abandoned, sold, converted, razed or removed in the event that the facilities are found to be not capable of producing positive net revenues. Management has been considering this action as a portion of these units have been taken offline over the past few years. The Southside units, originally constructed in the 1960's, are the oldest units and maintenance costs have increased each year. It was economically unfeasible to continue to operate these units in their current capacity. In September 2018, the Foundation transferred six of the fifteen units to the University for non-housing use resulting in a loss on transfer of \$300,277. During fiscal year 2019, management determined the remaining nine South Side Housing units to be materially and permanently impaired for housing use with a fair market value of zero. These remaining units were considered idle property, with a net carrying value of zero. In March 2024, the Foundation transferred the remaining nine of the fifteen units to the University for non-housing use. As of June 30, 2025, the Foundation no longer holds any of the Southside units.

NOTE 6 - RELATED PARTY TRANSACTIONS

At June 30, 2025 and 2024, the Foundation and the University jointly determined an amount for the Foundation to deposit with the University to be used to manage and pay expenses for the Foundation's operations. Payroll, other University departments, and program expenses that are funded from the Foundation are paid through the University utilizing these funds. At June 30, 2025 and 2024, the cash balances held by the University were \$790,833 and \$863,541, respectively, and were included in due from University.

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NOTE 6 - RELATED PARTY TRANSACTIONS (Continued)

In March of 2013, the Foundation entered into a Memorandum of Understanding with the University of West Florida Historic Trust ("WFHT"), another DSO of the University, where WFHT may transfer current cash assets to the Foundation to invest on their behalf. These funds are invested as a Quasi-Endowment with the Foundation and will be part of the overall investment pool subject to spending and investment policies of the Foundation as agreed to in the memorandum. Funds invested by WFHT in the Foundation's investment pool totaled \$1,303,261 and \$1,269,157 at June 30, 2025 and 2024, respectively, and are included in due to WFHT.

On July 1, 2016, the assets of Pensacola Museum of Art ("PMA"), an independent not-for-profit corporation, became part of the University. On that date, the Foundation was gifted a historic building, land, a fine arts collection, furniture and equipment, cash and cash equivalents, a permanent endowment, and other current assets from the dissolving entity totaling approximately \$4.2 million. The historic building and land were transferred to the University and the fine arts collection, furniture and equipment, and all other assets were transferred to WFHT, with the exception of the permanent endowment and cash and cash equivalents. On July 1, 2016, the Foundation entered into a cash and securities agreement with PMA for the furtherance of the PMA mission, as discussed in Note 2. As such, the permanent endowment and cash and cash equivalents remained with the Foundation, which stewards the endowment on behalf of PMA.

As a direct support organization, the Foundation received support from the University in performance of its mission. Salaries and benefits of University employees providing such support total approximately \$1,148,000 and \$857,000 in 2025 and 2024, respectively, and are included in general and administrative expenses. The University also provides centralized payroll processing and IT support that the Foundation estimates as immaterial to these financial statements.

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NOTE 7 - BONDS PAYABLE

The table below presents information about revenue bonds at June 30, 2025, including a schedule of changes for the year then ended:

	Beginning Balance	Additions	Deletions	Ending Balance	Amount Due Within One Year
Publicly issued revenue bonds:					
\$28,000,000 Dormitory Refunding Revenue Bonds, Series 2016A, due in annual installments of \$720,000 to \$1,780,000, from June 1, 2017 through June 1, 2040 with interest ranging from 3.375% to 5.00% due semiannually, June 1 and December 1	\$ 18,020,000	\$ -	\$ (1,525,000)	\$ 16,495,000	\$ 1,595,000
Unamortized premiums	674,755	-	(42,172)	632,583	-
Publicly issued revenue bonds payable, net of unamortized premiums	18,694,755	-	(1,567,172)	17,127,583	1,595,000
Direct placement revenue bonds:					
\$8,635,000 Dormitory Refunding Revenue Bonds, Series 2016B, due in annual installments of \$618,500 to \$830,500, from June 1, 2017 through June 1, 2028 with an interest rate of 2.75% due semiannually, June 1 and December 1	3,194,500	-	(765,500)	2,429,000	788,500
\$13,683,344 Dormitory Refunding Revenue Bonds, Series 2016C, due in annual installments of \$731,544 to \$1,120,171, from June 1, 2017 through June 1, 2031 with an interest rate of 3.10% due semiannually, June 1 and December 1	7,165,151	-	(931,652)	6,233,499	963,908
Direct placement revenue bonds payable	10,359,651	-	(1,697,152)	8,662,499	1,752,408
Total bonds payable, net of unamortized premiums	\$ 29,054,406	\$ -	\$ (3,264,324)	\$ 25,790,082	\$ 3,347,408

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JUNE 30, 2025 AND 2024

NOTE 7 - BONDS PAYABLE (Continued)

The table below presents information about revenue bonds at June 30, 2024, including a schedule of changes for the year then ended:

	Beginning Balance	Additions	Deletions	Ending Balance	Amount Due Within One Year
Publicly issued revenue bonds:					
\$28,000,000 Dormitory Refunding Revenue Bonds, Series 2016A, due in annual installments of \$720,000 to \$1,780,000, from June 1, 2017 through June 1, 2040 with interest ranging from 3.375% to 5.00% due semiannually, June 1 and December 1	\$ 19,470,000	\$ -	\$ (1,450,000)	\$ 18,020,000	\$ 1,525,000
Unamortized premiums	716,927	-	(42,172)	674,755	-
Publicly issued revenue bonds payable, net of unamortized premiums	20,186,927	-	(1,492,172)	18,694,755	1,525,000
Direct placement revenue bonds:					
\$8,635,000 Dormitory Refunding Revenue Bonds, Series 2016B, due in annual installments of \$618,500 to \$830,500, from June 1, 2017 through June 1, 2028 with an interest rate of 2.75% due semiannually, June 1 and December 1	3,940,500	-	(746,000)	3,194,500	765,500
\$13,683,344 Dormitory Refunding Revenue Bonds, Series 2016C, due in annual installments of \$731,544 to \$1,120,171, from June 1, 2017 through June 1, 2031 with an interest rate of 3.10% due semiannually, June 1 and December 1	8,068,620	-	(903,469)	7,165,151	931,652
Direct placement revenue bonds payable	12,009,120	-	(1,649,469)	10,359,651	1,697,152
Total bonds payable, net of unamortized premiums	\$ 32,196,047	\$ -	\$ (3,141,641)	\$ 29,054,406	\$ 3,222,152

Interest of \$76,106 and \$86,621 was accrued on the bonds as of June 30, 2025 and 2024, respectively.

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NOTE 7 - BONDS PAYABLE (Continued)

Maturities of the publicly issued revenue bonds are as follows:

	Principal	Interest	Total
<u>For the year ending</u>			
2026	\$ 1,595,000	\$ 653,231	\$ 2,248,231
2027	1,670,000	573,481	2,243,481
2028	1,730,000	517,119	2,247,119
2029	1,780,000	456,569	2,236,569
2030	720,000	392,044	1,112,044
2031-2035	4,055,000	1,514,019	5,569,019
2036-2040	4,945,000	627,306	5,572,306
	<u>\$ 16,495,000</u>	<u>\$ 4,733,769</u>	<u>\$ 21,228,769</u>

Maturities of the direct placement revenue bonds are as follows:

	Principal	Interest	Total
<u>For the year ending</u>			
2026	\$ 1,752,408	\$ 260,036	\$ 2,012,444
2027	1,800,289	208,471	2,008,760
2028	1,850,738	155,497	2,006,235
2029	1,053,615	101,031	1,154,646
2030	1,085,278	68,369	1,153,647
2031	1,120,171	34,725	1,154,896
	<u>\$ 8,662,499</u>	<u>\$ 828,129</u>	<u>\$ 9,490,628</u>

These bonds are all 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, 2025 and 2024 was 132% and 134%, respectively.

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NOTE 7 - BONDS PAYABLE (Continued)

In addition, the Foundation must reserve 10% of prior year audited revenues in the Housing operating reserves account (separately stated in Note 2). The Foundation must also make an annual deposit of \$200 per available bed into the Housing replacement reserves account. Any remaining reserves are considered Housing contingency and improvement reserves, which totaled \$3,170,803 and \$4,453,954 at June 30, 2025 and 2024, respectively. The Trust indenture clarifies how and in what order each reserve account can be utilized.

The Foundation was not aware of any violations of the covenants at June 30, 2025 or 2024.

The default provisions for the direct placement revenue bonds differ in the following financial attributes:

Series 2016B - In the event the Series 2016B Bond is determined to be taxable by the Internal Revenue Service or the tax laws or regulations are amended, including, but not limited to, causing the Series 2016B Bond to be taxable, subject to minimum tax, alternative minimum tax, or a change in the corporate tax rate, the interest rate on the Series 2016B Bond can be adjusted by the holder to achieve the same after tax yield. In addition, any amount due under the Series 2016B Bond not paid when due shall be subject to payment of a default rate equal to the interest rate on the 2016B Bond plus 2% per annum from and after ten (10) days after the date due.

Series 2016C - In the event of a default that continues beyond any applicable cure period, the Series 2016C Bond shall be subject to a default rate of interest equal to the then applicable rate of interest plus 2.50% until such default has been cured, waived, or the 2016C Bond has been paid in full.

NOTE 8 - NET POSITION

Expendable net position at June 30, 2025 and 2024, are available for the following purposes:

	2025	2024
Scholarships, student awards and loan funds	\$ 23,250,410	\$ 19,118,907
Faculty support, professorships and chairs	8,665,249	7,644,144
Foundation reserve fund	5,376,590	5,160,566
Programs and other	37,441,499	35,501,601
Total expendable net position	<u>\$ 74,733,748</u>	<u>\$ 67,425,218</u>

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NOTE 8 - NET POSITION (Continued)

Nonexpendable net position consists of endowment fund assets to be held in perpetuity, with only the income to be expended. The following is a summary of nonexpendable net position at June 30, 2025 and 2024, categorized by the purpose for which the income is expendable:

	<u>2025</u>	<u>2024</u>
Scholarships, student awards and loan funds	\$ 49,221,513	\$ 47,903,009
Faculty support, professorships and chairs	11,763,613	11,763,613
Programs and other	<u>22,009,107</u>	<u>20,857,971</u>
Total nonexpendable net position	<u>\$ 82,994,233</u>	<u>\$ 80,524,593</u>

NOTE 9 - ENDOWMENTS

The Foundation's endowments consisted of 365 and 356 individual funds at June 30, 2025 and 2024, respectively, and were 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 position 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.

As discussed in Note 6, the Foundation acts as a steward of PMA's cultural endowment program. As of June 30, 2025 and 2024, the endowment of \$765,160 and \$822,074, respectively, which excludes cash and cash equivalents of \$177,619 and \$59,406, respectively, does not follow the Foundation's spending policy. All income from the endowment will provide support to PMA's mission.

Interpretation of Relevant Law -

The Foundation's governing board with guidance from legal counsel has interpreted the Florida Uniform Prudent Management of Institutional Funds Act ("Florida UPMIFA") 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.

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NOTE 9 - ENDOWMENTS (Continued)

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 UPMIFA 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, 2025 and 2024, the amount of the loan was \$-0- and \$45,187, respectively. The loan considers donor-restricted endowments where the fair value of the investments was less than donor stipulations plus amounts available for spending. These deficiencies resulted from unfavorable market fluctuations and continued appropriation for certain programs that was deemed prudent by the governing board.

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 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 amount for the operating budget on an annualized basis.

The Foundation's 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.

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NOTE 9 - ENDOWMENTS (Continued)

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 \$25,000 after a one year waiting period. The approved spending rate was 4.00% for fiscal years ended June 30, 2025 and 2024.

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. The Foundation takes seriously its responsibility to provide prudent fiduciary management. 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 step-down spending allocation method to slow the spending from the endowment. 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 has generally been two percent (2%) of the three-year average of the market value of the investment portfolio. To accommodate both the needs of the university and keeping with the goal of managing the endowment portfolio for the long term the governing board has fixed the amount at a rate of 1.75%.

Changes in balances for donor and board restricted endowments by net position class as of June 30, 2025 are as follows:

	Unrestricted	Expendable	Nonexpendable	Total
Endowment Balance, July 1, 2024	\$ 1,892,600	\$ 25,710,800	\$ 80,524,593	\$ 108,127,993
Restricted contributions	14,551	51,433	2,381,965	2,447,949
Investment income	43,335	2,481,089	-	2,524,424
Net appreciation	179,715	10,427,922	-	10,607,637
Other changes	(35,109)	(2,066,882)	87,675	(2,014,316)
Amounts appropriated for expenditures	(90,000)	(3,927,643)	-	(4,017,643)
Endowment Balance, June 30, 2025	<u>\$ 2,005,092</u>	<u>\$ 32,676,719</u>	<u>\$ 82,994,233</u>	<u>\$ 117,676,044</u>

UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.
A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 9 - ENDOWMENTS (Continued)

Changes in balances for donor and board restricted endowments by net position class as of June 30, 2024 are as follows:

	Unrestricted	Expendable	Nonexpendable	Total
Endowment Balance, July 1, 2023	\$ 1,696,717	\$ 18,538,301	\$ 72,635,258	\$ 92,870,276
Restricted contributions	20	48,157	6,168,866	6,217,043
Investment income	186,419	10,285,694	-	10,472,113
Net depreciation	42,807	2,617,642	-	2,660,449
Other changes	(33,363)	(1,901,527)	1,720,469	(214,421)
Amounts appropriated for expenditures	-	(3,877,467)	-	(3,877,467)
Endowment Balance, June 30, 2024	<u>\$ 1,892,600</u>	<u>\$ 25,710,800</u>	<u>\$ 80,524,593</u>	<u>\$ 108,127,993</u>

The earnings from investments, and expenditures from those earnings, related to nonexpendable balances for the years ended June 30, 2025 and 2024 are classified as expendable balances.

As of June 30, 2025 and 2024, \$1,558,585 and \$1,411,183, respectively, of net assets have been designated as quasi-endowment funds to support the missions of the University. The quasi-endowments resulting from internal designations are classified as unrestricted net position. The quasi-endowments resulting from donor designations are classified as expendable net position.

NOTE 10 - 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 60S, Florida Administrative Code, wherein Plan eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other non-integrated programs. These include the Plan, a Deferred Retirement Option Program ("DROP"), and a defined-contribution plan, referred to as the Public Employee Optional Retirement Program ("PEORP"). 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.

Employees in the Plan prior to July 1, 2011, vest at six years of service, and employees enrolled after July 1, 2011, vest at eight years of service. All vested members are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, which may include up to four years of credit for military service.

UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.
A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 10 - RETIREMENT PLAN (Continued)

The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments. The University, as an employer participating in the Plan, paid an amount between 14.03% to 33.24% and 13.63% to 34.52% for 2025 and 2024, respectively, of each individual's salary to the retirement fund. Prior to July of 2011, the Plan was a non-contributory program for the employee. During 2025 and 2024, employees paid an amount of 3.00% into the Plan. Retirement expense for employees participating in this plan was \$227,327 and \$217,367 for the years ended June 30, 2025 and 2024, respectively.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the plan to defer receipt of monthly benefits payments while continuing employment with an FRS employer. An employer may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. Retirement expense for employees participating in the plan was \$12,042 and \$-0- for the years ended June 30, 2025 and 2024, respectively.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the PEORP in lieu of the FRS defined-benefit plan. Employees already participating in the State University System Optional Retirement Program or the DROP are not eligible to participate in this program. Employer contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The PEORP is funded by employer contributions that are based on salary and membership class (Regular Class, Senior Management Service Class, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in PEORP vest at one year of service. Retirement expenses for employees participating in this plan were \$109,092 and \$93,509 for the years ended June 30, 2025 and 2024, 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 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, 2025 and 2024 totaled \$106,478 and \$82,094, respectively.

The University has 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 2025 and 2024 for the University President participating in the plan totaled \$99,790 and \$89,651, respectively.

UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.
A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 11 - 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 with 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, which are the following: the Villages Phase I (West) and II (East), completed in 1997 and 1999, respectively; the first (Martin Hall), the second (Pace Hall), and the third (Argo Hall) portions of Phase III completed in 2000, 2001, and 2004, respectively; and the first (Heritage Hall) and the second (President's Hall) portions of Phase IV completed in 2010 and 2012, respectively.

The terms of the sublease 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 2025 or 2024. The sublease agreement was signed in 1998 and ends August 31, 2038. The sublease was amended September 30, 2018, in order to transfer six South Side units back to the University for non-housing use. The sublease was amended on March 8, 2024 in order to transfer the remaining nine South Side units back to the University. See Note 5 for further explanation regarding the South Side units.

The Foundation and the University have a management operating agreement outlining the responsibilities of both parties for the operations of the Student Housing System. The current agreement was signed on December 1, 2016, and is effective until all bonds outstanding are paid in full.

The University has contracted with Apogee Telecom, Inc. to provide high-speed internet and cable to residence halls along with 24-hr customer support. Under the terms of the management operating agreement, the Foundation assumes financial responsibility for the terms of this contract. Fees are payable monthly in advance and are subject to adjustment based on bed count. The contract, executed on March 6, 2020, was signed for an initial term of 72 months and will expire in March 2026. The agreement will renew for a term of 12 months, upon written mutual agreement.

The anticipated remaining expenses under this agreement as of June 30, 2025 are \$342,747.

SUPPLEMENTARY INFORMATION

UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.
A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA
SCHEDULES OF STUDENT HOUSING SYSTEM REVENUES AND EXPENSES
YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Operating Revenues:		
Rent	\$ 11,514,803	\$ 10,806,471
Interest	335,234	393,584
Net unrealized and realized gain on investments	13,382	142,212
Other	261,865	225,189
Total revenues	<u>12,125,284</u>	<u>11,567,456</u>
Operating Expenses:		
Salaries and wages	2,624,833	2,266,568
Administrative and general	659,301	387,044
Maintenance and repairs	2,332,492	1,909,693
Insurance	203,502	207,545
Utilities	1,465,132	1,530,762
Interest	986,763	1,108,215
Depreciation and amortization	3,139,490	3,075,363
Total operating expenses	<u>11,411,513</u>	<u>10,485,190</u>
Operating Income	<u>713,771</u>	<u>1,082,266</u>
Nonoperating Revenues (Loss):		
Loss on disposal of capital assets	(7,034)	(7,008)
Other nonoperating revenues	1,353,737	-
Total nonoperating revenues (loss), net	<u>1,346,703</u>	<u>(7,008)</u>
Excess of Revenues Over Expenses	<u><u>\$ 2,060,474</u></u>	<u><u>\$ 1,075,258</u></u>

UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.
A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA
SCHEDULES OF NET POSITION
(EXCLUDING THE STUDENT HOUSING SYSTEM)
JUNE 30, 2025 AND 2024

ASSETS

	2025	2024
Current Assets:		
Cash and cash equivalents	\$ 2,699,789	\$ 3,785,835
Contributions receivable, net	1,779,057	1,635,467
Other receivables, net	101,956	88,743
Due from University	59,802	39,987
Prepaid expenses	252,914	227,303
Investments	3,964,328	6,459,097
Total current assets	<u>8,857,846</u>	<u>12,236,432</u>
Noncurrent Assets:		
Contributions receivable, net	2,771,221	3,148,702
Investments	143,604,974	131,556,240
Capital assets, net	2,356,784	2,308,978
Assets held under split interest agreements	3,439,344	3,355,188
Other assets	412,249	396,570
Total noncurrent assets	<u>152,584,572</u>	<u>140,765,678</u>
Total Assets	<u><u>\$ 161,442,418</u></u>	<u><u>\$ 153,002,110</u></u>

LIABILITIES, DEFERRED INFLOWS AND NET POSITION

Current Liabilities:		
Accounts payable and accrued expenses	\$ 544,635	\$ 1,116,163
Noncurrent Liabilities:		
Liabilities under split-interest agreements	1,530,408	1,623,814
Due to West Florida Historic Trust	1,303,261	1,269,157
Total noncurrent liabilities	<u>2,833,669</u>	<u>2,892,971</u>
Deferred Inflows of Resources:		
Split-interest agreements	<u>1,793,165</u>	<u>1,615,603</u>
Net Position:		
Net investment in capital assets	2,356,784	2,308,978
Unrestricted	4,571,811	4,173,914
Restricted -		
Expendable	66,348,121	60,369,888
Nonexpendable	82,994,233	80,524,593
Total net position	<u>156,270,949</u>	<u>147,377,373</u>
Total Liabilities, Deferred Inflows and Net Position	<u><u>\$ 161,442,418</u></u>	<u><u>\$ 153,002,110</u></u>

UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.
A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025
(With Comparative Totals for 2024)

	Scholarships	Other Program Services	Student Housing System	Fundraising	General & Administrative	2025 Total	2024 Total
Provision for uncollectible accounts (recovery)	\$ -	\$ 26,755	\$ 41,594	\$ -	\$ -	\$ 68,349	\$ 9,639
Bond expense	-	-	11,825	-	-	11,825	11,825
Depreciation and amortization	-	4,130	3,139,490	-	-	3,143,620	3,215,553
Equipment	-	79,502	9,036	-	-	88,538	96,607
Housing administrative and general	-	-	132,813	-	-	132,813	57,568
Insurance	-	(458)	203,502	-	17,134	220,178	280,153
Interest	-	-	986,763	-	-	986,763	1,108,215
Investment and consultant fees	-	6,055	-	-	363,642	369,697	305,445
Lobbying	-	37,722	-	-	90,000	127,722	120,000
Maintenance and repairs	-	-	2,332,492	-	-	2,332,492	1,909,693
Miscellaneous	-	167,070	-	50,521	7,961	225,552	336,352
Office	-	280,084	70,279	192,098	17,213	559,674	551,588
Professional development	-	97,578	7,122	80,185	3,290	188,175	163,998
Professional services	-	341,701	144,324	23,130	110,283	619,438	1,067,309
Public radio program	-	245,867	-	-	-	245,867	310,851
Public relations	-	140,536	-	67,507	14,682	222,725	268,314
Recruitment	-	27,613	-	-	1,380	28,993	28,771
Rental	-	79,772	-	6,584	781	87,137	92,430
Salaries and wages	-	2,654,113	2,624,833	272,426	2,020,144	7,571,516	6,930,796
Scholarships	2,951,853	-	-	-	-	2,951,853	2,899,586
Service charges and other fees	-	58,578	175,267	3,400	(161,969)	75,276	97,613
Travel and entertainment	-	497,840	67,041	124,665	23,106	712,652	640,745
University support	-	4,090,054	-	-	-	4,090,054	3,197,510
Utilities	-	-	1,465,132	-	-	1,465,132	1,530,762
	<u>\$ 2,951,853</u>	<u>\$ 8,834,512</u>	<u>\$ 11,411,513</u>	<u>\$ 820,516</u>	<u>\$ 2,507,647</u>	<u>\$ 26,526,041</u>	<u>\$ 25,231,323</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, 2025

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 Losses , Expenses & Transfers	Ending Corpus Balance	Ending Total Balance
William Craig Nystul Chair	\$ 1,210,852	\$ 1,799,636	\$ -	\$ 216,830	\$ 6,822	\$ 95,203	\$ 1,914,441	\$ 1,210,852	\$ 1,914,441
John C. Pace, Sr., Business Chair	1,000,000	1,480,940	-	178,432	5,614	78,344	1,575,414	1,000,000	1,575,414
John C. Pace, Sr., Memorial Eminent Scholar	2,644,500	4,004,127	-	482,440	15,180	211,823	4,259,564	2,644,500	4,259,564
John C. Pace, Jr., Distinguished University Professorship	3,966,750	6,006,195	-	723,660	22,770	317,735	6,389,350	3,966,750	6,389,350
Mary Ball Washington Chair	<u>1,320,155</u>	<u>1,841,930</u>	<u>-</u>	<u>221,926</u>	<u>6,983</u>	<u>97,440</u>	<u>1,959,433</u>	<u>1,320,155</u>	<u>1,959,433</u>
Total - Eminent Scholars Program	<u>\$ 10,142,257</u>	<u>\$ 15,132,828</u>	<u>\$ -</u>	<u>\$ 1,823,288</u>	<u>\$ 57,369</u>	<u>\$ 800,545</u>	<u>\$ 16,098,202</u>	<u>\$ 10,142,257</u>	<u>\$ 16,098,202</u>

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, 2025

Name of Gift	Beginning Corpus Balance	Beginning Net Assets	Corpus Contributed During the Year	Investment Earnings	Investment & Other Expenses	Spending Transfers	Fund Balance Net of Earnings, Expenses & Transfers	Reclass for Spending	Loan from Unrestricted Transfers	Ending Corpus Balance	Ending Total Balance
02001 - Chadbourne Foundation Major Gift Scholarship Endowment	\$ 216,434	\$ 307,380	\$ -	\$ 37,035	\$ 1,166	\$ 16,259	\$ 326,990	\$ -	\$ -	\$ 216,434	\$ 326,990
02002 - Pickens Foundation For Education Endowment	182,555	263,106	-	31,700	997	13,373	280,436	-	-	182,555	280,436
02004 - Elizabeth R. Woolf Endowment	275,412	403,256	-	48,586	1,529	21,333	428,981	-	-	275,412	428,981
02005 - Banker's Endowment	166,692	268,979	-	32,408	1,020	14,229	286,138	-	-	166,692	286,138
02006 - Bank of America Scholarship Endowment II	150,000	197,678	-	23,817	749	10,457	210,289	-	-	150,000	210,289
02007 - Women's Athletic Trust Scholarship Endowment	169,720	249,074	900	30,324	976	13,188	266,134	-	-	170,620	266,134
02008 - John C. Pace, Jr. Memorial Scholarship Endowment	4,990,415	7,479,480	-	901,170	28,355	395,673	7,956,622	-	-	4,990,415	7,956,622
02009 - John C. Pace, Jr. Scholars Endowment	2,750,790	4,178,250	100	503,430	15,844	221,031	4,444,905	-	-	2,750,890	4,444,905
02010 - Pat & Hal Marcus Historical Archaeology Scholarship Endowment	150,000	208,278	-	25,094	790	11,018	221,564	-	-	150,000	221,564
02011 - Seymour Gitenstein Endowment	200,000	186,945	-	22,524	709	17,179	191,581	-	-	200,000	191,581
02012 - Mattie May Kelly Musical Educational Endowment	163,443	254,876	-	30,709	966	13,483	271,136	-	-	163,443	271,136
02013 - Orville Beckford Endowment for Excellence in Business	150,050	211,565	-	25,491	802	11,192	225,062	-	-	150,050	225,062
02014 - Pre Professional Endowment	165,338	275,530	-	33,197	1,045	14,576	293,106	-	-	165,338	293,106
02015 - Raymond C. Dyson Endowment I	177,422	269,701	-	32,495	1,022	14,267	286,907	-	-	177,422	286,907
02016 - Raymond C. Dyson Endowment II	162,282	242,401	-	29,205	919	12,823	257,864	-	-	162,282	257,864
02018 - Baptist Health Care Endowment	170,539	263,433	-	31,740	999	13,936	280,238	-	-	170,539	280,238
02019 - Medical Center Clinic Endowment	164,306	245,528	-	29,583	931	12,988	261,192	-	-	164,306	261,192
02020 - Sacred Heart Allied Health Endowment	163,987	258,809	-	31,182	981	13,691	275,319	-	-	163,987	275,319
02022 - E. W. Hopkins Professorship Endowment	175,343	274,504	-	33,074	1,041	14,522	292,015	-	-	175,343	292,015
02025 - Dorothy C. Martin Endowment	150,005	218,107	-	26,279	827	11,538	232,021	-	-	150,005	232,021
02027 - John C. Pace, Jr. Academic Development Endowment	8,592,090	12,845,600	-	1,547,710	48,698	679,547	13,665,065	-	-	8,592,090	13,665,065
02028 - CHARLOTTE Endowment	150,000	217,683	-	26,227	825	11,516	231,569	-	-	150,000	231,569
02030 - Cacilda Prado Pace Library Endowment	150,669	184,447	-	22,223	698	9,752	196,220	-	-	150,669	196,220
02032 - Kerrigan Daughters' Young Women's Scholarship Endowment	363,645	443,523	-	53,438	1,681	23,447	471,833	-	-	363,645	471,833
02033 - Katharine C. Pace Memorial Endowment	1,700,000	2,030,980	-	244,704	7,700	107,441	2,160,543	-	-	1,700,000	2,160,543
02034 - Chadbourne Foundation Business Ethics Scholarship Endowment	300,000	374,502	-	45,122	1,420	19,812	398,392	-	-	300,000	398,392
02035 - Rotary Club of Pensacola Scholarship Endowment	105,000	130,762	-	15,755	496	6,917	139,104	-	-	105,000	139,104
02036 - John L. Switzer Scholarship Endowment	195,688	245,102	-	29,531	929	12,966	260,738	-	-	195,688	260,738
02037 - Switzer Family Partnership Endowment	198,774	249,293	-	30,036	945	13,188	265,196	-	-	198,774	265,196
02038 - Switzer Brothers' Professorship Endowment	581,859	726,462	-	87,528	2,754	38,431	772,805	-	-	581,859	772,805
02039 - Maygarden Family Scholarship Endowment	199,788	246,028	10,017	30,275	949	12,765	272,606	-	-	209,805	272,606
02040 - Leola S & Lawrence A Alexander, Jr. Memorial Scholarship End	282,852	361,054	-	43,502	1,369	19,100	384,087	-	-	282,852	384,087
02041 - C. L. Fountain Family Scholarship Endowment	112,005	138,703	300	16,730	526	7,291	147,916	-	-	112,305	147,916
02043 - Blue Cross & Blue Shield of Florida Endowed Nursing Scholars	155,673	191,846	-	23,114	727	10,149	204,084	-	-	155,673	204,084
02045 - Gulf Power Engineering Scholarship Endowment	152,700	188,037	-	22,655	713	9,947	200,032	-	-	152,700	200,032
02047 - Smart Chemistry Seminar Series Endowment	161,579	192,679	-	23,215	731	10,193	204,970	-	-	161,579	204,970
02052 - T. T. Wentworth, Jr. Historical Foundation Museum Curator Endowment	151,240	174,916	-	21,075	663	9,253	186,075	-	-	151,240	186,075
04069 - Abe Levin Professorship Endowment	254,211	364,296	330	43,913	1,396	19,242	387,901	-	-	254,541	387,901
04070 - Lefferts L. and Margaret M. Mabie Endowment	325,239	457,818	-	55,161	1,736	24,219	487,024	-	-	325,239	487,024
04101 - Jane G. and Fred K. Seligman Endowed Scholarship	207,251	255,422	-	30,774	968	13,512	271,716	-	-	207,251	271,716
04104 - National Defense Inst. Assoc. Gulf Coast Chptr Scholarship Endowment	150,000	183,076	-	22,058	694	9,685	194,755	-	-	150,000	194,755
04150 - Alfred I. duPont Foundation, Inc. Scholarship Endowment	685,000	818,699	50,000	101,643	3,200	42,005	925,137	-	-	735,000	925,137
	\$ 26,069,996	\$ 37,277,808	\$ 61,647	\$ 4,495,432	\$ 141,486	\$ 1,977,134	\$ 39,716,268	\$ -	\$ -	\$26,131,643	\$39,716,268

COMPLIANCE SECTION

UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.
A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2025

State Grantor		
Pass-through Grantor		
State Program Title	CSFA Number	State Expenditures
Florida Department of Education and Commissioner of Education:		
Major Gifts Program	48.074	\$ 1,694,921
Florida Department of Highway Safety and Motor Vehicles:		
University of West Florida License Plate Project	76.036	<u>57,743</u>
Total State Financial Assistance		<u><u>\$ 1,752,664</u></u>

Note: This schedule is presented on the accrual basis of accounting in accordance with generally accepted accounting principles.



**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, 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 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, 2025, and the related notes to the financial statements, which collectively comprise the Foundation’s basic financial statements as listed in the table of contents, and have issued our report thereon dated October 9, 2025.

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 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’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 may exist that have not been identified.

Board of Directors
University of West Florida Foundation, Inc.

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 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The logo for Saltmarsh, featuring the word "Saltmarsh" in a stylized, cursive script font.

Pensacola, Florida
October 9, 2025



**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR
EACH MAJOR STATE PROJECT AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH SECTION 215.97, *FLORIDA STATUTES*
AND CHAPTER 10.650, *RULES OF THE AUDITOR GENERAL***

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

Report on Compliance for Each Major State Project

We have audited the compliance of University of West Florida Foundation, Inc. (the “Foundation”) with the types of compliance requirements described in the *Executive Office of the Governor’s State Projects Compliance Supplement* that could have a direct and material effect on the Foundation’s major state project for the year ended June 30, 2025. The Foundation’s major state project is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Opinion on Each Major State Project

We have audited the Foundation’s compliance with the types of compliance requirements described in the *Florida Department of Financial Services State Projects Compliance Supplement* that could have a direct and material effect on the Foundation’s major state projects for the year ended June 30, 2025. The Foundation’s major state projects are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Foundation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major state projects for the year ended June 30, 2025.

Basis for Opinion on Each Major State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (“GAAS”); the standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States (“*Government Auditing Standards*”); and the audit requirements of Section 215.97, *Florida Statutes*; and Chapter 10.650, *Rules of the Auditor General*. Our responsibilities under those standards, Section 215.97, *Florida Statutes*; and Chapter 10.650, *Rules of the Auditor General* are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

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

We are required to be independent of the Foundation and to meet our ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state project. Our audit does not provide a legal determination of the Foundation's compliance with the compliance requirements referred to above.

Management's Responsibility for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of state statutes, regulations, rules, and provisions of contracts or award agreements applicable to its state projects.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Foundation's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, Section 215.97, *Florida Statutes*; and Chapter 10.650, *Rules of the Auditor General* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Foundation's compliance with the requirements of each major state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, Section 215.97, *Florida Statutes*; and Chapter 10.650, *Rules of the Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Foundation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Foundation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Section 215.97, *Florida Statutes* and Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified. Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Section 215.97, *Florida Statutes*; and Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.



Pensacola, Florida
October 9, 2025

UNIVERSITY OF WEST FLORIDA FOUNDATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025

A. SUMMARY OF AUDIT RESULTS

1. The independent auditor's report expresses an unmodified opinion on the financial statements of the University of West Florida Foundation, Inc.
2. No significant deficiencies in internal control relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of the University of West Florida Foundation, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major state project are reported in the Independent Auditor's Report on Compliance for Each Major State Project and on Internal Control Over Compliance in Accordance with Section 215.97, *Florida Statutes* and Chapter 10.650, *Rules of the Auditor General*.
5. The auditor's report on compliance for the major state project for the University of West Florida Foundation, Inc. expresses an unmodified opinion.
6. There are no audit findings relative to the major state project for the University of West Florida Foundation, Inc. which are required to be reported in accordance with Chapter 10.650, *Rules of the Auditor General*.
7. The project tested as major was:

University Major Gifts Program (CSFA No. 48.074)
8. The threshold for distinguishing Type A and B programs was \$750,000 for the major state projects.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

There were no findings related to the financial statements which are reported in accordance with *Government Auditing Standards*.

C. FINDINGS AND QUESTIONED COSTS - MAJOR STATE PROJECT

None

D. OTHER ISSUES

No Summary Schedule of Prior Year Findings is required because there were no findings required to be reported under the Florida Single Audit Act.



MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of University of West Florida Foundation, Inc. (the "Foundation"), as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated October 9, 2025.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Chapter 10.650, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Auditor's Report on Compliance for Each Major State Project and on Internal Control over Compliance Required by Chapter 10.650, *Rules of the Auditor General*.

Additional Matters

Section 10.654(1)(e), Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements or State project amounts that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Pensacola, Florida
October 9, 2025



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

We have audited the financial statements of University of West Florida Foundation, Inc. (the “Foundation”) as of and for the year ended June 30, 2025, and have issued our report thereon dated October 9, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated February 26, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (“GAAS”) and in accordance with *Governmental Auditing Standards*. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the Foundation solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

We have identified the following significant risks:

- Improper revenue recognition - Material misstatements due to fraudulent financial reporting often result from an overstatement of revenues (for example, through premature revenue recognition or recording fictitious revenues) or an understatement of revenues (for example, through improperly shifting revenues to a later period). Therefore, GAAS requires us to presume that there is a risk of material misstatement due to fraud relating to revenue recognition.
- Management override of controls - Due to the unpredictable way in which management override of controls could occur, GAAS requires us to presume that there is a risk of material misstatement due to fraud relating to management override of controls.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Foundation is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended June 30, 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

- Management's estimate of the fair value and collectability of promises to give, which is based on signed pledge cards, historical collection rates and an analysis of the collectability of individual promises.
- Management's estimate of the fair value of investments, which is based on various methods, which include unadjusted quoted market prices, observable inputs based on both active and inactive markets, and unobservable inputs that are supported by little market activity.

Management's periodic evaluation of these estimates and the underlying assumptions used are based on the Foundation's experience, various known and inherent risks, and current economic conditions. We evaluated the factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users.

The most sensitive disclosures affecting the Foundation's financial statements relate to:

- The disclosure of long-term investments, related to net return on investments, and fair value measurements in Note 2 to the financial statements.
- The disclosure of endowment fund investment and spending policies under Florida UPMIFA in Note 9 to the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Corrected and Uncorrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole.

The attached schedule summarizes the uncorrected financial statements misstatement whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements detected as a result of audit procedures and corrected by management were material either individually or in the aggregate to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Foundation's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain representations from management, which are included in the management representation letter dated October 9, 2025.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Audit Findings or Issues

Accounting and Auditing Discussions with Management

In the normal course of our professional association with the Foundation, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating conditions affecting the entity, and operating plans and strategies that may affect the risk of material misstatement. None of the matters discussed resulted in a condition to our retention as the Foundation's auditors.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the following supplementary information, which accompanies the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

- a. Schedules of Student Housing System Revenues and Expenses
- b. Schedules of Net Position (Excluding the Student Housing System)
- c. Schedules of Functional Expenses
- d. Chairs Under Eminent Scholars Program - Schedule of Receipts, Expenses and Endowment Balances
- e. Major Gifts Program - Schedule of Receipts, Expenses and Endowment Balances

Restriction on Use

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

Very truly yours,



Pensacola, Florida
October 9, 2025

Account	Description	W/P Ref	Debit	Credit
Proposed JE # 301		PY 32		
To record the CY effect of the PY passed audit adjustments #302, #303, #304 (FMV Adj).				
28-42400	UNREALIZED GAIN/LOSS		118,951.00	
29-42400	UNREALIZED GAIN/LOSS		9,765.00	
29-42400	UNREALIZED GAIN/LOSS		234,942.00	
28-34000	NET ASSETS - TEMP RESTRICTED OTHER			9,765.00
28-34000	NET ASSETS - TEMP RESTRICTED OTHER			118,951.00
28-34000	NET ASSETS - TEMP RESTRICTED OTHER			234,942.00
Total			363,658.00	363,658.00
Proposed JE # 302		B-16		
To True-up FMV to 6/30 for Alternative Investments				
10-14700	STEPSTONE PIONNER CAPITAL III, LP		2,801.00	
10-14730	PA DIRECT CREDIT OPPORTUNITIES FUND II		34,308.00	
10-14731	PA DIRECT CREDIT OPPORTUNITIES FUND III		75,170.00	
10-14735	PA SECONDARY FUND III (OFFSHORE), L.P.		4,836.00	
10-14740	PORTFOLIO ADV X PRIV EQUITY		263,721.00	
10-14750	GOLUB CAPITAL PARTNERS		45,792.00	
10-14715	AEA INVESTOR FUND VIII			12,316.00
10-14720	PORTFOLIO ADV V PRIV EQUITY			8.00
10-14725	PORTFOLIO ADV VII PRIV EQUITY			2,823.00
10-14745	PA SECONDARY FUND IV (OFFSHORE), L.P.			73,600.00
29-42400	UNREALIZED GAIN/LOSS			337,881.00
Total			426,628.00	426,628.00
Proposed JE # 303		B-18o		
To adjust FMV and Unrealized Gain for Conway Investment				
10-14755	CONWAY RIEF ONSHORE		65,812.00	
28-42400	UNREALIZED GAIN/LOSS			65,812.00
Total			65,812.00	65,812.00
Proposed JE # 304		B-17		
To True-up FMV to 6/30 for RE Investments				
10-14601	HARBERT REAL ESTATE V		315.00	
10-14602	HARBERT REAL ESTATE VI		33,449.00	
29-42400	UNREALIZED GAIN/LOSS		91,174.00	
10-14603	HARBERT REAL ESTATE VII			124,938.00
Total			124,938.00	124,938.00
Proposed JE # 305		G-2a		
To record CY and PY effect of Blackbaud subscription assets and liability in accordance with GASB 96				
10-13200	PREPAID - OTHER EXPENSES		344,806.00	
10-20350	OTHER PAYABLES			
10-31000	NET ASSETS - UNRESTRICTED			230,991.00
10-70220	COMPUTER - SOFTWARE SUPPORT			113,815.00
Total			344,806.00	344,806.00

**Board of Trustees
Audit and Compliance Committee
November 13, 2025**

IAMC Department Update

Recommended Action:

None

Background Information:

The purpose of this Information Item is to provide the Committee with an overview of activities within Internal Auditing & Management Consulting, as required by the department Charter.

1. Internal audits and management advisory services in progress
 - Student Hazing Prevention Audit
 - PBF Data Integrity Audit 2025
 - Purchasing Card Audit (Q1 2025/26)
 - Endpoint Computing Workstation Compliance
2. Audit findings follow up activities
3. External audits in progress
4. Miscellaneous items

Implementation Plan:

None

Fiscal Implications:

None

Relevant Authority:

IAMC Charter

Supports Strategic Direction(s):

6: Operational Excellence

Supporting Documents:

1. Student Hazing Prevention Audit – Engagement Memo
2. PBF Data Integrity Audit 2025 – Engagement Memo
3. Audit Findings Follow-Up Status Report - October 15, 2025
4. FDOH COHEJ

Prepared by:

David J. Bryant, Chief Audit Executive, IAMC, President's Division, DBryant1@uwf.edu

Presenter:

David J. Bryant

September 8, 2025

To: Dr. Mary Anderson
Interim Vice President and Dean of Students for Academic Engagement and Student Affairs

From: David Bryant
Chief Audit Executive

Re: Audit of Student Hazing Prevention

We are performing an audit of Student Hazing Prevention. This is a University-planned audit and part of the approved 2025/26 work plan. The audit period is July 1, 2024 through June 30, 2025. The objectives of the audit include those listed below, as well as other topics to be determined during the preliminary phase of the audit work:

- Evaluate compliance with Stop Campus Hazing Act requirements
- Assess training program effectiveness
- Test reporting and investigation systems
- Review organizational oversight
- Compare policies and enforcement against best practices

An entrance conference is scheduled for September 11, 2025 at 2:00 p.m. via Google Meet. During this meeting we will discuss the terms of this engagement, including the proposed dates of fieldwork. It is expected that the audit will be completed by November 2025.

Upon completion of fieldwork, you and your management team will be provided with an exposure draft of the audit report to allow you to respond to any noted recommendations and/or observations. These responses will be incorporated into the final draft of our audit report. This final report will then be distributed to appropriate senior officials and submitted to the Board of Trustees for review and approval.

We look forward to working with your department during the course of this audit process and welcome your questions and comments.

Cc: James White, Internal Auditor II

September 19, 2025

To: Dr. Jaromy Kuhl
Provost

From: David Bryant 
Chief Audit Executive

Re: Engagement Memo - 2025 Performance Based Funding Data Integrity Audit

We are performing an audit of Performance Based Funding Data Integrity. This is an annual BOG-required audit and part of the approved 2025/26 work plan. The audit will be conducted for information as of September 30, 2025. The tentative objectives are to:

- Evaluate internal controls designed to ensure the accuracy, completeness, and timeliness of data submissions to the Board of Governors.
- Provide an objective basis of support for the President and Chair of the Board of Trustees to sign the representations included in the *Performance Based Funding – Data Integrity Certification*, to be filed with the Board of Governors by March 1, 2026.

A virtual entrance conference is scheduled for Tuesday, September 23, 2025, at 3:15 p.m. During this meeting we will discuss the terms of this engagement, including the proposed dates of fieldwork. It is expected that the audit will be completed by December 2025.

Upon completion of fieldwork, you and your management team will be provided with an exposure draft of the audit report to allow you to respond to any noted recommendations and/or observations. These responses will be incorporated into the final draft of our audit report. This final report will then be distributed to appropriate senior officials and submitted to the Board of Trustees for review and approval.

We look forward to working with your department during the course of this audit process and welcome your questions and comments.

Cc:
Betsy Bowers
Shelly Blake
Jeffrey Djerlek
Katie Condon
Ethan Henley
Adam Burgess
Melissa Webb
Rachel Conway
Jennifer McCaul
Christophe Lizen

UWF IAMC
Audit Findings Follow-Up Status Report
October 15, 2025

	Audit ID	Finding #	FindingTitle	Report Issued	Initial Implementation Date	Revised Implementation Date
	Current Follow-Ups					
1	23-24_008 Procurement Competitive Negotiations	3	Provide for Staffing	06/26/24	11/30/24	11/30/25
2	2026-018 - AG - Operational Audit	4	Purchasing Card Cancellations	09/03/25	09/01/25	11/30/25
3	2026-018 - AG - Operational Audit	3b	Historical Treasures (Updates to Holdings Nature and Scope)	09/03/25	03/31/26	
4	25-26_001 Athletics Budget Review and Athlete Degree Progress	1	Retain Intervention Documentation	10/05/25	05/15/26	
5	24-25_005 Third Party Risk Management	1	Lack of a TPRM Policy and Procedure Framework	06/02/25	05/31/26	
6	24-25_005 Third Party Risk Management	2	Lack of a Third Party Vendor Risk Assessments	06/02/25	05/31/26	
7	24-25_005 Third Party Risk Management	3	Failure to Validate Vendor Taxpayer Identification Numbers (TINS)	06/02/25	05/31/26	
8	24-25_005 Third Party Risk Management	4	Lack of Internal Controls to Validate Changes to a Vendor's File	06/02/25	05/31/26	

	Implemented since 7/1/25 (for reporting purposes)					
	23-24_008 Procurement Competitive Negotiations	1	Update SOPs Related to Solicitations	06/26/24	Implemented	
	23-24_008 Procurement Competitive Negotiations	2	Standardize Team Folders	06/26/24	Implemented	
	24-25_006 Foreign Travel & Screening of Foreign Researchers	2	Submission of INTTRAV Requests	06/24/25	Implemented	
	2026-018 - AG - Operational Audit	1	Background Screenings	09/03/25	Implemented	
	2026-018 - AG - Operational Audit	2	Tangible Personal Property	09/03/25	Implemented	
	2026-018 - AG - Operational Audit	3a	Historical Treasures (Financial Statement Value)	09/03/25	Implemented	
	25-26_002 International Affairs	1	Recruitment Program Profit/Loss	06/11/25	Implemented	

Mission:

To protect, promote & improve the health of all people in Florida through integrated state, county & community efforts.



Ron DeSantis
Governor

Joseph A. Ladapo, MD, PhD
State Surgeon General

Vision: To be the **Healthiest State** in the Nation

July 2, 2025

Dr. Manny Diaz, Interim President
University of West Florida 11000
University Parkway Pensacola,
Florida 32514

Re: Administrative and Programmatic Monitoring Report COHEJ-AP-01
Contract: COHEJ

Dear Dr. Diaz:

Our review of the documentation submitted to the Department indicated there were no issues noted which would indicate the Provider is not in compliance with the administrative and programmatic terms and conditions of its contract with the Department or applicable laws, rules, and regulations.

Thank you for your cooperation with the review process. If you have any questions regarding this letter or any other aspect of the review, please contact Felisha Dickey at Felisha.Dickey@flhealth.gov or at (850) 245-4368.

Sincerely,

Laura Corbin,
Contract Manager Supervisor

Enclosures

cc: Shay Holloway, Acting Division Director of Community Health Promotion
Tyler Wilhelm, Contract Monitoring Supervisor
Felisha Dickey, Contract Manager
Brandy Strahan, University of West Florida
Angela Hahn, University of West Florida
Samantha Seals, University of West Florida
Maureen Howard, University of West Florida



Mission:

To protect, promote & improve the health of all people in Florida through integrated state, county & community efforts.

**Ron DeSantis**

Governor

Joseph A. Ladapo, MD, PhD

State Surgeon General

Vision: To be the Healthiest State in the Nation

July 2, 2025

ADMINISTRATIVE AND PROGRAMMATIC MONITORING REPORT

Provider:	University of West Florida, Board of Trustees
Contract:	COHEJ
Review Period:	10/01/24 – 03/31/25
Date of Review:	June 2025
Provider Representative(s):	Dr. Brady Strahan, Professor; Dr. Angela Hahn, Department Chair; Maureen Howard, Project Coordinator; Dr. Samantha Seals, Associate Professor
Department Representative(s):	Felisha Dickey, Contract Manager

I. Authority.

Pursuant to Section I.D. of the standard contract between the Department and the Provider, the Department is authorized to monitor the activities of the Provider to ensure satisfactory performance of the terms and conditions of its contract with the Provider and to ensure compliance with applicable laws, rules and regulations. Monitoring activities which are relevant to the Department's contract with the Provider include but are not limited to: 1) inspection of records, papers, documents, facilities, goods and services of the Provider; and 2) interviews of Provider employees. This monitoring is not intended to be a substitute for a comprehensive financial audit.

II. Scope and Objectives of the Review.

The Provider received funding from the State of Florida Department of Health (the "Department") during the review period as follows:

- **COHEJ** – A fixed-price contract whose term was November 7, 2023 through June 30, 2027 which contained \$680,000 in Federal financial assistance under CFDA No. 93.898. This contract provides for provision of evaluation services and support to the Breast and Cervical Cancer Early Detection Program and the Comprehensive Cancer Control Program.

In June 2025, Felisha Dickey conducted a review of the administrative and programmatic activities of the Provider. The objectives of the review were to:

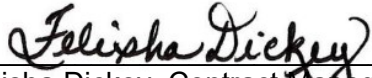
- Determine whether the administrative and programmatic activities, policies, and procedures of the Provider were adequate to properly manage and administer Department funds pertaining to the contract under review;
- Determine compliance with applicable State and Federal laws, rules and regulations;
- Determine compliance with contractual terms set forth in the aforementioned contract.

Report # COHEJ-AP-01

Provider's Name: University of West Florida, Board of Trustees
Administrative and Programmatic Monitoring Report

III. SUMMARY. Our review of the documentation submitted to the Department did not indicate the Provider is non-compliant with the terms and conditions of its contract with the Department or applicable laws, rules, and regulations.

We would like to convey our thanks and appreciation to the Provider's staff for their courteous and prompt assistance in providing information relative to our monitoring review.



Felisha Dickey, Contract Manager



Laura Corbin, Contract Manager Supervisor

cc. Shay Holloway, Acting Division Director of Community Health Promotion
Tyler Wilhelm, Contract Monitoring Supervisor
Jason Roland, Contract Liaison
Brandy Strahan, University of West Florida
Angela Hahn, University of West Florida

End of Report