



Board of Trustees

UNIVERSITY of WEST FLORIDA

Audit and Compliance Committee Meeting Thursday, May 21, 2026 Zoom Webinar

Members: Chair Chris Young, Janice Gilley, Kishane Patel

Agenda

I. Call to Order

II. Roll Call

III. Greeting

IV. Public Comment

V. Approval of Minutes

a. [February 12, 2026](#): Committee Meeting Minutes

VI. New Business

a. Action Items

- i. [AUD-1](#): Internal Audit Report – Purchasing Card Audit (Q1 2025-26)
- ii. [AUD-2](#): Internal Audit Report – Purchasing Card Audit (Q2 2025-26)
- iii. [AUD-3](#): Internal Audit Report – Student Hazing Prevention
- iv. [AUD-4](#): Internal Audit Report – DAVID Internal Controls and Data Security
- v. [AUD-5](#): Internal Audit Report – IIA Cybersecurity Topical Requirement
- vi. [AUD-6](#): BOT Audit and Compliance Committee Charter – Proposed Revisions
- vii. [AUD-7](#): IAMC Charter – Proposed Revisions
- viii. [AUD-8](#): Revised 2025/26 and 2026/27 IAMC Work Plans
- ix. [AUD-9](#): 2025/26 and 2026/27 IAMC Resource Plan
- x. [AUD-10](#): Auditor General Audit Report – UWF Financial Statement Audit
June 30, 2025

b. Information Items

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

VII. Good of the Order

VIII. Adjournment

**Audit and Compliance Committee
February 12, 2026
Zoom
Minutes**

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Committee Meeting

9:08 a.m.

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

I. Call to Order

The meeting of the UWF Board of Trustees Audit and Compliance Committee was called to order at 9:08 a.m CST (10:08 am EST). by Committee Chair Chris Young.

II. Roll Call

Chair Young asked Kristie Johnson to conduct roll call. Trustees Chris Young, Janice Gilley, and Kishane Patel were in attendance virtually.

Other Trustees in attendance included:

Paul Bailey, Trista Bennett, Ed Fleming, Adam Kissel, Kevin Mason, Rebecca Matthews, Rachel Moya, Heather Riddell, Ashley Ross, and Zack Smith were in attendance virtually.

Others in attendance included:

Manny Diaz, Jr., President; Jaromy Kuhl, Senior Vice President and Provost; Clifford Humphrey, Chief of Staff and Vice President of Strategic Initiatives; Tori Bennett, Interim Vice President of University Advancement; Dan Lucas, Vice President of Finance and Administration; Mary Anderson, Interim Vice President and Dean of Students for Academic Engagement and Student Affairs; Dave Scott, Associate Vice President for Athletics; Jamie Sprague, Senior Associate VP, Human Resources; Julie Sheppard, Interim General Counsel; Cass Boatwright, Assistant Vice President and Chief Operating Officer; Alex Smith, Director of External Affairs; David Bryant, Chief Audit Executive; Matt Packard, Chief Compliance Officer; Dallas Snider, Vice Provost; Jeffrey Djerlek, Senior Associate Vice President and Controller; Denise Soares, Dean of School of Education; Angela Bryan, Assistant Vice President, Planning and Institutional Performance; Anna Lochas, Director of Events; and Kristie Johnson, Board of Trustees Liaison.

III. Greeting

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

IV. Public Comment

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

V. Approval of Minutes

Chair Young reminded the committee members that they had been given the opportunity ahead of time to review the minutes of the November 13, 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.

- i. Motion by: Trustee Patel
- ii. Seconded by: Trustee Gilley
- iii. Motion passed unanimously.

VI. New Business

A. Action Items

1. AUD-1: Internal Audit Report: PBF Data Integrity Audit 2025

Chief Audit Executive, David Bryant, presented the first action item on: PBF Data Integrity Audit 2025.

Chair Young asked for a motion to accept the internal audit report issued on the PBF Data Integrity Audit 2025 as presented.

- i. Motion by: Trustee Gilley
- ii. Seconded by: Trustee Patel
- iii. Motion passed unanimously.

2. AUD-2: External Audit Report: UWF Athletics – Agreed-Upon Procedures Report

David Bryant presented the second action item on the UWF Athletics – Agreed-Upon Procedures Report.

Chair Young asked for a motion to accept the external audit report issued on UWF Athletics – Agreed-Upon Procedures Report as presented.

- i. Motion by: Trustee Patel
- ii. Seconded by: Trustee Gilley
- iii. Motion passed unanimously.

B. Information Items

1. INFO-1: IAMC Department Update

David Bryant presented an overview of activities within the department as required by the department Charter including the Endpoint Protection and IAMC Quality Assurance reports issued as well as the internal audits and management advisory services in progress including: student hazing prevention audit, purchasing card audits for quarters 1 and 2 of 2025-26, driver and vehicle information database internal control audit, and the Cybersecurity Review. He also presented information on follow up activities from audits, external audits in progress and the annual work plan status for the department.

VII. Good of the Order

Chair Young identified that all agenda items had been discussed. Chair Young asked if the committee members had any additional business to discuss.

VIII. Adjournment

9:21 a.m. CST

Chair Young thanked those in attendance for their participation. With no other business to discuss, Chair Young adjourned the meeting at 9:21 a.m. EST/10:21 a.m. CST.

**Board of Trustees
Audit and Compliance Committee
May 21, 2026**

Internal Audit Report – Purchasing Card Audit (Q1 2025-26)

Recommended Action:

Acceptance of internal audit report issued.

Background Information:

We audited purchasing card activities for the period July 1, 2025 through September 30, 2025. During this period, there were approximately 7,200 transactions, totaling approximately \$3.91 million.

This audit was part of our 2025/26 approved audit work plan. The audit report was issued on January 26, 2026. 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 October 16, 2025, we noted that there were 70 transactions, totaling \$15,707.32, for 16 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 159 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 30 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 140 individual transactions, totaling \$751,463, which represented 19.22% of the \$3.91 million of transactions, to test for compliance with various PCard policies. We questioned the general ledger account coding of three transactions. In addition, there were 10 transactions, totaling \$10,067.47, 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

Documents:

1. Internal Audit Report – Purchasing Card Audit (Q1 2025-26)

Prepared by:

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

Presenter:

David J. Bryant, Chief Audit Executive



Purchasing Card Audit (Q1 2025/26)

Audit Report # P25-26_001

Internal Auditing & Management Consulting
January 26, 2026

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

SCOPE AND OBJECTIVES

We audited Purchasing Card (PCard) activities for the period of July 1, 2025, through September 30, 2025. This audit was included in the 2025/26 audit work plan. Our objectives were to determine the extent of compliance with UWF PCard requirements by cardholders and approvers.

Audit fieldwork began on October 1, 2025, and ended on January 15, 2026. 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 375 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 July 1, 2025 and September 30, 2025, there were approximately 7,200 transactions, totaling approximately \$3.91 million.

UWF uses SAP Concur, a web-based travel and PCard system, to manage PCard and travel expenses. 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 following month (i.e. July transactions should be submitted by August 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 fully 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 imported 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 140 individual transactions, totaling \$751,463, which represents 19.22% of the \$3.91 million of transactions for the July 1, 2025 to September 30, 2025 period.**

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

KEY OBSERVATIONS

1. During our review of Concur activity for the quarter, we noted as of October 16, 2025, there were 70 transactions, totaling \$15,707.32, for 16 cardholders, which had not been assigned by a cardholder to an expense report.

Of the 70 transactions which had not been assigned by October 16, 2025, 10 of the transactions, totaling \$1,010.97, were for old transactions ranging from March 17, 2025 through July 9, 2025. We noted that all these transactions were for employees which are classified as no longer active. We contacted the respective departments and advised card managers to address these outstanding transactions.

2. During our testing of expense reports, we noted cardholders had not submitted expense reports timely to their approver, which were due by the 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
July 2025	08/15/25	46	293	\$138,975.43
August 2025	09/15/25	46	251	\$223,734.92
September 2025	10/15/25	67	338	\$198,559.22
Totals		159	882	\$561,269.57

The breakdown of the 159 **unsubmitted** expense reports for the quarter by division is as follows:

Cardholder Division	July 2025	August 2025	September 2025	Total
Academic Affairs	9	3	13	25
Academic Engagement and Student Affairs	11	4	17	32
Finance and Administration	0	1	3	4
Office of President*	23	37	28	88
University Advancement	3	1	6	10
Totals	46	46	67	159

*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 88 unsubmitted expense reports during the quarter for the Office of the President Division, 82 were related to Athletics, 2 were related to the Small Business Development Center, and the remaining 4 were related to other various departments.

3. During our testing of expense report approvals, we noted expenses reports which were 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
July 2025	08/31/25	9	9	\$32,289.76
August 2025	09/30/25	7	7	\$21,927.44
September 2025	10/31/25	14	12	\$41,060.11
Totals		30	28	\$95,277.31

The breakdown of the 30 **unapproved** expense reports for the quarter by division is as follows:

Cardholder Division	July 2025	August 2025	September 2025	Total
Academic Affairs	3	2	2	7
Academic Engagement and Student Affairs	1	0	2	3
Finance and Administration	1	2	1	4
Office of President	4	3	9	16
University Advancement	0	0	0	0
Totals	9	7	14	30

Of the 14 expense reports for September 2025 transactions noted above that were not approved by October 31, 11 of the reports (79%) were not submitted for approval by the October 15 submission deadline, with 4 of the 11 reports being submitted after October 31st.

Late submissions impact the amount of time approvers have available to review the reports and ultimately limit or prevent approval of 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.

4. All approved expense reports tested were approved by the appropriate approvers.
5. During our testing of transactions, we noted a variety of minor exceptions. The details are as follows:
 - a. Two transactions that did not have a proper receipt.
 - The cardholder completed a missing receipt affidavit for one transaction
 - The cardholder reimbursed the University for one transaction
 - b. We questioned the account coding for three transactions.
 - The cardholder completed a journal entry to correct the account coding for one transaction
 - The cardholder submitted an after-the-fact Property Jira ticket and completed a journal entry for one transaction
 - The cardholder submitted an after-the-fact Furniture Jira ticket and completed a journal entry for one transaction
 - c. Four transactions were made for prohibited/restricted items.
 - The cardholder(s) reimbursed the University for two transactions
 - The vendor refunded the University for one transaction
 - The cardholder submitted an after-the-fact Furniture Jira ticket and completed a journal entry for one transaction
 - d. Six transactions included the payment of sales tax.
 - The vendor refunded the University the sales tax for one transaction
 - The vendor would not refund the sales tax for one online transaction
 - The sales tax was not recovered for four transactions totaling \$656.35
 - e. We noted there was no evidence in Concur that the receipt was reviewed for 10 of the 140 transactions, totaling \$10,067.47.¹

For the 10 transactions for which Concur did not record evidence of receipt review, 5 were purchases in the Academic Affairs Division, 2 were purchases in the Division of Academic Engagement and Student Affairs, and the remaining 3 were purchases in the Office of the President Division.

¹ Some approvers may have reviewed the 10 invoices/receipts noted in 5.e. 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.

The exceptions noted above appear to be isolated incidents, 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 participated in the audit.

Respectfully submitted,

A handwritten signature in black ink that reads "David G. Bryant". The signature is written in a cursive style with a prominent horizontal line at the end.

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

REPORT DISTRIBUTION

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Trustee Chris Young, Chair BOT Audit & Compliance Committee

Trustee Janice Gilley, BOT Audit & Compliance Committee

Trustee Kishane Patel, BOT Audit & Compliance Committee

Dr. Clifford Humphrey, Chief of Staff

Dr. Jaromy Kuhl, Sr. Vice President and Provost

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

Daniel Lucas, Vice President, Finance and Administration/CFO

Tori Bennett, Interim Vice President of University Advancement

Cass Boatwright, Chief Operating Officer

Jeffrey Djerlek, Sr. Associate Vice President and University Controller

Jaime Hoelscher, Manager, FL Auditor General

Ken Danley, Supervisor, FL Auditor General

Julie Leftheris, BOG Inspector General

Kristie Johnson, BOT Liaison

**Board of Trustees
Audit and Compliance Committee
May 21, 2026**

Internal Audit Report – Purchasing Card Audit (Q2 2025-26)

Recommended Action:

Acceptance of internal audit report issued.

Background Information:

We audited purchasing card activities for the period October 1, 2025 through December 31, 2025. During this period, there were approximately 6,500 transactions, totaling approximately \$3.1 million.

This audit was part of our 2025/26 approved audit work plan. The audit report was issued on February 27, 2026. 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 January 20, 2026, we noted that there were 65 transactions, totaling \$15,743.21, for 16 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 181 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 49 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 75 individual transactions, totaling \$349,477.10, which represented 11.17% of the \$3.1 million transactions, to test for compliance with various PCard policies. We questioned the general ledger account coding of two transactions. In addition, there were 7 transactions, totaling \$39,344.50, 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

Documents:

1. Internal Audit Report – Purchasing Card Audit (Q2 2025-26)

Prepared by:

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

Presenter:

David J. Bryant, Chief Audit Executive



Purchasing Card Audit (Q2 2025/26)

Audit Report # P25-26_002

Internal Auditing & Management Consulting
February 27, 2026

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

Audit Team
Christy Motley
Internal Auditor

SCOPE AND OBJECTIVES

We audited Purchasing Card (PCard) activities for the period of October 1, 2025, through December 31, 2025. This audit was included in the 2025/26 audit work plan. Our objectives were to determine the extent of compliance with UWF PCard requirements by cardholders and approvers.

Audit fieldwork began on January 21, 2026, and ended on February 26, 2026. Our audit conforms to the Institute of Internal Auditors' *International Professional Practices Framework*, which includes the *Global Internal Audit Standards*.

BACKGROUND

The UWF Office of Procurement and Contracts has approximately 362 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 October 1, 2025, and December 31, 2025, there were approximately 6,500 transactions, totaling approximately \$3.1 million.

UWF uses SAP Concur, a web-based travel and PCard system, to manage PCard and travel expenses. 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 following month (i.e. October transactions should be submitted by November 15).
- The approvers 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 November 15 should be fully approved by November 30).

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 imported 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 75 individual transactions, totaling \$349,477.10, which represents 11.17% of the \$3.1 million of transactions for October 1, 2025, to December 31, 2025, period.**

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

KEY OBSERVATIONS

1. During our review of Concur activity for the quarter, we noted as of January 20, 2026, there were 65 transactions, totaling \$15,743.21, for 16 cardholders, which had not been assigned by a cardholder to an expense report.

Of the 65 transactions which had not been assigned by January 20, 2026, 8 of the transactions, totaling \$1,010.97, were for old transactions ranging from March 17, 2025, through July 9, 2025. We noted that all these transactions were for employees which are classified as no longer active. We contacted the respective departments and advised card managers to address these outstanding transactions. As of February 25, 2026, all the old transactions from March 17, 2025, through July 9, 2025, have been assigned to an expense report and posted to the ledgers.

2. During our testing of expense reports, we noted cardholders had not submitted expense reports timely to their approver, which were due by the 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
October 2025	11/15/25	76	469	\$288,252.66
November 2025	12/15/25	49	264	\$236,910.52
December 2025	01/15/26	56	279	\$210,695.19
Totals		181	1,012	\$735,858.37

The breakdown of the 181 **unsubmitted** expense reports for the quarter by division is as follows:

Cardholder Division	October 2025	November 2025	December 2025	Total
Academic Affairs	11	7	8	26
Academic Engagement and Student Affairs	17	1	2	20
Finance and Administration	4	1	1	6
Office of President*	40	37	42	119
University Advancement	4	3	3	10
Totals	76	49	56	181

*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 119 unsubmitted expense reports during the quarter for the Office of the President Division, 107 were related to Athletics, 5 were related to the Small Business Development Center, 5 were related to the University President, and the remaining 2 were related to other various departments.

- During our testing of expense report approvals, we noted expenses reports which were 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
October 2025	11/30/25	12	12	\$62,031.86
November 2025	12/31/25	22	17	\$158,431.27
December 2025	01/31/26	15	15	\$30,773.87
Totals		49	44	\$251,237.00

The breakdown of the 49 **unapproved** expense reports for the quarter by division is as follows:

Cardholder Division	October 2025	November 2025	December 2025	Total
Academic Affairs	6	2	2	10
Academic Engagement and Student Affairs	0	2	1	3
Finance and Administration	4	4	3	11
Office of President	2	12	9	23
University Advancement	0	2	0	2
Totals	12	22	15	49

Of the 49 total reports for the quarter that were not approved by the appropriate deadlines, four of the 12 reports for October were submitted late, 14 of the 15 reports for November were submitted late, and four of 15 reports for December were submitted late. In total, 22 of the 49 reports (44.90%) were submitted to the approvers past the submission deadlines. Late submissions impact the amount of time approvers have available to review the reports and ultimately limit or prevent approval of the reports by the end of the month, as required

4. All approved expense reports tested were approved by the appropriate approvers.
5. During our testing of transactions, we noted a variety of minor exceptions. The details are as follows:
 - a. One transaction was missing a receipt.
 - This transaction was the result of fraudulent activity on the cardholder's Pcard. The fraud was reported to Procurement and JP Morgan Chase and the debit and credit were resolved on the same month's report.
 - b. We questioned the account coding for two transactions.
 - The cardholder(s) completed a journal entry to correct the account coding for each transaction.
 - c. Two transactions were made for prohibited/restricted items.
 - Gratuity in excess of 20% allowable limit was paid for one transaction. Allowable gratuity amount was \$58.90. Gratuity amount paid was \$129.19, 43.9%.
 - The Business Manager submitted a journal entry request to move charge to the Foundation for one transaction.
 - d. Six transactions included the payment of sales tax totaling \$122.80.
 - The vendor refunded the University sales tax of \$58.76 for two transactions.
 - The Business Manager submitted a journal entry request to move the charge and associated sales tax of \$17.32 to the Foundation for one transaction.
 - The sales tax totaling \$47.02 was not recovered for three transactions.
 - e. We noted there was no evidence in Concur that the receipt was reviewed for 7 of the 75 transactions, totaling \$39,344.50.¹

For the seven transactions for which Concur did not record evidence of receipt review, four were purchases in the Academic Affairs Division, two were purchases in the Division of Academic Engagement and Student Affairs, and the remaining transaction was a purchase in the Division of Finance and Administration.

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

¹ Some approvers may have reviewed the 7 invoices/receipts noted in 5.e. 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.

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

Respectfully submitted,

A handwritten signature in black ink that reads "David G. Bryant". The signature is written in a cursive style with a prominent initial "D" and a horizontal line extending from the end of the name.

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

REPORT DISTRIBUTION

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Trustee Kishane Patel, BOT Audit & Compliance Committee

Dr. Clifford Humphrey, Chief of Staff

Dr. Jaromy Kuhl, Sr. Vice President and Provost

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

Daniel Lucas, Vice President, Finance and Administration/CFO

Tori Bennett, Interim Vice President of University Advancement

Cass Boatwright, Chief Operating Officer

Jeffrey Djerlek, Sr. Associate Vice President and University Controller

Jaime Hoelscher, Manager, FL Auditor General

Ken Danley, Supervisor, FL Auditor General

Julie Leftheris, BOG Inspector General

Kristie Johnson, BOT Liaison

**Board of Trustees
Audit and Compliance Committee
May 21, 2026**

Internal Audit Report – Student Hazing Prevention

Recommended Action:

Acceptance of internal audit report issued.

Background Information:

This project was part of our 2025/26 approved audit work plan. The report was issued on March 6, 2026. The objectives of our audit were to evaluate compliance with Stop Campus Hazing Act requirements, assess training program effectiveness, test reporting and investigation systems, review organizational oversight, and compare policies and enforcement against best practices.

Results

The results of our testing indicated that governance, risk management, and internal controls over hazing prevention are generally adequate. No violations of federal, state, or BOG regulations were identified. The hazing education completion control for Fraternity and Sorority Life members operated effectively during the audit period.

Recommendations

We offered one recommendation to strengthen data reliability by establishing a formal process to reconcile student organization membership rosters and athletic team rosters against hazing education completion records.

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

Documents:

1. Internal Audit Report – Student Hazing Prevention

Prepared by:

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

Presenter:

David J. Bryant, Chief Audit Executive



Student Hazing Prevention

Audit Report # 25-26_006

Internal Auditing & Management Consulting

March 6, 2026

David Bryant, CIA, CFE, CPA, CGFM, CGAP, CRMA

Chief Audit Executive

Audit Team

James White

Internal Auditor II

EXECUTIVE SUMMARY

The Stop Campus Hazing Act, effective January 1, 2025, established new federal requirements for universities to submit Campus Hazing Transparency Reports and maintain comprehensive hazing prevention programs. Internal Auditing & Management Consulting (IAMC) conducted an audit of Student Hazing Prevention to evaluate the University of West Florida's (UWF) compliance with applicable federal, state, and Board of Governors (BOG) regulations, assess the effectiveness of training programs and reporting mechanisms, and review organizational oversight across the Division of Academic Engagement and Student Affairs (DAESA).

The results of our testing indicated that governance, risk management, and internal controls over hazing prevention are generally adequate. No violations of federal, state, or BOG regulations were identified. The hazing education completion control for Fraternity and Sorority Life members operated effectively during the audit period. We identified one opportunity to strengthen data reliability by establishing a formal process to reconcile student organization membership rosters and athletic team rosters against hazing education completion records.

SCOPE AND OBJECTIVES

We audited Student Hazing Prevention for the period of July 1, 2024, through June 30, 2025. This audit was included as part of our approved 2025/26 audit work plan, determined by our annual risk assessment. Our objectives were to:

- 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.

Audit fieldwork began on September 11, 2025, and ended on February 16, 2026. Our audit conforms to the Institute of Internal Auditors' *International Professional Practices Framework*, which includes the *Global Internal Audit Standards*.

BACKGROUND

Hazing remains a persistent concern for colleges and universities nationwide. At UWF, responsibility for Student Hazing Prevention is shared across multiple departments through a decentralized structure within DAESA, led by Vice President Dr. Mary Anderson.

Key units involved in hazing prevention include the Dean of Students Office (DoS), which oversees reporting, investigation, and adjudication through the Office of Student Rights and Responsibilities (OSRR), led by Assistant Vice President of Health and Wellbeing and Dean of Students Dr. Alicia Clark; Student Engagement, directed by Senior Director Lindsey Woods, including Fraternity and Sorority Life (FSL) across four Greek councils (Interfraternity Council, Panhellenic, National Pan-Hellenic Council, and Multicultural Greek Council); and Intercollegiate Athletics, coordinated by Senior Associate Athletic Director Meghan Barter. Coordination with UWF Police occurs for potential criminal matters.

Education and training form the primary preventive layer. All new UWF students are expected to complete hazing awareness modules, with specialized AliveTek¹ training required for FSL members and, as of August 2025, student athletes. Registered student organization constitutions must include anti-hazing language, enforced during the student organization registration process. The Hazing Prevention Committee, comprising representatives from the Dean of Students Office, Fraternity and Sorority Life, and Intercollegiate Athletics, meets monthly to review laws, plan events, and monitor compliance. Reporting occurs through multiple channels: Maxient² online incident form, UWF Police (24/7), and the Silent Witness Form for anonymous submissions.

Hazing education completion records are maintained in AliveTek. Student organization membership and population data are maintained in Banner³ and accessed through Tableau.⁴ For FSL, chapter rosters are tracked in a Tableau Chapter Rosters report that reflects Banner tagging of Greek-affiliated students. For Athletics, student athlete rosters are tracked through a Tableau Athlete GPA Report. Athletics distributes the AliveTek training link to active student athletes, and the Dean of Students Office pulls completion reports.

Multiple layers of authoritative guidance govern hazing prevention at UWF, which include Federal, State, and other regulations. These include:

Florida Statute 1006.63 (Chad Meredith Act):

- Establishes criminal penalties including third-degree felony charges for hazing resulting in serious injury or death and first-degree misdemeanor charges for creating substantial risk. Includes immunity provisions under Andrews Law for victims and witnesses who report hazing.

Board of Governors Regulation 6.021, Hazing Prohibited:

- Requires state universities to adopt hazing prohibition regulations, implement prevention programs, provide annual training, maintain standardized reporting procedures, and cooperate with law enforcement investigations. Requires annual reporting to the Chancellor by October 1.

Stop Campus Hazing Act (Federal):

- Signed into federal law on December 23, 2024, with compliance required beginning January 1, 2025. Requires universities to collect hazing statistics using an expanded definition that includes any intentional, knowing, or reckless act regardless of victim willingness. By December 2025, universities must publish Campus Hazing Transparency Reports biannually on their public websites. The Act requires integration of hazing statistics into Annual Security Reports by October 2026 and mandates prevention programs including bystander intervention training.

¹ AliveTek is a web-based software platform that specializes in eLearning solutions, including interactive online training on a variety of safety-related topics.

² Maxient is a web-based software platform utilized by colleges and universities to manage student conduct, Title IX, and behavior records.

³ Ellucian Banner (often referred to as Banner) is an enterprise resource planning (ERP) system designed specifically for higher education institutions.

⁴ Tableau is a data visualization and analytics software used to compile and present data.

The Clery Act (20 U.S.C. § 1092(f)):

- Now includes hazing incidents as of January 1, 2025, requiring disclosure in campus crime statistics, timely warnings for ongoing threats, and daily crime log maintenance.

University of West Florida:

- UWF/REG 3.018 Anti-Hazing Regulation
 - Prohibition and Prevention of Hazing, updated April 2020. Defines hazing to include any action or situation occurring on or off university property that recklessly or intentionally endangers the mental or physical health or safety of a student. Incorporates bystander liability provisions, requires annual training for student organizations, mandates integration of anti-hazing language into organization bylaws, and establishes reporting procedures and sanctions.
- UWF/REG 3.010 Student Code of Conduct
 - Requires student organizations to comply with all university policies including hazing prevention. Investigation and adjudication of hazing allegations follow procedures under this regulation.

Notable Strength

UWF maintains strong cross-departmental coordination for hazing prevention through two established mechanisms: the CARE Team, which meets weekly with representation from University Police, General Counsel, Counseling Services, and Accessibility Resources; and the Hazing Prevention Committee, which meets monthly with documentation maintained in Google Drive. The Fraternity and Sorority Life Procedures document provides detailed hazing response protocols, and the University adopted AliveTek for student athletes in August 2025, expanding standardized hazing education tracking across covered populations. These collaborative structures demonstrate institutional commitment to hazing prevention and facilitate timely communication across departments when incidents arise.

AUDIT METHODOLOGY

We reviewed written policies and procedures, departmental website information, and job descriptions. We interviewed key personnel in the Division of Academic Engagement and Student Affairs, including the Interim Vice President and Dean of Students, the Associate Dean of the Office of Student Rights and Responsibilities, the Senior Director of Student Engagement, the Senior Associate Athletic Director, and the Associate Dean of Students. We reviewed Federal, State, Board of Governors, and UWF policies and regulations. We assessed IT controls related to AliveTek and Maxient systems.

Audit testing was performed related to hazing education completion rates for Fraternity and Sorority Life members and student athletes by reconciling AliveTek training completion records against chapter rosters and athletic rosters maintained in Tableau.

CONCLUSION ON GOVERNANCE, RISK MANAGEMENT, AND CONTROLS

Based on audit testing and evaluation, governance, risk management, and internal controls over Student Hazing Prevention are generally adequate. The University maintains a policy-driven framework emphasizing education, reporting, and investigation, with shared responsibilities across the Dean of Students Office, Athletics, Fraternity and Sorority Life, and supporting units under DAESA oversight.

Key observations by audit objective and the resulting recommendation are described in the sections below.

KEY OBSERVATIONS

Compliance with Stop Campus Hazing Act Requirements

We reviewed UWF's compliance with the Stop Campus Hazing Act, which became effective January 1, 2025, and requires universities to collect hazing statistics using an expanded federal definition, publish Campus Hazing Transparency Reports biannually, and integrate hazing statistics into Annual Security Reports by October 2026. We evaluated data collection procedures, Maxient system configuration for federal hazing incident tracking, and preparation for the inaugural Campus Hazing Transparency Report.

No violations of federal compliance requirements were identified. UWF has initiated data collection under the expanded federal definition. Hazing incidents are tracked separately in Maxient for Clery Act integration, and the University published its inaugural Campus Hazing Transparency Report by December 2025, as required under the Stop Campus Hazing Act, with no findings of hazing behavior indicated during the period.

Training Program Effectiveness

We assessed hazing education training programs by testing completion rates for covered student populations. All new UWF students are expected to complete the Hazing Prevention 101 – College Edition module through AliveTek prior to the start of their first semester. FSL members are additionally required to complete the Fraternity & Sorority Life module, and student athletes are expected to complete the Athletics module, both delivered through the AliveTek platform. Testing was performed by reconciling AliveTek training completion records against FSL chapter rosters maintained in the Tableau Chapter Rosters report and athletic team rosters maintained in the Tableau Athlete GPA Report, both sourced from Banner. No violations of applicable training requirements were identified.

Fraternity and Sorority Life

Testing of hazing education completion rates for FSL members during the audit period (July 1, 2024, through June 30, 2025) identified 89 unique roster records requiring further explanation. Of these, 53 were attributable to students who had dropped, become inactive, been released, graduated, or had no chapter assigned. The remaining 36 exceptions were documented with explanatory notes from FSL staff. The most frequent reason was that the student had completed Hazing 101 training in a prior year rather than during the current reporting period. Because Hazing 101 completion is a prerequisite for FSL membership and is not required to be repeated annually, prior-year completion

satisfies the training requirement. Testing indicated that the training completion control operated effectively during the audit period.

Athletics

Post-scope testing of student athlete hazing education completion (August 1, 2025 through December 31, 2025, following AliveTek implementation for this population in August 2025) identified 353 roster records requiring further explanation. Of these, 319 had completed the Hazing Prevention 101 – College Edition module rather than the Athletics-specific module. Per the Dean of Students Office, completion of the Hazing 101 module was deemed sufficient, as the modules differ only in scenario focus rather than substantive content. No further action was required for these 319 records. Among the 34 remaining exceptions, 11 required reminders to complete the module, 12 were not reflected as complete in AliveTek but provided screenshots to Athletics staff demonstrating module completion; these students reported experiencing technical issues with the AliveTek platform, 8 had quit the team or transferred, and 3 had exhausted athletic eligibility.

Reconciliation Notes

No formal process exists to regularly reconcile student organization membership rosters and athletic team rosters against hazing education completion records. Hazing education completion data is maintained in AliveTek, while FSL membership data is maintained in the Tableau Chapter Rosters report and student athlete data is maintained in the Tableau Athlete GPA Report, both sourced from Banner. The data reliability limitations observed in testing resulted primarily from timing differences between when students appear on organization rosters versus when they complete training modules, and from the absence of a systematic process to reconcile these records. While these limitations do not indicate a control failure, they reduce the University's ability to readily confirm that all students in covered populations have completed required hazing education at any given point in time. See the Recommended Management Actions section for additional information.

Reporting and Investigation Systems

We reviewed the University's hazing incident reporting mechanisms, investigation procedures, and supporting documentation. UWF provides multiple reporting channels including the Maxient online Incident Reporting Form, UWF Police (available 24/7), and the Silent Witness Form for anonymous reporting. Reports are routed to the Office of Student Rights and Responsibilities for triage and are reviewed within 24 to 48 hours. The CARE Team provides weekly multi-disciplinary review with representation from University Police, General Counsel, Counseling Services, and Accessibility Resources. Investigations are conducted by OSRR staff following UWF Regulation 3.018 and Student Code of Conduct procedures, with outcomes documented in Maxient and aggregated for Clery Act and Stop Campus Hazing Act reporting. Documentation supporting these systems appears appropriate. No violations of applicable laws, regulations, or University policies related to reporting and investigation processes were identified.

Organizational Oversight

We reviewed the organizational structure and coordination mechanisms supporting hazing prevention. Responsibility is distributed across multiple units within DAESA, including the Dean of Students Office, the Office of Student Rights and Responsibilities, Student Engagement (including

Fraternity and Sorority Life), and Intercollegiate Athletics. No organizational oversight deficiencies were identified.

Policies and Enforcement Against Best Practices

We compared UWF's hazing prevention policies and enforcement mechanisms against BOG Regulation 6.021 requirements, the Stop Campus Hazing Act, and peer institution practices, including benchmarking against Florida International University's 2022 Student Hazing Prevention Audit. UWF/REG 3.018 aligns with the requirements of Florida Statute 1006.63 and BOG Regulation 6.021, and the University adopted AliveTek for student athletes beginning August 2025, expanding standardized hazing education tracking across covered populations. No policy deficiencies or enforcement gaps requiring corrective action were identified.

RECOMMENDED MANAGEMENT ACTIONS

1. We recommend that hazing education completion records be reconciled against FSL chapter rosters and athletic team rosters at minimum once per semester, with twice per semester preferred. The reconciliation method is at the discretion of the responsible party (Google Sheet, Tableau, Excel, etc.), though Tableau is recommended for ease of access and consistency.

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

REPORT DISTRIBUTION

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Kristie Johnson, BOT Coordinator

MANAGEMENT RESPONSES TO RECOMMENDATIONS

Recommendation #1

Management Response

The Dean of Students Office agrees and will reconcile hazing education completion records against FSL chapter rosters and coordinate with Intercollegiate Athletics to reconcile against athletic team rosters on a semester basis.

Responsible Party

Dr. Mary Anderson, Vice President of DAESA

Targeted Implementation Date

August 1, 2026

Risk Prioritization: 1 of 1

Risk Rating⁵: Low

⁵ See Appendix A.

APPENDIX A – RISK RATING FRAMEWORK

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

**Board of Trustees
Audit and Compliance Committee
May 21, 2026**

Internal Audit Report – DAVID Internal Controls and Data Security

Recommended Action:

Acceptance of internal audit report issued.

Background Information:

This project was part of our 2025/26 approved audit work plan. The report was issued on April 20, 2026. The objectives of our audit were to evaluate, test, and certify internal controls are in place to protect personal data, determine necessary updates were made timely, determine required reports were timely and proper, determine compliance with training requirements, and determine DAVID user activity was proper.

Results

While minor administrative exceptions were noted in our testing, they appear to be isolated instances. Governance over the requirements of UWF's MOU with the FLHSMV, including the controls and processes implemented, was sufficient to ensure applicable risks are being adequately considered and managed. Internal controls designed to protect personal data appear effective. Required updates were generally timely. Required quarterly reports were completed and were proper and timely. Required training was completed by DAVID users. DAVID user activity appeared proper.

Recommendations

No significant deficiencies or findings were noted during our engagement. As such, we offer no recommendations or proposed corrective action plans.

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

Documents:

1. Internal Audit Report – DAVID Internal Controls and Data Security

Prepared by:

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

Presenter:

David J. Bryant, Chief Audit Executive



**Driver And Vehicle Information Database (DAVID)
Internal Controls and Data Security
2026 Certification
Report # MAS25-26_003**

**Internal Auditing & Management Consulting
April 20, 2026**

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

**Audit Team
Lauren Alidor
Internal Auditor II**

BACKGROUND

The Florida Department of Highway Safety and Motor Vehicles (FLHSMV) collects and maintains personal information that identifies individuals, which is stored in its Driver and Vehicle Information Database, commonly referred to as “DAVID.” As a government entity, UWF utilizes DAVID for the purposes of carrying out its statutorily mandated duties and functions. DAVID is used by the Office of the Registrar and the Office of University Admissions to verify residency and confirm other required information related to students, both current and prospective. The UWF Police Department also uses DAVID, but it is for purposes outside the purview of this engagement.

FLHSMV requires that UWF enter into a memorandum of understanding (MOU) for the purpose of establishing the conditions and limitations under which FLHSMV agrees to provide UWF electronic access to DAVID information. The current MOU (MOU #HSMV-0666-24) was fully executed in June 2024 and will remain in effect for six years, until June 2, 2030. The MOU sets forth a variety of requirements for UWF, including, but not limited to:

- Establishing internal controls to ensure DAVID data is protected from unauthorized access, distribution, use, modification, or disclosure
- Maintaining the confidential and exempt status of all DAVID information
- Timely updating user access permissions when necessary
- Timely updating agency information when necessary
- Completing *Quarterly Quality Control Review Reports*
- Conducting an *Internal Controls and Data Security Audit* by an internal auditor, inspector general, risk management IT security professional, or a currently licensed CPA
- Submitting an *Internal Control Attestation Statement* every 3 years and an *Annual Certification Statement* in all other years by established deadlines

In addition to the requirements set out in the MOU, FLHSMV has also established other conditions related to user access to DAVID, including one-time security training and annual DAVID system training.

The University’s point of contact (POC) for the MOU, the Associate Registrar, in the Office of the Registrar, provides administrative support for use of DAVID. In practical application, this support includes tasks such as granting and rescinding system access, performing required quarterly quality reviews, and updating Agency information. The Office of the Registrar has retained key personnel, providing critical experience and continuity to ensure the integrity of the University’s DAVID processes.

As the current MOU was entered into in 2024, UWF is required to submit an *Annual Certification Statement* for 2026. The next *Internal Control Attestation Statement* will be required in 2027.

This engagement serves the purpose of the Internal Controls and Data Security Audit and provides the objective basis for the President to sign the representations included in the required *Internal Control Attestation Statement*, or alternatively, the *Annual Certification Statement*.

SCOPE AND OBJECTIVES

We reviewed activity related to DAVID for the July 1, 2025 to June 30, 2026 fiscal year.

The objectives of this engagement were to:

- Evaluate, test, and certify that the University has adequate internal controls in place to protect the personal data from unauthorized access, distribution, use, modification, or disclosure
- Determine that UWF is in compliance with the requirements of the MOU:
 - Necessary updates were made in a timely manner
 - *Quarterly Quality Control Review Reports* were timely and properly completed
 - FHSMV training requirements were completed by DAVID users
 - DAVID user activity was proper and in accordance with the MOU

Fieldwork for this engagement began on February 13, 2026 and ended on April 14, 2026. Our engagement conforms to the Institute of Internal Auditors' *International Professional Practices Framework*, which includes the *Global Internal Audit Standards*.

ENGAGEMENT METHODOLOGY

We evaluated specific internal controls within the Office of the Registrar, the Office of University Admissions, Information Technology Services (ITS), and Enrollment Affairs Technology Services (EATS) to determine their application and adequacy in protecting the data available in DAVID from unauthorized access, distribution, use, modification, or disclosure. This process involved reviewing and/or testing:

- Internal Control Questionnaires
- DAVID User Agreements
- Endpoint computer workstation compliance

We examined the timeliness of both user updates and changes to UWF agency information.

We reviewed training records to determine compliance with FHSMV training requirements for DAVID users.

We examined Quarterly Quality Control Review Reports for timeliness and completeness to ensure compliance with requirements of the MOU.

We examined DAVID user activity for a variety of elements, including reason code, pages viewed, unusual searches, searches conducted outside of work hours, and repeated searches. We then conducted follow-up testing of names appearing in the DAVID user activity which we were not readily able to identify as a current, former, or prospective student.

KEY OBSERVATIONS

Internal Controls

Internal Control Questionnaires

Internal Control Questionnaires (ICQ) are utilized to help gain an understanding of the level of compliance with the MOU within the areas accessing DAVID. The ICQ questions are derived from a combination of sources (the MOU, Quarterly Quality Control Review Reports, and auditor judgement) and touch on various elements, such as statement of work, safeguarding information, general control questions, and DAVID User Agreements.

ICQs are completed by various Office of the Registrar and Office of University Admissions staff. Responses to the ICQs help establish the existence of specific controls as they relate to the University's DAVID MOU and demonstrate awareness and understanding of these controls.

No Findings or Recommended Management Actions: Internal controls generally appeared sufficient to ensure the protection of personal data from unauthorized access, distribution, use, modification, and disclosure.

DAVID User Agreements

As an additional internal control, UWF has created and implemented DAVID User Agreements. These Agreements require DAVID users to list the computers from which they will access the DAVID system and certify computers will comply with UWF standards for Endpoint Computing Workstations. In addition, DAVID users agree to the following:

- Access DAVID only from their designated UWF-issued computer
- Not attempting to access DAVID from any other computers
- Complete a new User Agreement when issued a new UWF-issued device
- Complete a new User Agreement when prompted by the DAVID point of contact

DAVID User Agreements are maintained by the UWF DAVID point of contact and are available for audit purposes.

No Findings or Recommended Management Actions: All DAVID users active during the period of review had a signed DAVID User Agreement on file.

Endpoint Compliance

All UWF-issued devices, including those which are used to access DAVID, are required to meet the standards set forth in IT-06.02-05/23 *Endpoint Computing Workstations* policy. The policy establishes standards designed to promote the safety and security of endpoint computing workstations and to reduce risks associated with cybersecurity threats, data loss, and business disruption. EATS primarily manages, secures, and monitors all endpoint computing workstations/devices. The status of all devices is reflected in the *ITS-Endpoint Compliance Computer Group Devices Tableau*¹ report.

¹ Tableau is a data visualization and analytics software used by UWF to compile and present data.

No Findings or Recommended Management Actions: All devices assigned to all active DAVID users were in a compliant status.

Required Updates

User Status Updates

The MOU requires UWF to: “Immediately inactivate user access/permissions following termination or the determination of negligent, improper, or unauthorized use or dissemination of information and to update user access/permissions upon reassignment of users within five (5) business workdays.”

During our testing, we noted one instance where a DAVID user’s access was not inactivated within five (5) business workdays of termination. The DAVID user terminated employment on December 8, 2025. The user was not inactivated in the DAVID system by UWF until January 5, 2026. The MOU is silent as to whose business workdays take precedence. After the user’s termination date, there were 9 additional UWF workdays in December prior to UWF’s Winter Holiday closure. The UWF DAVID point of contact was not notified of the user’s separation until December 26, 2025. UWF reopened on January 5, 2026, at which time the DAVID user was inactivated. A review of the DAVID activity from December 8, 2025 through January 5, 2026 indicated the user did not access the DAVID system during that timeframe.

Note: After fieldwork, but prior to the issuance of this report, the Registrar submitted an IT Request to have an automatic email notification sent to the Office of the Registrar and the DAVID Users Managers Group when an employee in the DAVID Users Group is terminated or reassigned.

No Findings or Recommended Management Actions: The one exception above appears to be an isolated incident. All other DAVID users were inactivated in a timely manner.

Agency Information Updates

The MOU requires UWF to, “Update any changes to the name of the Requesting Party, its Agency head, its POC, address, telephone number and/or e-mail address in the DAVID system within ten (10) calendar days of occurrence.”

During our testing, we noted that a change in the agency head information for UWF was not updated in the DAVID system within ten (10) calendar days of occurrence. Following the resignation of former UWF President Dr. Martha Saunders, Mr. Manny Diaz, Jr. was appointed Interim President effective July 14, 2025. Mr. Diaz, Jr. was subsequently confirmed as UWF President and assumed the permanent role on February 1, 2026. On March 9, 2026, during our fieldwork, the UWF DAVID point of contact reviewed the agency information in DAVID and noted Dr. Saunders was still reflected as the agency head. The point of contact subsequently updated the agency head to Mr. Diaz, Jr.

While there was a delay in updating the agency head contact information, which per the MOU “may adversely affect the time frames for receipt of information,” it does not appear that there were any implications because of the delay. Communications related to DAVID are primarily sent to the UWF DAVID point of contact in the Registrar’s Office. There was no reported disruption in communication. There was also no reported interruption to DAVID user access. In addition, Mr.

Diaz, Jr. was able to sign and submit the 2025 *Annual Certification Statement* without delay or adverse impact.

No Findings or Recommended Management Actions: The one exception above appears to be an isolated incident.

DAVID Security and System Training

Security Training

FLHSMV has established its External Information Security Policy, which emphasizes safeguarding data confidentiality, integrity, and availability, often requiring cybersecurity training and incident reporting. FLHSMV requires external DAVID users to complete its *Information and Cybersecurity Awareness for External Entities* course, referred to as “security” training. The purpose of the training is to bring awareness to the importance of information security and cybersecurity when working with the FLHSMV systems and data, and to measures designed to prevent security breaches through hacking, social engineering, and email. This training is taken once by DAVID users, prior to system access being granted.

Records of the security training for DAVID users are maintained by the UWF DAVID point of contact, recorded in Tableau¹, and are available for audit purposes.

No Findings or Recommended Management Actions: All users active during the period of review were found to have completed this training.

System Training

In addition to the one-time security training, FLHSMV also requires DAVID users to complete its *DAVID User Training* course, referred to as “system” training. The training provides an introduction and/or refresher to the DAVID system and its functions. The training discusses agency roles, point of contact responsibilities, appropriate uses, reporting misuse, future enhancements, etc. This training is taken annually by DAVID users and is recorded in the DAVID system.

During fieldwork, we noted one DAVID user whose training had expired. We notified the UWF DAVID point of contact. Training was promptly completed by the user, and the user was brought back into compliance, as reflected in the updated DAVID records. While the system training is required annually, the implications for a DAVID user listed as active but failing to complete the training are administrative only, as the DAVID system tracks training completion and will not allow a DAVID user, even one listed as active, to access the system if the user’s *DAVID User Training* is out of date.

No Findings or Recommended Management Actions: The one exception noted above appears to be an isolated incident, which was subsequently remedied.

Quarterly Quality Control Review Reports

The MOU requires UWF to complete a Quarterly Quality Control Review Report (QQCRR) within ten days after the end of each quarter. The MOU states that the QQCRR must include the following:

- A comparison of users by agency report from DAVID to the agency’s own user list
- A listing of any new or inactivated users since the last quarterly quality control review

- Documentation verifying that usage has been internally monitored to ensure proper, authorized use and dissemination utilizing the auditing features available in DAVID

The UWF DAVID point of contact completes the QQCRR each quarter. Copies of the submissions are provided to IAMC each quarter.

During our testing, we noted one QQCRR for the year did not include a comparison of users by agency report from DAVID to the DAVID user list maintained by UWF. In addition, the QQCRR did not provide a listing of new and/or inactivated users since the last QQCRR. The QQCRR did include a master list of DAVID users per UWF, but not a list of users per the DAVID system, or a comparison/reconciliation of the two. During fieldwork, IAMC was able to reconcile UWF's users to DAVID's list of users. The UWF DAVID point of contact was able to provide IAMC with a master list of active and inactive users to determine if any users had been added or made inactive since the prior QQCRR. We noted one user was added to the DAVID system between the two QQCRRs. A review of the other QQCRRs for the year and reports for the prior year included all required elements.

No Findings or Recommended Management Actions: The one exception noted above appears to be an isolated incident

DAVID User Activity

The MOU between FLHSMV and UWF states: "Information exchanged will not be used for any purposes not specifically authorized by this MOU. Unauthorized use includes, but is not limited to, queries not related to a legitimate business purpose, personal use, or dissemination, sharing, copying, or passing this information to unauthorized persons."

To ensure DAVID access and queries were conducted for legitimate purposes, we randomly selected the week of December 1, 2025 through December 5, 2025 for testing. During this period, there were approximately 113 transactions across 11 UWF DAVID users. Our testing indicated the following:

- We did not observe any instances of DAVID users accessing the database for purposes other than residency verification
- All pages viewed appeared to be appropriate and served legitimate business purposes
- There were no searches performed outside of work hours
- There were no noteworthy instances of repeated searches during the week

During our testing, we were unable to readily identify the purpose of the search for 14 names searched by UWF DAVID users. To provide assurance that the searches were appropriate, we submitted the searched names to the UWF DAVID point of contact to provide the reasoning for the searches. The UWF DAVID point of contact was able to provide the reason for each of the 14 searches, including their relationship to a student, either perspective, current, or former.

No Findings or Recommended Management Actions: All UWF DAVID searches tested appear appropriate.

CONCLUSIONS

Governance, Risk Management, and Controls

In our opinion, we found that governance over the requirements of UWF's MOU with the FLHSMV, including the controls and processes implemented, was sufficient to ensure applicable risks are being adequately considered and managed. Internal controls which are designed to protect personal data appear effective.

DAVID MOU Requirements

Required updates to both DAVID user information and agency information generally appear proper and timely. Required Quarterly Quality Control Review Reports were completed and appear proper and timely. Required security and DAVID system training was completed by DAVID users. A testing of a sample of DAVID user activity indicated that DAVID searches appear properly done for legitimate business purposes.

RECOMMENDED MANAGEMENT ACTIONS

No significant deficiencies or findings were noted during our engagement. As such, we offer no recommendations or proposed corrective action plans.

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

Respectfully submitted,



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

REPORT DISTRIBUTION

Manny Diaz Jr., President

Trustee Rebecca Matthews, BOT Chair

Trustee Chris Young, Chair BOT Audit & Compliance Committee

Trustee Janice Gilley, BOT Audit & Compliance Committee

Trustee Kishane Patel, BOT Audit & Compliance Committee

Dr. Jaromy Kuhl, Provost

Adam Burgess, University Registrar

Krystena Keebler, Associate Registrar

Ethan Henley, Executive Director

Jaime Hoelscher, Manager, FL Auditor General

Ken Danley, Supervisor, FL Auditor General

Julie Leftheris, BOG Inspector General

Kristie Johnson, BOT Coordinator

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>


Dave Kerner
Executive Director



2900 Apalachee Parkway
Tallahassee, Florida 32399-0500
www.flhsmv.gov

Attachment IV
ANNUAL CERTIFICATION STATEMENT
FLORIDA DEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES

In accordance with Section VI., Part C, of the Memorandum of Understanding (MOU) between **Department of Highway Safety and Motor Vehicles** and University of West Florida (Requesting Agency), MOU Number HSMV-0666-24, (the MOU), the undersigned, on behalf of the Requesting Agency, hereby certifies that the Requesting Agency has evaluated and has adequate controls in place to protect Personal Information available to the Requesting Agency through the DAVID system from unauthorized access, distribution, use and modification or disclosure and is in full compliance with the terms of said MOU.

Signed by:

5695ED42CF4D42C...

Signature
Manny Diaz, Jr.

Printed Name
President

Title
04/17/2026

Date
University of West Florida

Name of Agency

DAVID (Government) MOU NTIS (rev. 2/16/2024)

**Board of Trustees
Audit and Compliance Committee
May 21, 2026**

Internal Audit Report – IIA Cybersecurity Topical Requirement

Recommended Action:

Acceptance of internal audit report issued.

Background Information:

Florida Board of Governors regulations require State University System (SUS) internal auditing functions to adhere to the Institute of Internal Auditors (the “IIA”) International Professional Practices Framework (IPPF). This authoritative guidance was updated in 2024 to include the Global Internal Audit Standards, the Internal Audit Topical Requirements, and Internal Audit Global Guidance.

This project was part of our 2025/26 approved audit work plan. The report was issued on February 27, 2026. The purpose of the engagement was to demonstrate UWF Internal Auditing and Management Consulting’s (IAMC) implementation and compliance with the revised IPPF specifically related to the Cybersecurity Topical Requirement, which became effective February 5, 2026.

Results

IAMC has successfully implemented the revised IIA IPPF, including the Cybersecurity Topical Requirement. The IAMC Annual Work Plan, Audit Manual, and standard workpaper templates have all been revised. Compliance with the requirements of the Cybersecurity Topical Requirement was documented in IAMC’s engagement workpapers for all assurance engagements in progress as of February 5, 2026. The IAMC Charter and the BOT Audit & Compliance Committee Charter require revision to agree with the BOG regulation; mandating IAMC compliance with not only the Global Internal Audit Standards, but the complete IPPF.

Recommendations

We recommend the BOT Audit & Compliance Committee approve the proposed changes to the IAMC Charter and the BOT Audit & Compliance Committee Charter. The proposed changes will be presented as separate agenda items.

Once the changes are approved, the chief audit executive should provide the revised charters to the Office of Inspector General and Director of Compliance for the Board of Governors, as required.

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

Documents:

1. Internal Audit Report – IIA Cybersecurity Topical Requirement

Prepared by:

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

Presenter:

David J. Bryant, Chief Audit Executive



IIA Cybersecurity Topical Requirement

Report # MAS25-26_006

Internal Auditing and Management Consulting

February 27, 2026

David Bryant, CIA, CFE, CPA, CGFM, CGAP, CRMA

Chief Audit Executive

EXECUTIVE SUMMARY

Florida Board of Governors regulations require State University System (SUS) internal auditing functions to adhere to the Institute of Internal Auditors (the “IIA”) International Professional Practices Framework (IPPF), which includes the Global Internal Audit Standards, the Internal Audit Topical Requirements, and Internal Audit Global Guidance.

The purpose of the engagement is to demonstrate UWF Internal Auditing and Management Consulting’s (IAMC) implementation and compliance with the revised IPPF specifically related to the Cybersecurity Topical Requirement, which became effective February 5, 2026.

The results of the engagement documented IAMC’s successful implementation of the revised IIA IPPF, including the Cybersecurity Topical Requirement. Compliance with the requirements of the Cybersecurity Topical Requirement was documented in IAMC’s engagement workpapers for all assurance engagements in progress as of February 5, 2026.

This report contains recommendations related to changes to the IAMC Charter and the Board of Trustees (BOT) Audit and Compliance Committee (ACC) Charter.

SCOPE AND OBJECTIVES

This engagement was included in the 2025/26 approved work plan. Our objectives were to:

- Assess IAMC’s implementation of the IIA’s revised IPPF specifically related to the Cybersecurity Topical Requirement
- Determine IAMC’s compliance with the IIA Cybersecurity Topical Requirement

Fieldwork began on January 21, 2026, and ended on February 18, 2026.

BACKGROUND

The applicable authoritative guidance is as follows:

Florida Board of Governor’s Regulation 4.002 – SUS Chief Audit Executives

This regulation requires that university audit engagements shall be performed in accordance with the IIA International Professional Practices Framework.

IAMC Charter Section V – Standards

The current IAMC Charter states that audit engagements shall be performed in accordance with the Global Internal Audit Standards, published by the Institute of Internal Auditors, Inc.; the Government Auditing Standards, published by the United States Government Accountability Office; and/or the Information Systems Auditing Standards published by ISACA (Information Systems Audit and Control Association). All reports shall describe the extent to which standards were followed.

Board of Trustees Audit and Compliance Committee Charter

The current BOT ACC Charter states that the Committee will review the effectiveness of the internal auditing function, including conformance with The Institute of Internal Auditors' Global Internal Audit Standards.

Institute of Internal Auditors – International Professional Practices Framework

In 2021, the IIA launched its IPPF Evolution project to modernize its authoritative guidance, known as its International Professional Practices Framework. The revised IPPF, issued in 2024, provides internal audit standards, requirements, and guidance that offer a structural blueprint and coherent system to facilitate consistent development, interpretation, and application of knowledge for the internal audit profession. The IPPF consists of:

- Global Internal Audit Standards
- Internal Audit Topical Requirements
- Internal Audit Global Guidance

IIA Topical Requirement – Cybersecurity

The Cybersecurity Topical Requirement was issued by the IIA on February 5, 2025, and became effective on February 5, 2026. Topical Requirements are mandatory and must be used in conjunction with the Global Internal Audit Standards, which provide the authoritative basis for the required practices. The Cybersecurity Topical Requirement provides a consistent, comprehensive approach to assessing the design and implementation of cybersecurity governance, risk management, and control processes. The requirements represent a minimum baseline for assessing cybersecurity during engagements and for an organization.

Conformance with Cybersecurity Topical Requirement is mandatory for assurance services and recommended for advisory services. Requirements of the Cybersecurity Topical Requirement include assessing cybersecurity governance, risk management, and controls. The Cybersecurity Topical Requirement is applicable when any of the following conditions exist:

- Cybersecurity is the subject of an assurance engagement in the internal audit plan.
- An assurance engagement not originally on the internal audit plan is requested and the engagement includes aspects of cybersecurity.
- Internal auditors perform an assurance engagement and elements of cybersecurity emerge.

Evidence that each requirement in the Cybersecurity Topical Requirement was assessed for applicability must be documented and retained in the engagement workpapers. Not all individual requirements may apply in every engagement. If requirements are excluded, a rationale must be documented and retained. Chief audit executives apply professional judgment based on their organization's circumstances in determining the rationale for the exclusions of a specific requirement of the Cybersecurity Topical Requirement as nonapplicable.

Conformance with the topical requirements, including the Cybersecurity Topical Requirement, is mandatory and is evaluated during quality assessments.

METHODOLOGY

For completing this engagement, we reviewed the requirements contained in the IIA's published guidance:

- IIA International Professional Practices Framework
- Cybersecurity Topical Requirement
- Cybersecurity Topical Requirement – User Guide
- Report on the Development and Public Consultation Processes for the Cybersecurity Topical Requirement
- Topical Requirements Application Guidance

We reviewed the following to determine IAMC's implementation of the Cybersecurity Topical Requirement:

- IAMC Annual Workplans
- IAMC Audit Workpaper Templates
- IAMC Audit Manual
- IAMC Charter
- BOT Audit and Compliance Committee Charter

The Cybersecurity Topical Requirement became effective for assurance engagements in process as of, or commenced after, February 5, 2026. To determine compliance with the Cybersecurity Topical Requirement, we reviewed the workpapers for the following IAMC assurance engagements which were in process as of February 5, 2026:

- #25-26_006 – Student Hazing Prevention
- #25-26_007 – Performance-Based Funding Data Integrity 2025

DETAILED RESULTS – VERIFICATION OF COMPLIANCE

Implementation of Cybersecurity Topical Requirement

To implement the changes contained in the IIA's authoritative guidance, including the Cybersecurity Topical Requirement, revisions were necessary to IAMC's work plan, documentation, processes, and governing documents. The necessary revisions are discussed below.

IAMC Annual Work Plan

During the performance of the 2025 annual risk assessment, the former chief audit executive researched the Cybersecurity Topical Requirement and documented the need to perform engagements related to cybersecurity. She documented her discussions with management and the BOT ACC Chair. Based on her work, she prepared proposed IAMC Annual Work Plans for 2025/26 and 2026/27, both of which included cybersecurity-related engagements. The proposed 2025/26 IAMC Annual Work Plan included the current engagement, the implementation of the Cybersecurity Topical Requirement. The proposed 2026/27 IAMC Annual Work Plan included a Cybersecurity Audit of the University.

At the BOT ACC meeting on May 8, 2025, the former chief audit executive discussed the Cybersecurity Topical Requirement during her presentation of the proposed 2025/26 and

2026/27 IAMC Annual Work Plans. Both plans were approved by the Committee on May 8, 2025, and the full Board of Trustees on June 12, 2025.

IAMC Audit Workpaper Templates

IIA Global Internal Audit Standard 14.6 states:

Documentation of the internal audit engagement through workpapers is an important part of a systematic and disciplined engagement process because it organizes engagement information in a way that enables reperformance of the work and supports engagement results. Most importantly, workpapers contain relevant, reliable, and sufficient information that enables a prudent, informed, and competent person, such as another internal auditor or an external auditor, to reach the same conclusions as those reached by the internal auditors who conducted the engagement.

To ensure consistency and quality, IAMC has developed a variety of standard audit workpaper templates documenting work performed during engagements. A brief explanation of each of the standard workpapers is included in the IAMC Audit Manual. While the standard audit workpapers included a review of internal controls related to information technology, no standard workpapers relating to cybersecurity had been developed prior to the issuance of the Cybersecurity Topical Requirement.

The Cybersecurity Topical Requirement – User Guide states:

Evidence that each requirement in the Topical Requirement was assessed for applicability must be retained, including a rationale explaining the exclusion of any requirements. Conformance with the Topical Requirement must be documented using auditor professional judgment as described in Standard 14.6 Engagement Documentation.

Upon issuance of the Cybersecurity Topical Requirement, IAMC developed standard audit workpapers specifically related to cybersecurity. The following workpapers were developed:

100-22-01 Cybersecurity Consideration

The purpose of this workpaper is to document the auditor’s consideration and assessment of the applicability of the Cybersecurity Topical Requirement to the audit scope.

300-10-01 Cybersecurity Testing

If after completing the Cybersecurity Consideration workpaper, an auditor determines that cybersecurity is applicable to the audit scope, the auditor must apply the requirements of the Cybersecurity Topical Requirement, which include evaluations of:

- Governance – clearly defined baseline cybersecurity objectives and strategies that support organizational goals, policies, and procedures
- Risk Management – processes to identify, analyze, manage, and monitor cyber threats, including a process to escalate cyber risks promptly
- Controls – management-established, periodically evaluated control processes to mitigate cyber risk

The purpose of this workpaper is to record the auditor’s evaluation and document work related to the application of the Cybersecurity Topical Requirement.

The actual workpaper numbers may vary for each audit based on the timing and sequence of other documents and/or workpapers added to the audit file. Also, as additional engagements are performed, it is likely that these standard workpapers will be revised.

IAMC Audit Manual

The IAMC Audit Manual documents the expectations, methodologies, and other considerations used in the performance of audits by IAMC staff. The Manual includes a listing of standard audit workpapers, along with information about the purpose and details of each workpaper. The Manual is updated periodically as changes to laws, rules, regulations, policies, practices, etc. occur. The Manual was last updated in January 2026. Significant revisions/additions included:

- Updated references to Global Standards to include all aspects of the IIA IPPF (Global Internal Audit Standards, Internal Audit Topical Requirements, and Internal Audit Global Guidance)
- Added the 100-22-01 Cybersecurity Consideration workpaper to the list of standard audit workpapers and provided an explanation of the purpose and expected documentation related to completion of the workpaper
- Added the 300-10-01 Cybersecurity Testing workpaper to the list of standard audit workpapers and provided an explanation of the purpose and expected documentation related to completion of the workpaper

IAMC Charter

Section VIII of the IAMC Charter states, “This Charter is required to be reviewed every three years for consistency with applicable Board of Governors and University regulations, professional standards, and best practices. A copy of the approved Charter and any subsequent changes will be provided to the Board of Governors through the OIGC.”

The Charter was last revised on May 16, 2024.

Section V of the current Charter states, “Audit engagements shall be performed in accordance with the Global Internal Audit Standards, published by the Institute of Internal Auditors, Inc...” After the Charter’s last revision, the IIA updated its authoritative guidance to revise its International Professional Practice Framework, which in addition to the Global Internal Audits Standards, also includes the Internal Audit Topical Requirements and other Internal Audit Global Guidance.

As such, the IAMC Charter requires revision to correspond with the IIA’s authoritative guidance changes. A draft of the proposed changes has been prepared and can be found in Appendix B.

BOT Audit and Compliance Committee Charter

Section VI.1.a of the BOT Audit and Compliance Committee Charter states:

The Committee will adopt a formal written charter that is approved by the full Board of Trustees and reviewed at least every three years for consistency with the Board of Trustees’ bylaws and applicable Board of Governors and University regulations, professional

standards, and best practices. A copy of the approved charter and any subsequent changes shall be provided to the Board of Governors.

The Charter was last revised on May 16, 2024.

Section VI.3.l of the Charter states the Committee has the responsibility to “review the effectiveness of the internal auditing function, including conformance with The Institute of Internal Auditors’ Global Internal Audit Standards.” After the Charter’s last revision, the IIA updated its authoritative guidance to revise its International Professional Practice Framework, which in addition to the Global Internal Audits Standards, also includes the Internal Audit Topical Requirements and other Internal Audit Global Guidance.

As such, the Board of Trustees Audit and Compliance Committee Charter requires revision to correspond with the IIA’s authoritative guidance changes. A draft of the proposed changes has been prepared and can be found in Appendix C.

Compliance with the Cybersecurity Topical Requirement

The Cybersecurity Topical Requirement became effective for assurance engagements in progress as of, or commenced after, February 5, 2026. To document compliance with the Cybersecurity Topical Requirement, workpapers for the following engagements were reviewed:

#25-26 006 – Student Hazing Prevention

The engagement workpapers included workpaper 100-22-01 Cybersecurity Consideration. The IAMC auditor completed the workpaper and determined cybersecurity was not applicable to the audit scope. As cybersecurity was not applicable, testing of cybersecurity was not necessary. The workpaper was reviewed and approved by the chief audit executive.

#25-26 007 – Performance-Based Funding Data Integrity 2025

The engagement workpapers included workpaper 100-26-01 Cybersecurity Consideration. The IAMC auditor completed the workpaper and determined cybersecurity was applicable to the audit scope. The auditor documented testing related to cybersecurity in workpaper 100-26-03 Cybersecurity Testing. The workpaper included references to various supporting documents, which were included in the audit file. The workpapers were reviewed and approved by the chief audit executive.

CONCLUSIONS

IAMC has made the necessary changes to its work plans, engagement documentation, processes, and governing documents to successfully implement changes to the IIA International Professional Practices Framework, including the Cybersecurity Topical Requirement. Adoption of the proposed changes to the IAMC Charter and the BOT ACC Charter are necessary.

A review of the documentation for engagements currently in progress indicates that IAMC is complying with the requirements of the Cybersecurity Topical Requirement.

RECOMMENDED ACTIONS

1. We recommend the BOT Audit and Compliance Committee approve the proposed changes to the IAMC Charter and the BOT Audit and Compliance Committee Charter. Once the changes are approved, the chief audit executive should provide the revised charters to the Office of Inspector General and Director of Compliance for the Board of Governors, as required.¹

Risk Prioritization: 1 of 1

Risk Rating²: Moderate

These changes will be presented by the chief audit executive to the BOT Audit and Compliance Committee at its meeting on May 21, 2026.

Respectfully submitted,



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

¹ BOG Regulation 4.002 states subsequent changes to both the BOT ACC Charter and the IAMC Charter “shall be provided to the Board of Governors.”

² See Appendix A.

REPORT DISTRIBUTION

Manny Diaz Jr., President

Trustee Rebecca Matthews, BOT Chair

Trustee Chris Young, Chair BOT Audit and Compliance Committee

Trustee Janice Gilley, BOT Audit & Compliance Committee

Trustee Kishane Patel, BOT Audit & Compliance Committee

Dr. Clifford Humphrey, Chief of Staff

Jaime Hoelscher, Manager, FL Auditor General

Ken Danley, Supervisor, FL Auditor General

Julie Leftheris, BOG Inspector General

Kristie Johnson, BOT Coordinator

APPENDIX A – RISK RATING FRAMEWORK

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

APPENDIX B – PROPOSED CHANGES TO IAMC CHARTER

Section V – Standards Authoritative Guidance

Audit engagements shall be performed in accordance with the ~~Global Internal Audit Standards~~ International Professional Practices Framework, which includes the Global Internal Audit Standards, Internal Audit Topical Requirements, and Internal Audit Global Guidance, published by the Institute of Internal Auditors, Inc.; the Government Auditing Standards, published by the United States Government Accountability Office; and/or the Information Systems Auditing Standards published by ISACA (Information Systems Audit and Control Association). All reports shall describe the extent to which standards were followed.

APPENDIX C – PROPOSED CHANGES TO AUDIT AND COMPLIANCE COMMITTEE CHARTER

Section VI Responsibilities

The Committee will carry out the following responsibilities:

3.l. Review the effectiveness of the internal auditing function, including conformance with The Institute of Internal Auditors' ~~Global Internal Audit Standards~~ International Professional Practices Framework, which includes the Global Internal Audit Standards, Internal Audit Topical Requirements, and Internal Audit Global Guidance.

**Board of Trustees
Audit and Compliance Committee
May 21, 2026**

BOT Audit and Compliance Committee Charter – Proposed Revisions

Recommended Action:

Approval of the proposed revisions to the charter.

Background Information:

The BOT Audit and Compliance Committee Charter was last approved by the Committee on May 16, 2024. Board of Governor’s Regulation 4.002 requires that the Charter be reviewed at least every three years, for consistency with applicable Board of Governors and university regulations, professional standards, and best practices.

The Institute of Internal Auditors has updated its authoritative guidance from compliance with the Global Internal Audit Standards, to compliance with the International Professional Practices Framework (IPPF), which include the Global Internal Audit Standards, the Internal Audit Topical Requirements, and Internal Audit Global Guidance. BOG Regulation 4.002 requires SUS internal audit functions to adhere to the IPPF, while the BOT Audit and Compliance Committee Charter only requires adherence to the Global Internal Audit Standards.

The BOT Audit & Compliance Committee Charter requires revision to agree with the BOG regulation; mandating IAMC compliance with not only the Global Internal Audit Standards, but the complete IPPF. The proposed revisions are noted in the attachment.

Implementation Plan:

The revised charter will become effective upon passage by the Audit and Compliance Committee. Once the revisions are approved, the chief audit executive will provide the revised charter to the Office of Inspector General and Director of Compliance for the Board of Governors, as required.

Fiscal Implications:

Fiscal oversight by the Board of Trustees

Relevant Authority:

BOG Regulation 4.002

Supports Strategic Direction(s):

6: Operational Excellence

Documents:

1. BOT ACC Charter – Proposed 2026 Revisions – Mark Up
2. BOT ACC Charter – Proposed 2026 Revisions – Final

Prepared by:

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

Presenter:

David J. Bryant, Chief Audit Executive

THE UNIVERSITY OF WEST FLORIDA BOARD OF TRUSTEES

AUDIT AND COMPLIANCE COMMITTEE CHARTER

I. Overall Purpose/Objectives

The Audit and Compliance Committee (the “Committee”) is appointed by the University of West Florida Board of Trustees to assist it in discharging its responsibilities, including but not limited to:

- Addressing audit, financial and fraud-related compliance, controls, and investigative matters;
- Oversight of the Internal Auditing function; and
- Governance oversight of the Compliance and Ethics function.

The Committee acts as part of University governance, assisting the Board of Trustees in fulfilling its oversight responsibilities for the system of internal controls and risk management, the audit process, the financial reporting process, and monitoring for compliance with laws and regulations. The Committee shall take all appropriate actions to establish the overall University tone for quality financial reporting, sound business risk practices, ethical behavior, and facilitating a compliant culture.

The Board of Trustees’ Executive Committee includes the Chair of the Audit and Compliance Committee.

II. Authority

The Committee, in fulfilling its oversight role, has the authority to study or investigate any matter within the Committee’s scope of responsibilities. The Committee will inform the Board of Trustees of such actions and the results. With the concurrence of the Committee, the Chair may fulfill certain duties and responsibilities of the Committee and report back the results to the Committee and Board of Trustees. The Committee will seek any information it requires from employees of the University and direct support organizations (all of whom are required to cooperate with the Committee’s requests), or external parties.

The Committee’s authority and responsibility for oversight of Internal Auditing and the Office of Compliance and Ethics is defined in Board of Governor’s Regulations 4.002, *State University System Chief Audit Executives*, and 4.003, *State University System Compliance and Ethics Programs*.

III. Members

The Committee will be comprised of at least three, but no more than five, voting members of the Board of Trustees. The Chair of the Board of Trustees, recognizing the need for continuity of membership from year to year, shall appoint the members of the Committee.

All members of the Committee will have a working familiarity with basic finance and accounting practices and at least one member must be a financial expert. *Financial literacy* is being able to read and understand fundamental financial statements. *Financial expert* means a person who has one or more of the following: an understanding of generally accepted accounting principles and financial statements; experience in applying such principles; experience in preparing or auditing financial statements; experience with internal controls; and an understanding of finance and audit committee functions.

Members will serve on the Committee until their departure from the Board of Trustees, resignation, or replacement by the Chair of the Board of Trustees. The Chair of the Board of Trustees shall serve as an ex officio, voting member of the Committee.

Committee members shall be independent and objective in the discharge of their responsibilities. They are to be free of any financial, family, or other material personal relationship, including relationships with members of University management, University auditors and other professional consultants that would impair their independence from management and the University.

IV. Committee Meetings

The Committee will meet at least four times annually, with authority to convene additional meetings as circumstances require. All Committee members are expected to attend each meeting in person or via teleconference or videoconference. A simple majority of the members of the Committee will constitute a quorum for the transaction of business.

The Committee will invite members of management, auditors, or others to attend meetings and provide pertinent information as necessary. Meeting agendas will be proposed in advance and provided to the Chair for approval, along with appropriate briefing materials.

V. Education

The University is responsible for providing the Committee with educational resources related to auditing, compliance, risk management, accounting principles and practices, and other information that the Committee may request. The Secretary of the Board, the Chief Audit Executive, the Chief Compliance Officer and the General Counsel will assist the Committee in maintaining literacy in the appropriate areas related to the Committee's function.

VI. Responsibilities

The Committee will carry out the following responsibilities:

1. General

- a. Adopt a formal written charter that is approved by the full Board of Trustees and reviewed at least every three years for consistency with the Board of Trustees' bylaws and applicable Board of Governors and University regulations, professional standards, and best practices. A copy of the approved charter and any subsequent changes shall be provided to the Board of Governors.
- b. Maintain minutes or other records of meetings and activities.
- c. Report Committee actions to the Board of Trustees with such recommendations the Committee may deem appropriate.
- d. Oversee the development, implementation, and execution of policies and procedures that promote accountability, compliance, ethical values, and sound control practices.
- e. Consider the effectiveness of the University's internal control system, including information technology security and control.
- f. Consider the effectiveness of the University's risk management system.

2. Investigative

- a. Conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain independent counsel, accountants or others to assist it in the conduct of any investigation.
- b. Maintain adequate policies and guidelines for receiving complaints regarding reports of financial fraud, including collaboration with other Board of Trustees Committees to implement the requirements of Board of Governors Regulation 3.003, *Fraud Prevention and Detection*.
- c. Review significant findings and issues identified as a result of special reviews or whistle-blower complaints.
- d. Adopt a process for University staff, faculty, students, and Board of Trustees members to report allegations of waste, fraud, or financial mismanagement to the Chief Audit Executive.
- e. Ensure that the Board of Trustees adopts a regulation that requires timely notification to the Board of Governors Office of Inspector General and Director of Compliance (OIGC) of any significant and credible allegations of fraud, waste, mismanagement, misconduct, or other abuses made against the University President or a Board of Trustees member (and other requirements as detailed in Board of Governors Regulation 4.001(5), *University System Processes for Complaints of Fraud, Waste, Abuse, or Financial Mismanagement*).
- f. If any significant and credible allegation of fraud, waste, mismanagement, misconduct, or other abuse occurs with respect to the Board of Trustees, timely notify the Board of Governors OIGC (along with other requirements as detailed in Board of Governors Regulation 4.001(5)(a)).
- g. Ensure that the Board of Trustees adopts a regulation to address any significant and credible allegations of fraud, waste, mismanagement, misconduct, or other abuses, made against the Chief Audit Executive or the Chief Compliance Officer.
- h. Obtain Board of Governors approval before outsourcing the investigative function.

3. Internal Auditing

- a. Adopt a formal written charter that defines the duties and responsibilities of the office of the Chief Audit Executive, as described in BOG Regulation 4.002(3). The charter shall be reviewed at least every three years for consistency with applicable Board of Governors and University regulations, professional standards, and best practices. A copy of the approved charter and any subsequent changes shall be provided to the Board of Governors through the OIGC.
- b. Appoint a Chief Audit Executive as a point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency in the operations of the University.
- c. Approve the reassignment, replacement, or dismissal of the Chief Audit Executive.
- d. When a vacancy in the position of Chief Audit Executive exists, provide quarterly updates to the Board of Governors Audit and Compliance Committee, through the OIGC, if the vacancy remains unfilled for six months and describe efforts taken to fill such vacancy.
- e. Ensure that the Internal Auditing department has direct and unrestricted access to the Chairman and other Committee members.
- f. Ensure that the Chief Audit Executive is organizationally independent and objective to perform the responsibilities of the position. The Chief Audit Executive shall report functionally to the Board of Trustees and administratively to the President.
- g. Provide written input to the President in the annual performance evaluation of the Chief Audit Executive.
- h. Appoint the Chief Audit Executive as the University employee to review statutory whistle-blower information and coordinate all activities of the University as required by the Florida Whistle-blower's Act.
- i. Review and approve the annual audit work plan and any significant changes to the plan.

- j. Review findings from internal audits and monitor progress on the implementation of audit recommendations.
- k. Review the annual report prepared by the Chief Audit Executive on the activities of the internal audit function.
- l. Review the effectiveness of the internal auditing function, including conformance with The Institute of Internal Auditors' *International Professional Practices Framework, which includes the Global Internal Audit Standards, Internal Audit Topical Requirements, and Internal Audit Global Guidance Global Internal Audit Standards.*
- m. Inquire of the Chief Audit Executive regarding any difficulties encountered in the course of audits, including any restrictions on the scope of audit work or access to required information or any lack of cooperation.
- n. Annually review Internal Auditing staffing levels, the adequacy of staff qualifications and training, and the departmental budget to evaluate whether proper resources have been provided for Internal Auditing to fulfill its mission.
- o. Communicate periodically with the Chief Audit Executive to keep abreast of current issues and the status of engagements through phone calls, conference calls, meetings, or emails.
- p. Obtain Board of Governors approval before outsourcing the internal audit function.

4. Financial Statement Audits

- a. Review the annual audit of the University's financial statements by the Florida Auditor General, including discussions with management and the external auditors to determine that the external auditors are satisfied with the appropriateness of disclosures and other content of the financial statements, application of conservative accounting principles, and approve such financial statements.
- b. Resolve any differences between management and the Florida Auditor General regarding financial reporting.
- c. Review with management and General Counsel any legal matters (including pending litigation) that may have a material impact on the University's financial statements and any material reports or inquiries from regulatory or governmental agencies.
- d. Review and approve audited financial statements produced by external auditors of University entities and direct support organizations.

5. Compliance and Ethics Program

- a. Provide oversight for the University Compliance and Ethics Program ("the Program") as a point for coordination of and responsibility for activities that promote ethical conduct and maximize compliance with applicable laws, regulations, rules, policies, and procedures.
- b. The Program shall be reasonably designed to optimize its effectiveness in preventing or detecting non-compliance, unethical behavior, and criminal conduct, designed specifically for the University's unique risk profile; and should be consistent with the Code of Ethics for Public Officers and Employees contained in Part III, Chapter 112, Florida Statutes; other applicable codes of ethics; and the Federal Sentencing Guidelines Manual, Section 8B2.1, *Effective Compliance and Ethics Program*.
- c. Appoint a senior-level administrator as Chief Compliance Officer for the University.
- d. When a vacancy exists in the position of Chief Compliance Officer, provide quarterly updates to the Board of Governors Audit and Compliance Committee, through the OIGC, if the vacancy remains unfilled for six (6) months and describe efforts taken to fill such vacancy.
- e. Adopt a formal written charter which defines the duties and responsibilities of the office of the

Chief Compliance Officer, as described in BOG Regulation 4.003(7)(g). The charter shall be reviewed at least every three years for consistency with applicable Board of Governors and University regulations, professional standards, and best practices. A copy of the approved charter and any subsequent changes shall be provided to the Board of Governors through the OIGC.

- f. Ensure that the Chief Compliance Officer has direct and unrestricted access to Chairman and other Committee members.
- g. Ensure that the Chief Compliance Officer is organizationally independent and objective to perform the responsibilities of the position. The Chief Compliance Officer shall report functionally to the Board of Trustees and administratively to the President.
- h. The President and Board of Trustees shall be knowledgeable about the Program and shall exercise oversight over its effectiveness. The Board of Trustees shall approve a Program plan and any subsequent revisions to the plan shall be provided to the Board of Governors Office through the OIGC.
- i. The Program shall include training of University employees and the Board of Trustees regarding their responsibility and accountability for ethical conduct and compliance with applicable laws, regulations, rules, policies, and procedures. The Program plan shall specify when and how often this training shall occur.
- j. At least once every five years, the President and the Board of Trustees shall be provided with an external review of the Program's design and effectiveness and any recommendations for improvement, as appropriate. The assessment shall be approved by the Board of Trustees and a copy provided to the Board of Governors, through the OIGC.
- k. The Program may designate compliance officers for various program areas throughout the University based on an assessment of risk in any particular program or area. If so designated, the individual shall coordinate and communicate with the Chief Compliance Officer on matters relating to the Program.
- l. The Program shall require the University, in a manner which promotes visibility, to publicize a mechanism for individuals to report potential or actual misconduct and violations of University policy, regulations, or law, and to ensure that no individual faces retaliation for reporting a potential or actual violation when such report is made in good faith.
- m. The Program shall articulate the steps for reporting and escalating matters of alleged misconduct, including criminal conduct, when there are reasonable grounds to believe such conduct has occurred.
- n. Ensure that the Chief Compliance Officer has the independence and objectivity necessary to perform their responsibilities; have adequate resources and appropriate authority; and communicates regularly with the President and the Board of Trustees regarding Program activities.
- o. Review the annual report prepared by the Chief Compliance Officer on the Program's activities and effectiveness.
- p. When non-compliance, unethical behavior, or criminal conduct has been detected, the Committee shall ensure that any necessary modifications to the Program are made.

VII. University Staff Liaisons

The Chief Audit Executive, the Chief Compliance Officer, and the General Counsel or designee shall serve as staff liaisons to the Committee.

Last Approved: ~~May 13, 2021~~ May 21, 2026

History:-

First approved by Finance, Administration, and Audit Committee on November 5, 2004

First approved by full BOT on December 9, 2005

Finance, Administration, and Audit Committee became Audit and Operations Committee on December 9, 2011

Audit & Operations Committee became Audit & Compliance Committee on March 1, 2016~~,~~

Revised

March 8, 2012, March 1, 2016, May 24, 2018, ~~substantive changes~~ May 13, 2021, May 16, 2024, May 21, 2026.

THE UNIVERSITY OF WEST FLORIDA BOARD OF TRUSTEES

AUDIT AND COMPLIANCE COMMITTEE CHARTER

I. Overall Purpose/Objectives

The Audit and Compliance Committee (the “Committee”) is appointed by the University of West Florida Board of Trustees to assist it in discharging its responsibilities, including but not limited to:

- Addressing audit, financial and fraud-related compliance, controls, and investigative matters;
- Oversight of the Internal Auditing function; and
- Governance oversight of the Compliance and Ethics function.

The Committee acts as part of University governance, assisting the Board of Trustees in fulfilling its oversight responsibilities for the system of internal controls and risk management, the audit process, the financial reporting process, and monitoring for compliance with laws and regulations. The Committee shall take all appropriate actions to establish the overall University tone for quality financial reporting, sound business risk practices, ethical behavior, and facilitating a compliant culture.

The Board of Trustees’ Executive Committee includes the Chair of the Audit and Compliance Committee.

II. Authority

The Committee, in fulfilling its oversight role, has the authority to study or investigate any matter within the Committee’s scope of responsibilities. The Committee will inform the Board of Trustees of such actions and the results. With the concurrence of the Committee, the Chair may fulfill certain duties and responsibilities of the Committee and report back the results to the Committee and Board of Trustees. The Committee will seek any information it requires from employees of the University and direct support organizations (all of whom are required to cooperate with the Committee’s requests), or external parties.

The Committee’s authority and responsibility for oversight of Internal Auditing and the Office of Compliance and Ethics is defined in Board of Governor’s Regulations 4.002, *State University System Chief Audit Executives*, and 4.003, *State University System Compliance and Ethics Programs*.

III. Members

The Committee will be comprised of at least three, but no more than five, voting members of the Board of Trustees. The Chair of the Board of Trustees, recognizing the need for continuity of membership from year to year, shall appoint the members of the Committee.

All members of the Committee will have a working familiarity with basic finance and accounting practices and at least one member must be a financial expert. *Financial literacy* is being able to read and understand fundamental financial statements. *Financial expert* means a person who has one or more of the following: an understanding of generally accepted accounting principles and financial statements; experience in applying such principles; experience in preparing or auditing financial statements; experience with internal controls; and an understanding of finance and audit committee functions.

Members will serve on the Committee until their departure from the Board of Trustees, resignation, or replacement by the Chair of the Board of Trustees. The Chair of the Board of Trustees shall serve as an ex officio, voting member of the Committee.

Committee members shall be independent and objective in the discharge of their responsibilities. They are to be free of any financial, family, or other material personal relationship, including relationships with members of University management, University auditors and other professional consultants that would impair their independence from management and the University.

IV. Committee Meetings

The Committee will meet at least four times annually, with authority to convene additional meetings as circumstances require. All Committee members are expected to attend each meeting in person or via teleconference or videoconference. A simple majority of the members of the Committee will constitute a quorum for the transaction of business.

The Committee will invite members of management, auditors, or others to attend meetings and provide pertinent information as necessary. Meeting agendas will be proposed in advance and provided to the Chair for approval, along with appropriate briefing materials.

V. Education

The University is responsible for providing the Committee with educational resources related to auditing, compliance, risk management, accounting principles and practices, and other information that the Committee may request. The Secretary of the Board, the Chief Audit Executive, the Chief Compliance Officer and the General Counsel will assist the Committee in maintaining literacy in the appropriate areas related to the Committee's function.

VI. Responsibilities

The Committee will carry out the following responsibilities:

1. General

- a. Adopt a formal written charter that is approved by the full Board of Trustees and reviewed at least every three years for consistency with the Board of Trustees' bylaws and applicable Board of Governors and University regulations, professional standards, and best practices. A copy of the approved charter and any subsequent changes shall be provided to the Board of Governors.
- b. Maintain minutes or other records of meetings and activities.
- c. Report Committee actions to the Board of Trustees with such recommendations the Committee may deem appropriate.
- d. Oversee the development, implementation, and execution of policies and procedures that promote accountability, compliance, ethical values, and sound control practices.
- e. Consider the effectiveness of the University's internal control system, including information technology security and control.
- f. Consider the effectiveness of the University's risk management system.

2. Investigative

- a. Conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain independent counsel, accountants or others to assist it in the conduct of any investigation.
- b. Maintain adequate policies and guidelines for receiving complaints regarding reports of financial fraud, including collaboration with other Board of Trustees Committees to implement the requirements of Board of Governors Regulation 3.003, *Fraud Prevention and Detection*.
- c. Review significant findings and issues identified as a result of special reviews or whistle-blower complaints.
- d. Adopt a process for University staff, faculty, students, and Board of Trustees members to report allegations of waste, fraud, or financial mismanagement to the Chief Audit Executive.
- e. Ensure that the Board of Trustees adopts a regulation that requires timely notification to the Board of Governors Office of Inspector General and Director of Compliance (OIGC) of any significant and credible allegations of fraud, waste, mismanagement, misconduct, or other abuses made against the University President or a Board of Trustees member (and other requirements as detailed in Board of Governors Regulation 4.001(5), *University System Processes for Complaints of Fraud, Waste, Abuse, or Financial Mismanagement*).
- f. If any significant and credible allegation of fraud, waste, mismanagement, misconduct, or other abuse occurs with respect to the Board of Trustees, timely notify the Board of Governors OIGC (along with other requirements as detailed in Board of Governors Regulation 4.001(5)(a)).
- g. Ensure that the Board of Trustees adopts a regulation to address any significant and credible allegations of fraud, waste, mismanagement, misconduct, or other abuses, made against the Chief Audit Executive or the Chief Compliance Officer.
- h. Obtain Board of Governors approval before outsourcing the investigative function.

3. Internal Auditing

- a. Adopt a formal written charter that defines the duties and responsibilities of the office of the Chief Audit Executive, as described in BOG Regulation 4.002(3). The charter shall be reviewed at least every three years for consistency with applicable Board of Governors and University regulations, professional standards, and best practices. A copy of the approved charter and any subsequent changes shall be provided to the Board of Governors through the OIGC.
- b. Appoint a Chief Audit Executive as a point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency in the operations of the University.
- c. Approve the reassignment, replacement, or dismissal of the Chief Audit Executive.
- d. When a vacancy in the position of Chief Audit Executive exists, provide quarterly updates to the Board of Governors Audit and Compliance Committee, through the OIGC, if the vacancy remains unfilled for six months and describe efforts taken to fill such vacancy.
- e. Ensure that the Internal Auditing department has direct and unrestricted access to the Chairman and other Committee members.
- f. Ensure that the Chief Audit Executive is organizationally independent and objective to perform the responsibilities of the position. The Chief Audit Executive shall report functionally to the Board of Trustees and administratively to the President.
- g. Provide written input to the President in the annual performance evaluation of the Chief Audit Executive.
- h. Appoint the Chief Audit Executive as the University employee to review statutory whistle-blower information and coordinate all activities of the University as required by the Florida Whistle-blower's Act.
- i. Review and approve the annual audit work plan and any significant changes to the plan.

- j. Review findings from internal audits and monitor progress on the implementation of audit recommendations.
- k. Review the annual report prepared by the Chief Audit Executive on the activities of the internal audit function.
- l. Review the effectiveness of the internal auditing function, including conformance with The Institute of Internal Auditors' *International Professional Practices Framework, which includes the Global Internal Audit Standards, Internal Audit Topical Requirements, and Internal Audit Global Guidance*.
- m. Inquire of the Chief Audit Executive regarding any difficulties encountered in the course of audits, including any restrictions on the scope of audit work or access to required information or any lack of cooperation.
- n. Annually review Internal Auditing staffing levels, the adequacy of staff qualifications and training, and the departmental budget to evaluate whether proper resources have been provided for Internal Auditing to fulfill its mission.
- o. Communicate periodically with the Chief Audit Executive to keep abreast of current issues and the status of engagements through phone calls, conference calls, meetings, or emails.
- p. Obtain Board of Governors approval before outsourcing the internal audit function.

4. Financial Statement Audits

- a. Review the annual audit of the University's financial statements by the Florida Auditor General, including discussions with management and the external auditors to determine that the external auditors are satisfied with the appropriateness of disclosures and other content of the financial statements, application of conservative accounting principles, and approve such financial statements.
- b. Resolve any differences between management and the Florida Auditor General regarding financial reporting.
- c. Review with management and General Counsel any legal matters (including pending litigation) that may have a material impact on the University's financial statements and any material reports or inquiries from regulatory or governmental agencies.
- d. Review and approve audited financial statements produced by external auditors of University entities and direct support organizations.

5. Compliance and Ethics Program

- a. Provide oversight for the University Compliance and Ethics Program ("the Program") as a point for coordination of and responsibility for activities that promote ethical conduct and maximize compliance with applicable laws, regulations, rules, policies, and procedures.
- b. The Program shall be reasonably designed to optimize its effectiveness in preventing or detecting non-compliance, unethical behavior, and criminal conduct, designed specifically for the University's unique risk profile; and should be consistent with the Code of Ethics for Public Officers and Employees contained in Part III, Chapter 112, Florida Statutes; other applicable codes of ethics; and the Federal Sentencing Guidelines Manual, Section 8B2.1, *Effective Compliance and Ethics Program*.
- c. Appoint a senior-level administrator as Chief Compliance Officer for the University.
- d. When a vacancy exists in the position of Chief Compliance Officer, provide quarterly updates to the Board of Governors Audit and Compliance Committee, through the OIGC, if the vacancy remains unfilled for six (6) months and describe efforts taken to fill such vacancy.
- e. Adopt a formal written charter which defines the duties and responsibilities of the office of the

Chief Compliance Officer, as described in BOG Regulation 4.003(7)(g). The charter shall be reviewed at least every three years for consistency with applicable Board of Governors and University regulations, professional standards, and best practices. A copy of the approved charter and any subsequent changes shall be provided to the Board of Governors through the OIGC.

- f. Ensure that the Chief Compliance Officer has direct and unrestricted access to Chairman and other Committee members.
- g. Ensure that the Chief Compliance Officer is organizationally independent and objective to perform the responsibilities of the position. The Chief Compliance Officer shall report functionally to the Board of Trustees and administratively to the President.
- h. The President and Board of Trustees shall be knowledgeable about the Program and shall exercise oversight over its effectiveness. The Board of Trustees shall approve a Program plan and any subsequent revisions to the plan shall be provided to the Board of Governors Office through the OIGC.
- i. The Program shall include training of University employees and the Board of Trustees regarding their responsibility and accountability for ethical conduct and compliance with applicable laws, regulations, rules, policies, and procedures. The Program plan shall specify when and how often this training shall occur.
- j. At least once every five years, the President and the Board of Trustees shall be provided with an external review of the Program's design and effectiveness and any recommendations for improvement, as appropriate. The assessment shall be approved by the Board of Trustees and a copy provided to the Board of Governors, through the OIGC.
- k. The Program may designate compliance officers for various program areas throughout the University based on an assessment of risk in any particular program or area. If so designated, the individual shall coordinate and communicate with the Chief Compliance Officer on matters relating to the Program.
- l. The Program shall require the University, in a manner which promotes visibility, to publicize a mechanism for individuals to report potential or actual misconduct and violations of University policy, regulations, or law, and to ensure that no individual faces retaliation for reporting a potential or actual violation when such report is made in good faith.
- m. The Program shall articulate the steps for reporting and escalating matters of alleged misconduct, including criminal conduct, when there are reasonable grounds to believe such conduct has occurred.
- n. Ensure that the Chief Compliance Officer has the independence and objectivity necessary to perform their responsibilities; have adequate resources and appropriate authority; and communicates regularly with the President and the Board of Trustees regarding Program activities.
- o. Review the annual report prepared by the Chief Compliance Officer on the Program's activities and effectiveness.
- p. When non-compliance, unethical behavior, or criminal conduct has been detected, the Committee shall ensure that any necessary modifications to the Program are made.

VII. University Staff Liaisons

The Chief Audit Executive, the Chief Compliance Officer, and the General Counsel or designee shall serve as staff liaisons to the Committee.

Last Approved: May 21, 2026

History

First approved by Finance, Administration, and Audit Committee on November 5, 2004

First approved by full BOT on December 9, 2005

Finance, Administration, and Audit Committee became Audit and Operations Committee on December 9, 2011

Audit & Operations Committee became Audit & Compliance Committee on March 1, 2016

Revised

March 8, 2012, March 1, 2016, May 24, 2018, May 13, 2021, May 16, 2024, May 21, 2026.

**Board of Trustees
Audit and Compliance Committee
May 21, 2026**

IAMC Charter – Proposed Revisions

Recommended Action:

Approval of the proposed revisions to the charter.

Background Information:

The Internal Auditing and Management Consulting (IAMC) Charter was last approved by the Committee on May 16, 2024. Board of Governor’s Regulation 4.002 and the BOT Audit and Compliance Committee Charter require the IAMC Charter to be reviewed at least every three years, for consistency with applicable Board of Governors and university regulations, professional standards, and best practices.

The Institute of Internal Auditors has updated its authoritative guidance from compliance with the Global Internal Audit Standards, to compliance with the International Professional Practices Framework (IPPF), which include the Global Internal Audit Standards, the Internal Audit Topical Requirements, and Internal Audit Global Guidance. BOG Regulation 4.002 requires SUS internal audit functions to adhere to the IPPF, while the IAMC Charter only requires adherence to the Global Internal Audit Standards.

The IAMC Charter requires revision to agree with the BOG regulation; mandating IAMC compliance with not only the Global Internal Audit Standards, but the complete IPPF. The proposed revisions are noted in the attachment.

Implementation Plan:

The revised charter will become effective upon passage by the Audit and Compliance Committee. Once the revisions are approved, the chief audit executive will provide the revised charter to the Office of Inspector General and Director of Compliance for the Board of Governors, as required.

Fiscal Implications:

Fiscal oversight by the Board of Trustees

Relevant Authority:

BOG Regulation 4.002
BOT Audit and Compliance Committee Charter

Supports Strategic Direction(s):

6: Operational Excellence

Documents:

1. IAMC Charter – Proposed 2026 Revisions – Mark Up
2. IAMC Charter – Proposed 2026 Revisions – Final

Prepared by:

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

Presenter:

David J. Bryant, Chief Audit Executive

**UNIVERSITY OF WEST FLORIDA
INTERNAL AUDITING AND MANAGEMENT CONSULTING CHARTER**

I. Mission

Internal Auditing and Management Consulting (IAMC) is an independent, objective assurance and advisory service designed to add value and to improve the operations of the University. It assists the University in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's governance, risk management, and internal control.¹ In addition, IAMC performs investigations to address alleged fraud, waste, abuse, or financial mismanagement or other wrongdoing, which could result in the loss or misuse of University resources. IAMC also audits for compliance with Federal and State laws and regulations.

Florida Board of Governors Regulation 4.002 states that each university shall have an office of chief audit executive as a point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency in the operations of the university.

II. Organization

The Board of Trustees Audit and Compliance Committee and the President approve the appointment, reassignment, replacement, or dismissal of the Chief Audit Executive (CAE). The CAE reports functionally to the Audit and Compliance Committee and administratively to the President. The CAE shall have unrestricted access to the Board of Trustees.

III. Independence and Objectivity

IAMC will have no direct authority or responsibility over the activities it reviews; therefore, IAMC's audit, review, and appraisal activities do not relieve other persons in the University of the responsibilities assigned to them. To permit independence and objectivity in mental attitude and in appearance, IAMC staff will remain free from any condition that threatens their ability to ~~to~~ carry out their responsibilities in an unbiased manner, including matters of topic selection, scope, procedures, frequency, timing, report content, or report issuance. If the CAE determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties. Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgment on audit matters to others.

IV. Authority and Access to Records

To ensure that IAMC has sufficient authority to fulfill its duties, the Board of Trustees will approve the IAMC Charter and the annual, risk-based internal audit work plan. IAMC is authorized full and unrestricted access to all functions, activities, records, property, information systems, and personnel, including those records or activities exempt from the Public Record laws, as needed to fulfill its responsibilities.

¹ The Institute of Internal Auditors' 2024 Global Internal Audit Standards Purpose Statement says "*Internal Auditing strengthens the organization's ability to create, protect, and sustain value by providing the board and management with independent, risk-based, and objective assurance, advice, insight, and foresight.*"

Documents and information provided to IAMC staff during an engagement will be handled in the same prudent manner used by those employees normally accountable for them.

V. Standards Authoritative Guidance

Audit engagements shall be performed in accordance with the ~~Global Internal Audit Standards~~ International Professional Practices Framework, which includes the Global Internal Audit Standards, Internal Audit Topical Requirements, and Internal Audit Global Guidance, published by the Institute of Internal Auditors, Inc.; the *Government Auditing Standards*, published by the United States Government Accountability Office; and/or the *Information Systems Auditing Standards* published by ISACA (Information Systems Audit and Control Association). All reports shall describe the extent to which standards were followed.

VI. Scope of Work

The scope of the work performed is designed to determine whether the University's risk management, internal controls, and governance processes, as developed and represented by management, are adequate and functioning in a manner to ensure:

1. Risks are appropriately identified and managed;
2. Interaction with governance groups occur as needed;
3. Significant financial, managerial, and operating information is accurate, reliable, timely, and safeguarded;
4. University policies, standards, procedures, and applicable external laws and regulations are followed;
5. Activities are carried out as planned and results are consistent with University objectives;
6. Resources are acquired economically, used efficiently, and adequately protected;
7. Quality and continuous improvement are fostered in the University's control processes; and
8. Legislative or regulatory issues are recognized and addressed appropriately.

VII. Duties and Responsibilities

The CAE shall:

1. Provide direction for, supervise, and coordinate audits and investigations that promote economy, efficiency, and effectiveness in the administration of University programs and operations including, but not limited to, auxiliary facilities and services, direct support organizations, and other component units.
2. Initiate, conduct, supervise, or coordinate investigations that fall within the purview of IAMC and be designated by the Board of Trustees as the employee to review statutory whistle-blower information and coordinate all activities of the University as required by the Florida Whistle-blower's Act. Investigative assignments shall be performed in accordance with professional standards issued for the State University System. All final investigative reports shall be submitted to the appropriate action officials, the Board of Trustees, and the Board of Governors if, in the CAE's judgment, the allegations are determined to be significant and credible. Such reports shall be redacted to protect confidential information and the identity of individuals, when provided for by law.

3. Conduct, supervise, or coordinate activities that support management's responsibility for the prevention and detection of fraud, waste, abuse, and financial mismanagement within University programs and operations including, but not limited to, auxiliary facilities and services, direct support organizations, and other component units.
4. Establish and maintain a process for university staff, faculty, students, and Board of Trustees members to report allegations of fraud, waste, abuse, or financial mismanagement to the CAE.
5. Address significant and credible allegations relating to fraud, waste, abuse or financial mismanagement as provided in Board of Governors Regulation 4.001.
6. Keep the President and Board of Trustees informed concerning significant and credible allegations and known occurrences of fraud, waste, abuse, financial mismanagement, and deficiencies relating to University programs and operations; recommend corrective actions; and report on the progress made in implementing corrective actions.
7. For significant and credible allegations of fraud, waste, abuse, or financial mismanagement within the University and its Board of Trustees operational authority, timely provide sufficient information to the Board of Governors Office of Inspector General and Director of Compliance (OIGC) to demonstrate that the Board of Trustees is both willing and able to address the allegations. (If it does not clearly demonstrate this, the OIGC will conduct a preliminary inquiry in accordance with section 10.2.a of the OIGC charter).
8. The OIGC will forward complaints with University-related allegations to the CAE; who will provide a copy of the referral to the Chief Compliance Officer and General Counsel. For significant and credible allegations of fraud, waste, abuse, or financial mismanagement, the CAE shall provide the OIGC with University action and final case disposition information sufficient to demonstrate that the Board of Trustees was both willing and able to address such allegations. When case disposition does not clearly demonstrate that the Board of Trustees was both willing and able to address significant and credible allegation(s), the OIGC will conduct a preliminary inquiry in accordance with section 10.2.a of the OIGC charter.
9. Establish policies that articulate the steps for reporting and escalating matters of alleged misconduct, including criminal conduct, when there are reasonable grounds to believe such conduct has occurred.
10. Assist University Police and other law enforcement agencies with criminal or other investigations as required.
11. Develop audit plans using an appropriate risk-based methodology. The plans shall be submitted to the Board of Trustees and the President for approval. A copy of approved audit plans will be provided to appropriate University management and the Board of Governors. Any significant deviations from the approved audit work plan shall be discussed with the Audit and Compliance Committee and the President.
12. Prepare reports to communicate audit results and action plans to the Board of Trustees and University management. A copy of the final audit report will be provided to the Board of Governors consistent with Board of Governors Regulation 1.001(6)(g).
13. Monitor the disposition of results (from both internal and external audits) communicated to University management and determine whether corrective actions have been effectively implemented or that senior management or the Board of Trustees, as appropriate, has accepted the risk of not taking corrective action. If, in the CAE's judgment, senior management or the Board of Trustees has chosen not to take corrective actions to address substantiated instances of fraud, waste, abuse, or financial mismanagement, then the CAE shall timely notify the Board of Governors, through the OIGC.

14. Review and make recommendations, as appropriate, concerning policies and regulations related to the University's programs and operations including, but not limited to, auxiliary facilities and services, direct support organizations, and other component units.
15. Promote, in collaboration with other appropriate University officials, effective coordination between the University and the Florida Auditor General, federal auditors, accrediting bodies, and other governmental or oversight bodies.
16. Communicate to the President and the Board of Trustees, at least annually, the office's plans and resource requirements, including significant changes, and the impact of resource limitations.
17. By September 30 of each year, prepare an annual report summarizing IAMC activities for the preceding year and distribute it to the Board of Trustees, the President, senior management, and OIGC.
18. Provide training and outreach, to the extent practicable, designed to promote accountability and address topics such as fraud awareness, risk management, controls, and other related subject matter.
19. Coordinate or request audit, financial- and fraud-related compliance, controls, and investigative information or assistance as may be necessary from any university, federal, state, or local government entity.
20. Inform the Board of Trustees when contracting for specific instances of audit or investigative assistance.
21. Report routinely to the Board of Trustees on matters including significant risk exposures, control issues, fraud risks, governance issues, and other matters requested by the President and the Board of Trustees.
22. Conduct and report on audits, investigations, and other inquiries free of actual or perceived impairment to the independence of IAMC.
23. Have timely access to any records, data, and other information in possession or control of the University including information reported to the University's hotline (Integrity Helpline).
24. Notify the Chair of the Audit and Compliance Committee or the President, as appropriate, of any unresolved restriction or barrier imposed by any individual on the scope of an inquiry, or the failure to provide access to necessary information or people for the purposes of such inquiry. The CAE shall work with the Board of Trustees and University management to remedy scope or access limitations. If the University is not able to remedy such limitations, the CAE shall timely notify the Board of Governors, through the OIGC, of any such restriction, barrier, or limitation.
25. Review and evaluate controls necessary to enhance and promote the accountability of the University. The CAE shall perform or supervise audits and prepare reports of their findings, recommendations, and opinions. The scope and assignment of the audits shall be determined by the CAE; however, the President and Board of Trustees may request the CAE to direct, perform, or supervise audit engagements.
26. Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this Charter.
27. Ensure that an appropriate balance is maintained between audit, investigative, and other activities.
28. Develop and maintain a quality assurance and improvement program for IAMC in accordance with professional audit standards. This program must include an external assessment conducted at least once every five years. The external assessment report and any related improvement plans shall be presented to the Board of Trustees and the President, with a copy provided to the Board of Governors. Ongoing and periodic quality assurance measures should be reviewed, with results reported to the Board annually.

29. Propose items for consideration at Audit and Compliance Committee meetings for approval, acceptance, or simply for informational purposes.

VIII. Charter Review

This Charter is required to be reviewed every three years for consistency with applicable Board of Governors and University regulations, professional standards, and best practices. A copy of the approved Charter and any subsequent changes will be provided to the Board of Governors through the OIGC.

Last Approved: ~~May 13, 2021~~ May 21, 2026

History:

First approved by ACC and full BOT on June 19, 2003

Revised

March 11, 2008, March 8, 2012, March 1, 2016, May 24, 2018, ~~substantive changes~~ May 13, 2021, ~~revised~~ May 16, 2024, May 21, 2026.

**UNIVERSITY OF WEST FLORIDA
INTERNAL AUDITING AND MANAGEMENT CONSULTING CHARTER**

I. Mission

Internal Auditing and Management Consulting (IAMC) is an independent, objective assurance and advisory service designed to add value and to improve the operations of the University. It assists the University in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's governance, risk management, and internal control.¹ In addition, IAMC performs investigations to address alleged fraud, waste, abuse, or financial mismanagement or other wrongdoing, which could result in the loss or misuse of University resources. IAMC also audits for compliance with Federal and State laws and regulations.

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II. Organization

The Board of Trustees Audit and Compliance Committee and the President approve the appointment, reassignment, replacement, or dismissal of the Chief Audit Executive (CAE). The CAE reports functionally to the Audit and Compliance Committee and administratively to the President. The CAE shall have unrestricted access to the Board of Trustees.

III. Independence and Objectivity

IAMC will have no direct authority or responsibility over the activities it reviews; therefore, IAMC's audit, review, and appraisal activities do not relieve other persons in the University of the responsibilities assigned to them. To permit independence and objectivity in mental attitude and in appearance, IAMC staff will remain free from any condition that threatens their ability to carry out their responsibilities in an unbiased manner, including matters of topic selection, scope, procedures, frequency, timing, report content, or report issuance. If the CAE determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties. Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgment on audit matters to others.

IV. Authority and Access to Records

To ensure that IAMC has sufficient authority to fulfill its duties, the Board of Trustees will approve the IAMC Charter and the annual, risk-based internal audit work plan. IAMC is authorized full and unrestricted access to all functions, activities, records, property, information systems, and personnel, including those records or activities exempt from the Public Record laws, as needed to fulfill its responsibilities.

¹ The Institute of Internal Auditors' 2024 Global Internal Audit Standards Purpose Statement says "*Internal Auditing strengthens the organization's ability to create, protect, and sustain value by providing the board and management with independent, risk-based, and objective assurance, advice, insight, and foresight.*"

Documents and information provided to IAMC staff during an engagement will be handled in the same prudent manner used by those employees normally accountable for them.

V. Authoritative Guidance

Audit engagements shall be performed in accordance with the *International Professional Practices Framework*, which includes the *Global Internal Audit Standards*, *Internal Audit Topical Requirements*, and *Internal Audit Global Guidance*, published by the Institute of Internal Auditors, Inc.; the *Government Auditing Standards*, published by the United States Government Accountability Office; and/or the *Information Systems Auditing Standards* published by ISACA (Information Systems Audit and Control Association). All reports shall describe the extent to which standards were followed.

VI. Scope of Work

The scope of the work performed is designed to determine whether the University's risk management, internal controls, and governance processes, as developed and represented by management, are adequate and functioning in a manner to ensure:

1. Risks are appropriately identified and managed;
2. Interaction with governance groups occur as needed;
3. Significant financial, managerial, and operating information is accurate, reliable, timely, and safeguarded;
4. University policies, standards, procedures, and applicable external laws and regulations are followed;
5. Activities are carried out as planned and results are consistent with University objectives;
6. Resources are acquired economically, used efficiently, and adequately protected;
7. Quality and continuous improvement are fostered in the University's control processes; and
8. Legislative or regulatory issues are recognized and addressed appropriately.

VII. Duties and Responsibilities

The CAE shall:

1. Provide direction for, supervise, and coordinate audits and investigations that promote economy, efficiency, and effectiveness in the administration of University programs and operations including, but not limited to, auxiliary facilities and services, direct support organizations, and other component units.
2. Initiate, conduct, supervise, or coordinate investigations that fall within the purview of IAMC and be designated by the Board of Trustees as the employee to review statutory whistle-blower information and coordinate all activities of the University as required by the Florida Whistle-blower's Act. Investigative assignments shall be performed in accordance with professional standards issued for the State University System. All final investigative reports shall be submitted to the appropriate action officials, the Board of Trustees, and the Board of Governors if, in the CAE's judgment, the allegations are determined to be significant and credible. Such reports shall be redacted to protect confidential information and the identity of individuals, when provided for by law.
3. Conduct, supervise, or coordinate activities that support management's responsibility for the prevention and detection of fraud, waste, abuse, and financial mismanagement within University

programs and operations including, but not limited to, auxiliary facilities and services, direct support organizations, and other component units.

4. Establish and maintain a process for university staff, faculty, students, and Board of Trustees members to report allegations of fraud, waste, abuse, or financial mismanagement to the CAE.
5. Address significant and credible allegations relating to fraud, waste, abuse or financial mismanagement as provided in Board of Governors Regulation 4.001.
6. Keep the President and Board of Trustees informed concerning significant and credible allegations and known occurrences of fraud, waste, abuse, financial mismanagement, and deficiencies relating to University programs and operations; recommend corrective actions; and report on the progress made in implementing corrective actions.
7. For significant and credible allegations of fraud, waste, abuse, or financial mismanagement within the University and its Board of Trustees operational authority, timely provide sufficient information to the Board of Governors Office of Inspector General and Director of Compliance (OIGC) to demonstrate that the Board of Trustees is both willing and able to address the allegations. (If it does not clearly demonstrate this, the OIGC will conduct a preliminary inquiry in accordance with section 10.2.a of the OIGC charter).
8. The OIGC will forward complaints with University-related allegations to the CAE; who will provide a copy of the referral to the Chief Compliance Officer and General Counsel. For significant and credible allegations of fraud, waste, abuse, or financial mismanagement, the CAE shall provide the OIGC with University action and final case disposition information sufficient to demonstrate that the Board of Trustees was both willing and able to address such allegations. When case disposition does not clearly demonstrate that the Board of Trustees was both willing and able to address significant and credible allegation(s), the OIGC will conduct a preliminary inquiry in accordance with section 10.2.a of the OIGC charter.
9. Establish policies that articulate the steps for reporting and escalating matters of alleged misconduct, including criminal conduct, when there are reasonable grounds to believe such conduct has occurred.
10. Assist University Police and other law enforcement agencies with criminal or other investigations as required.
11. Develop audit plans using an appropriate risk-based methodology. The plans shall be submitted to the Board of Trustees and the President for approval. A copy of approved audit plans will be provided to appropriate University management and the Board of Governors. Any significant deviations from the approved audit work plan shall be discussed with the Audit and Compliance Committee and the President.
12. Prepare reports to communicate audit results and action plans to the Board of Trustees and University management. A copy of the final audit report will be provided to the Board of Governors consistent with Board of Governors Regulation 1.001(6)(g).
13. Monitor the disposition of results (from both internal and external audits) communicated to University management and determine whether corrective actions have been effectively implemented or that senior management or the Board of Trustees, as appropriate, has accepted the risk of not taking corrective action. If, in the CAE's judgment, senior management or the Board of Trustees has chosen not to take corrective actions to address substantiated instances of fraud, waste, abuse, or financial mismanagement, then the CAE shall timely notify the Board of Governors, through the OIGC.
14. Review and make recommendations, as appropriate, concerning policies and regulations related to the University's programs and operations including, but not limited to, auxiliary facilities and services, direct support organizations, and other component units.

15. Promote, in collaboration with other appropriate University officials, effective coordination between the University and the Florida Auditor General, federal auditors, accrediting bodies, and other governmental or oversight bodies.
16. Communicate to the President and the Board of Trustees, at least annually, the office's plans and resource requirements, including significant changes, and the impact of resource limitations.
17. By September 30 of each year, prepare an annual report summarizing IAMC activities for the preceding year and distribute it to the Board of Trustees, the President, senior management, and OIGC.
18. Provide training and outreach, to the extent practicable, designed to promote accountability and address topics such as fraud awareness, risk management, controls, and other related subject matter.
19. Coordinate or request audit, financial- and fraud-related compliance, controls, and investigative information or assistance as may be necessary from any university, federal, state, or local government entity.
20. Inform the Board of Trustees when contracting for specific instances of audit or investigative assistance.
21. Report routinely to the Board of Trustees on matters including significant risk exposures, control issues, fraud risks, governance issues, and other matters requested by the President and the Board of Trustees.
22. Conduct and report on audits, investigations, and other inquiries free of actual or perceived impairment to the independence of IAMC.
23. Have timely access to any records, data, and other information in possession or control of the University including information reported to the University's hotline (Integrity Helpline).
24. Notify the Chair of the Audit and Compliance Committee or the President, as appropriate, of any unresolved restriction or barrier imposed by any individual on the scope of an inquiry, or the failure to provide access to necessary information or people for the purposes of such inquiry. The CAE shall work with the Board of Trustees and University management to remedy scope or access limitations. If the University is not able to remedy such limitations, the CAE shall timely notify the Board of Governors, through the OIGC, of any such restriction, barrier, or limitation.
25. Review and evaluate controls necessary to enhance and promote the accountability of the University. The CAE shall perform or supervise audits and prepare reports of their findings, recommendations, and opinions. The scope and assignment of the audits shall be determined by the CAE; however, the President and Board of Trustees may request the CAE to direct, perform, or supervise audit engagements.
26. Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this Charter.
27. Ensure that an appropriate balance is maintained between audit, investigative, and other activities.
28. Develop and maintain a quality assurance and improvement program for IAMC in accordance with professional audit standards. This program must include an external assessment conducted at least once every five years. The external assessment report and any related improvement plans shall be presented to the Board of Trustees and the President, with a copy provided to the Board of Governors. Ongoing and periodic quality assurance measures should be reviewed, with results reported to the Board annually.
29. Propose items for consideration at Audit and Compliance Committee meetings for approval, acceptance, or simply for informational purposes.

VIII. Charter Review

This Charter is required to be reviewed every three years for consistency with applicable Board of Governors and University regulations, professional standards, and best practices. A copy of the approved Charter and any subsequent changes will be provided to the Board of Governors through the OIGC.

Last Approved: May 21, 2026

History

First approved by ACC and full BOT on June 19, 2003

Revised

March 11, 2008, March 8, 2012, March 1, 2016, May 24, 2018, May 13, 2021, May 16, 2024, May 21, 2026.

**Board of Trustees
Audit and Compliance Committee
May 21, 2026**

Revised 2025/26 and 2026/27 IAMC Work Plans

Recommended Action:

Approval of the revised annual IAMC work plans.

Background Information:

BOG Regulation 4.002 states, "The chief audit executive shall develop audit plans based on the results of periodic risk assessments. The plans shall be submitted to the board of trustees for approval. Audit engagements shall be performed in accordance with the International Professional Practices Framework (IPPF), published by the Institute of Internal Auditors, Inc." The IPPF includes the Global Internal Audit Standards.

The initial 2025/26 work plan and tentative 2026/27 work plan were approved by the BOT Audit and Compliance Committee on May 8, 2025. As stated in the previous agenda, the plan is to be revisited in the spring of 2026.

Global Internal Audit Standard 9.4 states, "The chief audit executive must review and revise the internal audit plan as necessary and communicate timely to the board and senior management the impact of any resource limitations on internal audit coverage."

The changes are detailed as follows:

Endpoint Protection Compliance Review – moved from 2026/27 work plan to 2025/26 work plan at the request of management.

Main Entrance and Darrell Good Center Construction Audit – moved from 2025/26 work plan to 2026/27 work plan because of staff vacancies.

No projects have been removed from the work plans, only shifted from year to year.

Implementation Plan:

Planned projects will be conducted for the remainder of 2025/26 and throughout 2026/27.

Fiscal Implications:

Fiduciary responsibility and oversight by the Board of Trustees.

Relevant Authority:

BOG Regulation 4.002

IAMC Charter

Supports Strategic Direction(s):

6: Operational Excellence

Documents:

1. Revised 2025-26 and 2026-27 IAMC Work Plans

Prepared by:

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

Presenter:

David J. Bryant, Chief Audit Executive

**UWF Internal Auditing & Management Consulting
Revised Work Plans for 2025/26 and 2026/27**

AUDITS:

- Construction Expenses - Darrell Gooden Center, Main Entrance
- Florida Small Business Development Center
- University Commons and Events Services - Revenue Controls
- Student Hazing Prevention
- Performance Based Funding - Data Integrity
- University Cybersecurity Audit
- Restricted Gifts
- Post Tenure Faculty Reviews
- Direct Deposit Controls
- Preventive Maintenance

2025/2026		2026/2027	
Complete	Project #	Complete	Project #

			25-26_003
	25-26_004		
	25-26_005		
X	25-26_006		
X	25-26_007		26-27_001
			26-27_002
			26-27_003
			26-27_004
			26-27_005
			26-27_006

PCard Audits

- Q4 Pcard Audit (PY)
- Q1 Pcard Audit
- Q2 Pcard Audit
- Q3 Pcard Audit

X	P24-25_004		P25-26_004
X	P25-26_001		P26-27_001
X	P25-26_002		P26-27_002
	P25-26_003		P26-27_003
5	8	0	11

Number of Audits Planned

MANAGEMENT ADVISORY SERVICES:

- Lab Safety Training Review
- Endpoint Protection
- Driver and Vehicle Information Database Review
- Annual Quality Assurance Self-Assessment
- Clery Act Compliance - Training of Campus Security Authorities
- Cybersecurity - Compliance with IIA Standards
- IAMC Annual Report for PY
- Postal Center - Review of Internal Controls
- External Quality Assurance Review

	MAS25-26_001		
X	MAS25-26_002		
X	MAS25-26_003		MAS26-27_002
X	MAS25-26_004		MAS26-27_003
X	MAS25-26_005		
X	MAS25-26_006		
X	MAS25-26_007		MAS26-27_001
			MAS26-27_004
			MAS26-27_005
6	7	0	5
11	15	0	16

Number of MAS Planned

Total Number of Audits and MAS Planned

Other Miscellaneous Projects

	X		X
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ACCOUNTABILITY ACTIVITIES:

- Audit Follow-Up

	X		X
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INVESTIGATIONS:

- Campus Referred Reviews
- Whistleblower
- UWF Integrity Helpline

	X		X
	X		X
	X		X

APPROVED:

Manny Diaz, Jr., President

Date

Chris Young, Chairman, BOT Audit & Compliance Committee

Date

**Board of Trustees
Audit and Compliance Committee
May 21, 2026**

2025/26 and 2026/27 IAMC Resource Plan

Recommended Action:

Recommend approval of the 2025/26 and 2026/27 IAMC Resource Plan.

Background Information:

Resource planning for IAMC is governed by the following authorities:

BOG Regulation 4.002 states, “The chief audit executive shall communicate to the president and the board of trustees, at least annually, the office’s plans and resource requirements, including significant changes, and the impact of resource limitations. Audit engagements shall be performed in accordance with the International Professional Practices Framework (IPPF), published by the Institute of Internal Auditors, Inc.” The IPPF includes the Global Internal Audit Standards.

Global Internal Audit Standard 8.2 states, “The chief audit executive must evaluate whether internal audit resources are sufficient to fulfill the internal audit mandate and achieve the internal audit plan. The chief audit executive’s strategy should provide a resource plan, which may include a budget request, and should consider options for staffing the internal audit function and using technology to perform services. Senior Management should engage with the board to provide the internal audit function with sufficient resources to fulfill the internal audit mandate and achieve the internal audit plan.”

The proposed 2025/26 and 2026/27 IAMC Resource Plan is detailed in the attachment.

Implementation Plan:

Resources will be utilized as needed.

Fiscal Implications:

Fiscal oversight by the Board of Trustees.

Relevant Authority:

BOG Regulation 4.002
IIA Global Internal Audit Standards
IAMC Charter

Supports Strategic Direction(s):

6: Operational Excellence

Documents:

1. 2025-26 and 2026-27 IAMC Resource Plan

Prepared by:

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

Presenter:

David J. Bryant, Chief Audit Executive

Resource Planning

Internal Auditing and Management Consulting

BOG Regulation 4.002

The chief audit executive shall communicate to the president and the board of trustees, at least annually, the office's plans and resource requirements, including significant changes, and the impact of resource limitations. Audit engagements shall be performed in accordance with the International Professional Practices Framework (IPPF), published by the Institute of Internal Auditors, Inc. (IIA)

The IPPF includes the IIA Global Internal Audit Standards. These Standards require a variety of matters, including financial, staffing, and technological resource planning, which must be communicated annually with any board that oversees an internal audit function.

IIA Global Internal Audit Standard 8.2 states:

*The chief audit executive must evaluate whether internal audit resources are sufficient to fulfill the internal audit mandate and achieve the internal audit plan. The chief audit executive's strategy should provide a resource plan, which may include a **budget** request, and should consider options for **staffing** the internal audit function and using **technology** to perform services. Senior Management should engage with the board to provide the internal audit function with sufficient resources to fulfill the internal audit mandate and achieve the internal audit plan.*

IAMC Financial Resources (Budget)

IIA Global Internal Audit Standard 10.1 states:

The chief audit executive must develop a budget that enables the successful implementation of the internal audit strategy and achievement of the plan. The budget includes the resources necessary for the function's operation, including training and acquisition of technology and tools. The chief audit executive should follow the budget processes established by the organization. An adequate budget should still be approved by the board.

IAMC was provided with a 2025/26 E&G operating expense budget of \$19,618. The proposed 2026/27 budget maintains this funding level. **The IAMC operating expense budget is sufficient to provide for professional organization membership, continuing education, training, travel, equipment, technology needs, and supplies.** The CAE and IAMC audit staff will be able to attend Association of Certified Fraud Examiners seminars, and training offered by the Institute of Internal Auditors and other organizations.

IAMC Human Resources (Staffing)

IIA Global Internal Audit Standard 9.2 states:

The chief audit executive must strive to ensure that human resources are appropriate, sufficient, and effectively deployed to achieve the approved internal audit plan. The chief audit executive must communicate with the board and senior management regarding the appropriateness and sufficiency of the internal audit function's human resources.

IAMC was provided with a 2025/26 E&G salaries and benefits budget sufficient to employ a total of four auditors, including the chief audit executive. In addition, the University provides a \$20,000 auxiliary budget to assist with the salary and benefits of staff performing purchasing card audits. The proposed 2026/27 E&G and auxiliary budgets maintain the current funding levels. **The IAMC staffing budget and staff size are sufficient to provide the audit resources necessary to perform the proposed internal audit work plans.**

IAMC Technological Resources

IIA Global Internal Audit Standard 10.3 states:

The chief audit executive must strive to ensure that the internal audit function has technology to support the internal audit process. To evaluate whether the internal audit function has technological resources to perform its responsibilities, the chief audit executive should present sufficiently supported technology funding requests to the board and senior management for approval.

IAMC utilizes a Microsoft Access database for our audit management and time-tracking system. This software has no cost and is effectively meeting IAMC's needs. The University has designated Matt Packard as the Departmental Information Security Representative (DISRep) for IAMC. Mr. Packard created the Microsoft Access database and provides ongoing technical support.

IAMC utilizes Microsoft Excel extensively in our audit work. IAMC continuously searches for ways to integrate data analytics, especially in audit testing. IAMC occasionally utilizes artificial intelligence programs, such as Google Gemini and ChatGPT, when proven useful. There is no current need to expand to other AI applications. Auditors have a remote desktop connection at home in case the University must close. In addition, IAMC has taken steps to migrate to protected cloud-based storage, which will allow users to store, access, share, and collaborate on files online.

There are no current unmet needs for technology, equipment, or software. **IAMC's E&G operating expense budget is sufficient to meet its current and anticipated technological needs**, including the replacement of laptops when needed.

**Board of Trustees
Audit and Compliance Committee
May 21, 2026**

Auditor General Audit Report – UWF Financial Statement Audit June 30, 2025

Recommended Action:

Acceptance of the Auditor General audit report.

Background Information:

On March 5, 2026, the State of Florida Auditor General released their audit report (Report No. 2026-124) on their audit of the financial statements of the University of West Florida for the fiscal year ending June 30, 2025. The Executive Summary in the report contained the following narratives:

Summary of Report on the Audit of the Financial Statements

Our audit disclosed that the basic financial statements of the University of West Florida (a component unit of the State of Florida) were presented fairly, in all material respects, in accordance with prescribed financial reporting standards.

Summary of Report on Internal Control and Compliance

Our audit did not identify any deficiencies in internal control over financial reporting 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,” issued by the Comptroller General of the United States.

Implementation Plan:

N/A

Fiscal Implications:

Net position of \$191.9 million, an increase of \$15.5 million from the prior year, mainly due to increases in current assets related to enrollment and net tuition growth.

Relevant Authority:

Section 11.45, Florida Statutes

Supports Strategic Direction(s):

6. Operational Excellence

Supporting Documents:

1. Auditor General Audit Report - UWF Financial Statement Audit June 30, 2025

Prepared by:

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

Presenter:

Jeffrey Djerlek, Senior Associate VP and University Controller, Division of Finance and Administration, JDjerlek@uwf.edu

STATE OF FLORIDA AUDITOR GENERAL

Financial Audit

UNIVERSITY OF WEST FLORIDA

For the Fiscal Year Ended
June 30, 2025



Sherrill F. Norman, CPA
Auditor General

Board of Trustees and President

During the 2024-25 fiscal 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:

Rebecca Matthews from 1-7-25, Chair from 4-10-25, Vice Chair from 1-23-25 through 4-9-25 ^a	Edward Fleming from 6-20-25 ^f Gates Garcia from 1-6-25 ^b through 4-14-25 ^f
Chris Young from 1-6-25, ^b Vice Chair from 6-12-25 ^a	Dr. Paul Hsu
Dr. Scott Yenor from 1-6-25 ^b through 4-9-25, Chair from 1-23-25 ^d through 4-9-25	Dr. Susan James ^g
Suzanne Lewis through 12-18-24, Chair ^d	Adam Kissel from 1-6-25 ^b
Jill Singer through 1-6-25, Vice Chair ^a	Dr. Rachel Moya from 12-19-24
Paul Bailey from 1-6-25 ^b	Ashley Ross from 1-7-25
Richard R. Baker	Alonzie Scott
Trista Bennett from 4-5-25 ^e	Zach Smith from 5-7-25 ^c
Maggie Brown through 4-4-25 ^e	Stephanie White through 1-6-25

^a Vice Chair position vacant 1-7-25, through 1-22-25, and 4-10-25, through 6-11-25.

^b Five Trustee positions vacant through 1-5-25.

^c Trustee position vacant 4-10-25, through 5-6-25.

^d Chair position vacant 12-19-24, through 1-22-25.

^e Student Body President.

^f Trustee position vacant 4-15-25 through 6-19-25.

^g Faculty Senate President.

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

Printed copies of our reports may be requested by contacting us at:

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
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SUMMARY

SUMMARY OF REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our audit disclosed that the basic financial statements of the University of West Florida (a component unit of the State of Florida) were presented fairly, in all material respects, in accordance with prescribed financial reporting standards.

SUMMARY OF REPORT ON INTERNAL CONTROL AND COMPLIANCE

Our audit did not identify any deficiencies in internal control over financial reporting 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* issued by the Comptroller General of the United States.

AUDIT OBJECTIVES AND SCOPE

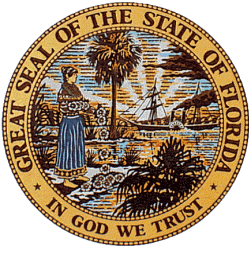
Our audit objectives were to obtain reasonable assurance about whether the financial statements as a whole were free from material misstatements, whether due to fraud or error, and to issue an auditor's report that included our opinions. In doing so we:

- Exercised professional judgment and maintained professional skepticism throughout the audit.
- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, and designed and performed audit procedures responsive to those risks.
- Obtained 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 University's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluated the overall presentation of the financial statements and the Schedule of the University's Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill.
- Concluded whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.
- Examined various transactions to determine whether they were executed, in both manner and substance, in accordance with governing provisions of laws, rules, regulations, contracts, and grant agreements.

An examination of Federal awards administered by the University is included within the scope of our Statewide audit of Federal awards administered by the State of Florida.

AUDIT METHODOLOGY

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74
111 West Madison Street
Tallahassee, Florida 32399-1450



Phone: (850) 412-2722
Fax: (850) 488-6975

The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the University of West Florida, a component unit of the State of Florida, and its aggregate discretely presented component units as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the University of West Florida and of its aggregate discretely presented component units as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the aggregate discretely presented component units, which represent 100 percent of the transactions and account balances of the aggregate discretely presented component units columns as of June 30, 2025. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the reports of the other auditors.

Basis for Opinions

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 (*Government Auditing Standards*). 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 University 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 opinions.

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 University's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 University'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 University'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 **MANAGEMENT'S DISCUSSION AND ANALYSIS**, the **Schedule of the University's Proportionate Share of the Total Other Postemployment Benefits Liability**, **Schedule of the University's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan**, **Schedule of University Contributions – Florida Retirement System Pension Plan**, **Schedule of the University's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan**, **Schedule of University Contributions – Health Insurance Subsidy Pension Plan**, and **Notes to Required Supplementary 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. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University of West Florida's basic financial statements. The accompanying **Schedule of the University's Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill** is presented for purposes of additional analysis as required by the grantor, Triumph Gulf Coast, Inc., and is not a required part of the basic financial statements.

The **Schedule of the University's Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill** is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the **Schedule of the University's Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill** is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2026, on our consideration of the University of West Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading **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**. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University of West Florida's internal control over financial reporting and compliance.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
March 5, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

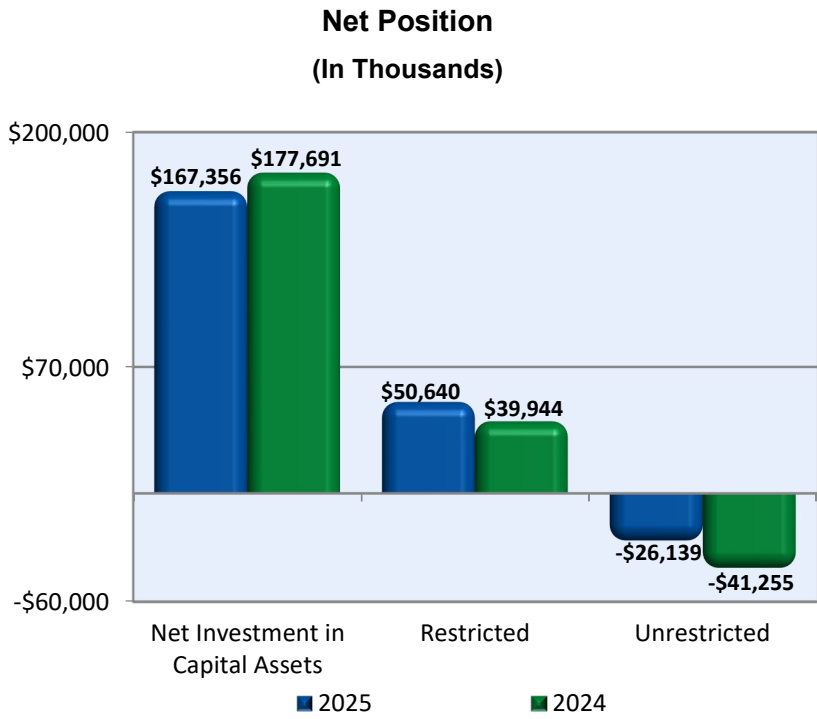
Management's discussion and analysis (MD&A) provides an overview of the financial position and activities of the University for the fiscal year ended June 30, 2025, and should be read in conjunction with the financial statements and notes thereto. The MD&A, and financial statements and notes thereto, are the responsibility of University management. The MD&A contains financial activity of the University for the fiscal years ended June 30, 2025, and June 30, 2024.

FINANCIAL HIGHLIGHTS

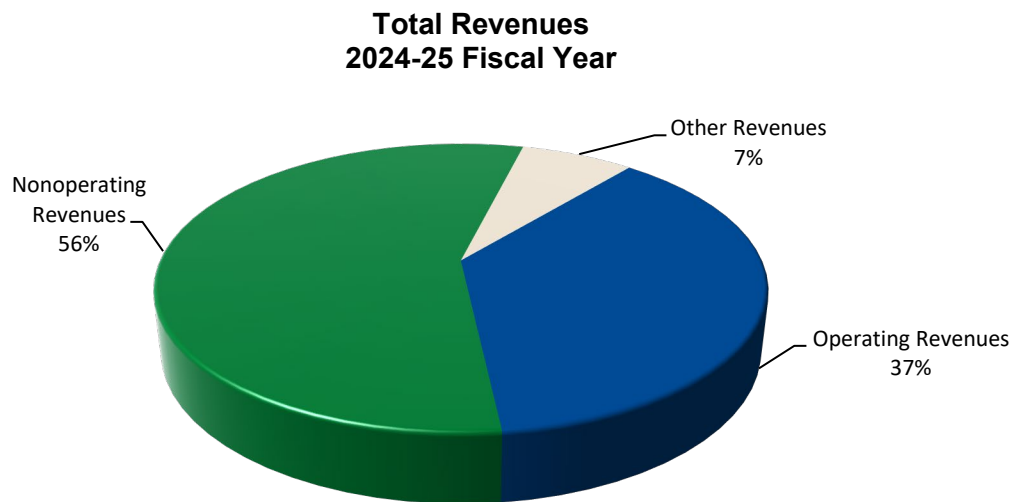
The University's assets and deferred outflows of resources totaled \$444.9 million at June 30, 2025. This balance reflects a \$25.8 million, or 6.2 percent, increase as compared to the 2023-24 fiscal year. Also, liabilities and deferred inflows of resources increased by \$10.3 million, or 4.2 percent, totaling \$253.1 million at June 30, 2025. As a result, the University's net position increased by \$15.5 million, resulting in a fiscal year-end balance of \$191.9 million.

The University's operating revenues totaled \$125.8 million for the 2024-25 fiscal year, representing a 14.6 percent increase compared to the 2023-24 fiscal year. Operating expenses totaled \$302.2 million for the 2024-25 fiscal year, representing an increase of 11.5 percent as compared to the 2023-24 fiscal year.

Net position represents the residual interest in the University's assets and deferred outflows of resources after deducting liabilities and deferred inflows of resources. The University's comparative total net position by category for the fiscal years ended June 30, 2025, and June 30, 2024, is shown in the following graph:



The following chart provides a graphical presentation of University revenues by category for the 2024-25 fiscal year:



OVERVIEW OF FINANCIAL STATEMENTS

Pursuant to the Governmental Accounting Standards Board (GASB) Statement No. 35, the University's financial report consists of three basic financial statements: the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows. The financial statements, and notes thereto, encompass the University and its component units. These component units include:

- University of West Florida Foundation, Inc.
- West Florida Historic Preservation, Inc.
- UWF Business Enterprises, Inc.

Based on the application of the criteria for determining component units, these component units are included within the University reporting entity as discretely presented component units. Information regarding these component units, including summaries of the discretely presented component units' separately issued financial statements, is presented in the notes to financial statements. This MD&A focuses on the University, excluding the discretely presented component units. For those component units reporting under GASB standards, MD&A information is included in their separately issued audit reports.

The Statement of Net Position

The statement of net position reflects the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the University, using the accrual basis of accounting, and presents the financial position of the University at a specified time. Assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equals net position, which is one indicator of the University's current financial condition. The changes in net position that occur over time indicate improvement or deterioration in the University's financial condition.

The following summarizes the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at June 30:

Condensed Statement of Net Position at June 30

(In Thousands)

	2025	2024
Assets		
Current Assets	\$ 223,357	\$ 199,434
Capital Assets, Net	171,104	181,884
Other Noncurrent Assets	3,195	562
Total Assets	397,656	381,880
Deferred Outflows of Resources	47,271	37,266
Liabilities		
Current Liabilities	18,075	17,283
Noncurrent Liabilities	185,773	168,068
Total Liabilities	203,848	185,351
Deferred Inflows of Resources	49,222	57,415
Net Position		
Net Investment in Capital Assets	167,356	177,691
Restricted	50,640	39,944
Unrestricted	(26,139)	(41,255)
Total Net Position	\$ 191,857	\$ 176,380

The \$15.5 million increase in net position is mainly due to increases in current assets related to enrollment and net tuition growth.

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

The statement of revenues, expenses, and changes in net position presents the University's revenue and expense activity, categorized as operating and nonoperating. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid.

The following summarizes the University's activity for the 2024-25 and 2023-24 fiscal years:

**Condensed Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years**

(In Thousands)

	2024-25	2023-24
Operating Revenues	\$ 125,797	\$ 109,726
Less, Operating Expenses	302,242	271,153
Operating Loss	(176,445)	(161,427)
Net Nonoperating Revenues	167,663	182,319
Income (Loss) Before Other Revenues	(8,782)	20,892
Other Revenues	24,259	30,235
Net Increase In Net Position	15,477	51,127
Net Position, Beginning of Year	176,380	125,253
Net Position, End of Year	\$ 191,857	\$ 176,380

Operating Revenues

GASB Statement No. 35 categorizes revenues as either operating or nonoperating. Operating revenues generally result from exchange transactions where each of the parties to the transaction either gives or receives something of equal or similar value.

The following summarizes the operating revenues by source that were used to fund operating activities for the 2024-25 and 2023-24 fiscal years:

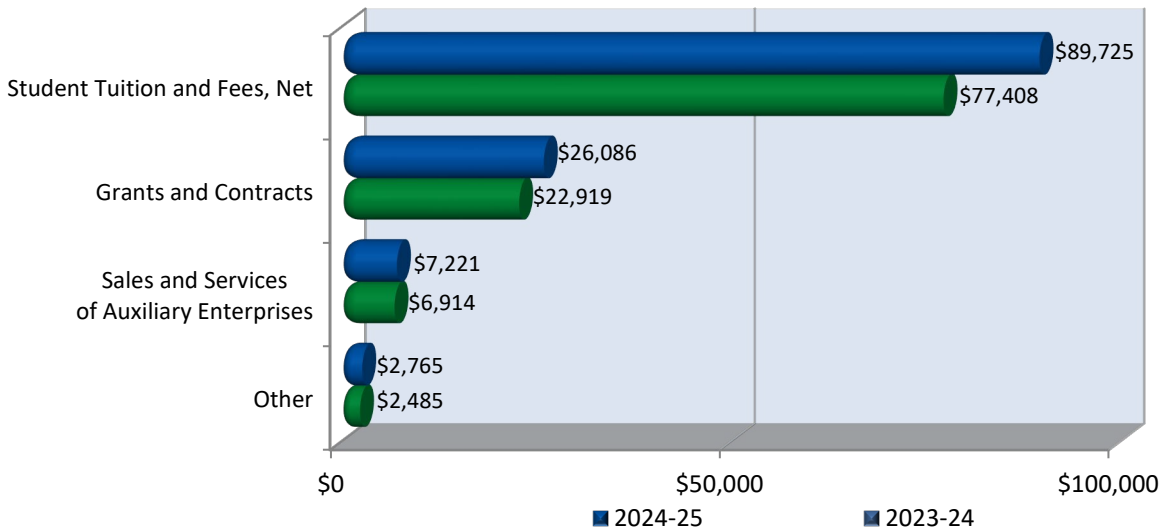
**Operating Revenues
For the Fiscal Years**

(In Thousands)

	2024-25	2023-24
Student Tuition and Fees, Net	\$ 89,725	\$ 77,408
Grants and Contracts	26,086	22,919
Sales and Services of Auxiliary Enterprises	7,221	6,914
Other	2,765	2,485
Total Operating Revenues	\$ 125,797	\$ 109,726

The following chart presents the University's operating revenues for the 2024-25 and 2023-24 fiscal years:

Operating Revenues
(In Thousands)



Total operating revenues for the 2024-25 fiscal year were \$125.8 million, of which \$89.7 million was from net student tuition and fees. Tuition allowance, which represents the difference between the stated charges for goods and services provided by the University and the amount that is actually paid by the student or third-party making payments on behalf of the student, totaled \$23.3 million and is deducted from gross student tuition and fees of \$113 million to arrive at net student tuition and fees. Net student tuition and fees totaled \$89.7 million for the 2024-25 fiscal year, which represented a \$12.3 million increase from the 2023-24 fiscal year resulting from an increase in enrollment. State and local grants and contracts were \$7.4 million, or \$1.6 million higher compared to the 2023-24 fiscal year, while Federal grants and contracts were \$18.7 million, or \$1.6 million higher compared to 2023-24 fiscal year.

Operating Expenses

Expenses are categorized as operating or nonoperating. The majority of the University’s expenses are operating expenses as defined by GASB Statement No. 35. GASB gives financial reporting entities the choice of reporting operating expenses in the functional or natural classifications. The University has chosen to report the expenses in their natural classification on the statement of revenues, expenses, and changes in net position and has displayed the functional classification in the notes to financial statements.

The following summarizes operating expenses by natural classification for the 2024-25 and 2023-24 fiscal years:

**Operating Expenses
For the Fiscal Years**

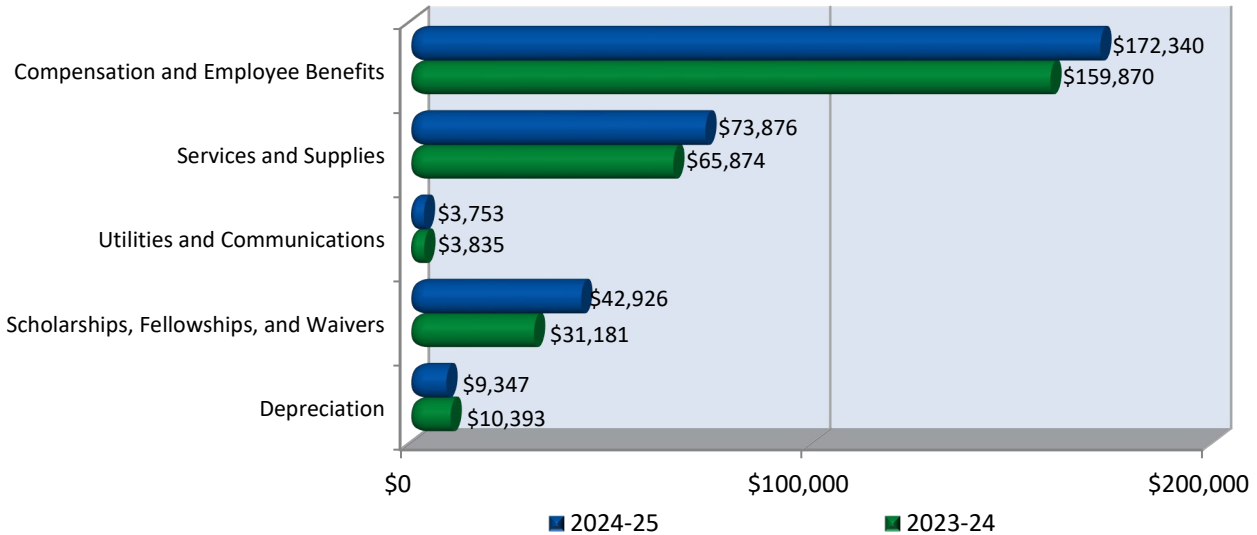
(In Thousands)

	<u>2024-25</u>	<u>2023-24</u>
Compensation and Employee Benefits	\$ 172,340	\$ 159,870
Services and Supplies	73,876	65,874
Utilities and Communications	3,753	3,835
Scholarships, Fellowships, and Waivers	42,926	31,181
Depreciation	9,347	10,393
Total Operating Expenses	<u>\$ 302,242</u>	<u>\$ 271,153</u>

The following chart presents the University’s operating expenses for the 2024-25 and 2023-24 fiscal years:

Operating Expenses

(In Thousands)



Compensation and employee benefits increased by \$12.5 million primarily due to the recruitment and retention initiatives by the Florida Board of Governors, merit wage increases, and pension-related expenses. Services and supplies increased by \$8 million for the 2024-25 fiscal year primarily due to increased spending among all sectors as enrollment continues to grow. Scholarship expenses increased by \$11.7 million as the University increased institutional awards to attract and retain students for the associated enrollment growth.

Nonoperating Revenues and Expenses

Certain revenue sources that the University relies on to provide funding for operations, including State noncapital appropriations, Federal and State student financial aid, certain gifts and grants, and investment income, are defined by GASB as nonoperating. Nonoperating expenses include capital financing costs and other costs related to capital assets. The following summarizes the University’s nonoperating revenues and expenses for the 2024-25 and 2023-24 fiscal years:

**Nonoperating Revenues (Expenses)
For the Fiscal Years
(In Thousands)**

	2024-25	2023-24
State Noncapital Appropriations	\$135,413	\$135,472
Federal and State Student Financial Aid	38,206	32,219
Noncapital Grants, Contracts, and Gifts	7,087	6,569
Investment Income	8,066	7,398
Other Nonoperating Revenues	125	1,138
Loss on Disposal of Capital Assets	(102)	(352)
Interest on Capital Asset-Related Debt	(114)	(125)
Other Nonoperating Expenses	(21,018)	-
Net Nonoperating Revenues	\$167,663	\$182,319

The \$21 million increase in other nonoperating expenses was mainly due to the removal of works of art and historical treasures; see Note 6. for more details. The \$6 million increase in Federal and State student financial aid was mainly due to an increase in Pell funding primarily related to enrollment increases.

Other Revenues

This category is composed of State capital appropriations and capital grants, contracts, donations, and fees. The following summarizes the University's other revenues for the 2024-25 and 2023-24 fiscal years:

**Other Revenues
For the Fiscal Years
(In Thousands)**

	2024-25	2023-24
State Capital Appropriations	\$ 20,865	\$ 26,167
Capital Grants, Contracts, Donations, and Fees	3,394	4,068
Total	\$ 24,259	\$ 30,235

The \$5.3 million decrease in State capital appropriations is related to the prior fiscal year increase for a Satellite Facility Plant project.

The Statement of Cash Flows

The statement of cash flows provides information about the University's financial results by reporting the major sources and uses of cash and cash equivalents. This statement will assist in evaluating the University's ability to generate net cash flows, its ability to meet its financial obligations as they come due, and its need for external financing. Cash flows from operating activities show the net cash used by the operating activities of the University. Cash flows from capital and related financing activities include all plant funds and related long-term debt activities. Cash flows from investing activities show the net source and use of cash related to purchasing or selling investments, and earning income on those investments. Cash flows from noncapital financing activities include those activities not covered in other sections.

The following summarizes cash flows for the 2024-25 and 2023-24 fiscal years:

**Condensed Statement of Cash Flows
For the Fiscal Years**

(In Thousands)

	2024-25	2023-24
Cash Provided (Used) by:		
Operating Activities	\$(166,224)	\$(142,662)
Noncapital Financing Activities	180,357	176,773
Capital and Related Financing Activities	(3,950)	(6,356)
Investing Activities	(8,869)	(28,542)
Net Increase (Decrease) in Cash and Cash Equivalents	1,314	(787)
Cash and Cash Equivalents, Beginning of Year	8,236	9,023
Cash and Cash Equivalents, End of Year	\$ 9,550	\$ 8,236

Major sources of funds came from proceeds from sales and maturities of investments (\$140 million), State noncapital appropriations (\$135.4 million), net student tuition and fees (\$89.8 million), Federal Direct Loan program receipts (\$54.7 million), Federal and State student financial aid (\$38.2 million), grants and contracts (\$24.4 million), and State capital appropriations (\$13.6 million). Major uses of funds were for payments to employees totaling \$169.9 million, purchase of investments totaling \$155 million, payments to suppliers for goods and services totaling \$77.7 million, Federal Direct Loan program disbursements totaling \$54.7 million, payments to students for scholarships and fellowships totaling \$42.9 million, and purchase or construction of capital assets totaling \$19.5 million.

CAPITAL ASSETS AND CAPITAL EXPENSES AND COMMITMENTS

Capital Assets

At June 30, 2025, the University had \$392.4 million in capital assets, less accumulated depreciation of \$221.3 million, for net capital assets of \$171.1 million. Depreciation charges for the current fiscal year totaled \$9.3 million. The following table summarizes the University's capital assets, net of accumulated depreciation, at June 30:

Capital Assets, Net at June 30

(In Thousands)

	2025	2024
Land	\$ 11,479	\$ 11,479
Works of Art and Historical Treasures	-	20,992
Construction in Progress	30,492	19,279
Buildings	98,593	101,581
Infrastructure and Other Improvements	14,985	13,865
Furniture and Equipment	12,227	10,769
Library Resources	8	1
Right-to-Use Lease Assets	2,230	2,640
Leasehold Improvements	1,034	1,278
Computer Software and Other	56	-
Capital Assets, Net	\$171,104	\$181,884

Additional information about the University's capital assets is presented in the notes to financial statements.

Capital Expenses and Commitments

Major capital expenses through June 30, 2025, were incurred on new construction, renovation, and redesign projects. The University's construction commitments at June 30, 2025, are as follows:

	Amount (In Thousands)
Total Committed	\$ 42,539
Completed to Date	30,492
Balance Committed	\$ 12,047

Additional information about the University's construction commitments is presented in the notes to financial statements.

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

The University's economic condition is closely tied to that of the State of Florida. Because of economic growth and the University's performance in Performance-Based Funding (PBF), for the 2025-26 fiscal year, the University received an increase in the State PBF investment of just under \$1 million, and top-three performance funding of just under \$2 million. Additionally, the University received Nursing Pipeline funds of \$3.8 million and a nonrecurring allocation of \$750,000 for Civil Engineering. Finally, in capital appropriations, the University received \$1.5 million in Capital Improvement Trust Fund dollars for various student-focused campus projects. The University expects an increase in revenue from student tuition and fees because of increased enrollment and increased out-of-state student tuition and fees.

REQUESTS FOR INFORMATION

Questions concerning information provided in the MD&A or other required supplemental information, and financial statements and notes thereto, or requests for additional financial information should be addressed to the Controller's Office, University of West Florida, 11000 University Parkway, Building 20E, Pensacola, Florida 32514.

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BASIC FINANCIAL STATEMENTS

UNIVERSITY OF WEST FLORIDA A Component Unit of the State of Florida Statement of Net Position

June 30, 2025

	<u>University</u>	<u>Component Units</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 6,355,024	\$ 3,955,012
Investments	154,524,998	8,382,810
Accounts Receivable, Net	13,032,769	6,448,919
Contributions Receivable, Net	-	1,779,057
Loans and Notes Receivable, Net	5,697	210,070
Due from State	49,438,310	-
Due from University	-	684,869
Inventories	-	66,592
Other Current Assets	-	377,921
Total Current Assets	<u>223,356,798</u>	<u>21,905,250</u>
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	3,195,096	1,585,529
Restricted Investments	-	143,604,974
Loans and Notes Receivable, Net	-	1,770,235
Depreciable Capital Assets, Net	126,903,535	35,400,513
Right-to-Use Lease Assets, Net	2,229,695	-
Nondepreciable Capital Assets	41,971,330	5,431,175
Other Noncurrent Assets	-	3,852,427
Total Noncurrent Assets	<u>174,299,656</u>	<u>191,644,853</u>
Total Assets	<u>397,656,454</u>	<u>213,550,103</u>
DEFERRED OUTFLOWS OF RESOURCES		
Other Postemployment Benefits	24,846,035	-
Pensions	22,425,392	-
Total Deferred Outflows of Resources	<u>47,271,427</u>	<u>-</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	3,186,292	734,465
Construction Contracts Payable	872,211	-
Salary and Wages Payable	4,881,987	-
Deposits Payable	1,220,564	-
Due to Component Units	684,869	-
Unearned Revenue	956,909	117,808
Other Current Liabilities	5,142	76,106
Long-Term Liabilities - Current Portion:		
Bonds Payable	-	3,347,408
Revenue Received in Advance	1,601,516	443,749
Right-to-Use Leases Payable	483,060	-
Compensated Absences Payable	1,583,961	-
Other Postemployment Benefits Payable	2,598,457	-
Total Current Liabilities	<u>18,074,968</u>	<u>4,719,536</u>

	<u>University</u>	<u>Component Units</u>
LIABILITIES (Continued)		
Noncurrent Liabilities:		
Bonds Payable	-	22,442,674
Revenue Received in Advance	6,743,561	6,517,489
Right-to-Use Leases Payable	2,030,990	-
Compensated Absences Payable	19,762,451	490,057
Other Postemployment Benefits Payable	90,889,282	-
Net Pension Liability	66,347,314	-
Other Noncurrent Liabilities	-	1,530,408
Total Noncurrent Liabilities	<u>185,773,598</u>	<u>30,980,628</u>
Total Liabilities	<u>203,848,566</u>	<u>35,700,164</u>
DEFERRED INFLOWS OF RESOURCES		
Other Postemployment Benefits	38,355,213	-
Pensions	9,632,178	-
Leases	1,234,646	1,737,728
Irrevocable Split-Interest Agreements	-	1,793,165
Total Deferred Inflows of Resources	<u>49,222,037</u>	<u>3,530,893</u>
NET POSITION		
Net Investment in Capital Assets	167,355,863	15,041,606
Restricted for Nonexpendable:		
Endowment	-	82,994,233
Restricted for Expendable:		
Loans	469,516	-
Capital Projects	50,170,686	-
Other	-	74,905,502
Unrestricted	<u>(26,138,787)</u>	<u>1,377,705</u>
TOTAL NET POSITION	<u>\$ 191,857,278</u>	<u>\$ 174,319,046</u>

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

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UNIVERSITY OF WEST FLORIDA
A Component Unit of the State of Florida
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2025

	University	Component Units
REVENUES		
Operating Revenues:		
Student Tuition and Fees, Net of Scholarship Allowances of \$23,313,310	\$ 89,725,372	\$ -
Federal Grants and Contracts	18,671,856	-
State and Local Grants and Contracts	7,413,865	-
Sales and Services of Component Units	-	2,016,273
Sales and Services of Auxiliary Enterprises	7,220,532	-
Gifts and Donations	-	8,095,653
Other Operating Revenues	2,765,278	12,481,536
Total Operating Revenues	125,796,903	22,593,462
EXPENSES		
Operating Expenses:		
Compensation and Employee Benefits	172,340,372	4,803,487
Services and Supplies	73,876,325	11,387,639
Utilities and Communications	3,752,263	1,482,796
Scholarships, Fellowships, and Waivers	42,925,872	2,951,853
Depreciation	9,346,873	3,515,352
Total Operating Expenses	302,241,705	24,141,127
Operating Loss	(176,444,802)	(1,547,665)
NONOPERATING REVENUES (EXPENSES)		
State Noncapital Appropriations	135,413,060	-
Federal and State Student Financial Aid	38,206,003	-
Noncapital Grants, Contracts, and Gifts	7,087,044	-
Investment Income	8,065,729	14,731,195
Other Nonoperating Revenues	124,591	1,443,737
Gain (Loss) on Disposal of Capital Assets	(102,171)	2,966
Interest on Capital Asset-Related Debt	(113,408)	(986,763)
Other Nonoperating Expenses	(21,018,335)	(4,179,792)
Net Nonoperating Revenues	167,662,513	11,011,343
Income (Loss) Before Other Revenues	(8,782,289)	9,463,678
State Capital Appropriations	20,865,019	-
Capital Grants, Contracts, Donations, and Fees	3,394,213	-
Additions to Permanent Endowments	-	2,022,917
Total Other Revenues	24,259,232	2,022,917
Increase in Net Position	15,476,943	11,486,595
Net Position, Beginning of Year	176,380,335	162,832,451
Net Position, End of Year	\$ 191,857,278	\$ 174,319,046

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

UNIVERSITY OF WEST FLORIDA
A Component Unit of the State of Florida
Statement of Cash Flows

For the Fiscal Year Ended June 30, 2025

	University
CASH FLOWS FROM OPERATING ACTIVITIES	
Student Tuition and Fees, Net	\$ 89,786,252
Grants and Contracts	24,397,824
Sales and Services of Auxiliary Enterprises	7,220,532
Payments to Employees	(169,916,962)
Payments to Suppliers for Goods and Services	(77,716,277)
Payments to Students for Scholarships and Fellowships	(42,925,872)
Other Operating Receipts	2,930,655
	(166,223,848)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Noncapital Appropriations	135,413,060
Federal and State Student Financial Aid	38,206,003
Noncapital Grants, Contracts, and Gifts	7,087,044
Federal Direct Loan Program Receipts	54,708,198
Federal Direct Loan Program Disbursements	(54,708,198)
Net Change in Funds Held for Others	(409,757)
Other Nonoperating Receipts	60,337
	180,356,687
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
State Capital Appropriations	13,550,045
Capital Grants and Contracts	2,658,622
Purchase or Construction of Capital Assets	(19,493,481)
Principal Paid on Leases	(551,355)
Interest Paid on Leases	(113,408)
	(3,949,577)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of Investments	(155,014,266)
Proceeds from Sales and Maturities of Investments	140,000,000
Investment Income	6,145,530
	(8,868,736)
Net Increase in Cash and Cash Equivalents	1,314,526
Cash and Cash Equivalents, Beginning of Year	8,235,594
	\$ 9,550,120

	<u>University</u>
RECONCILIATION OF OPERATING LOSS	
TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	\$ (176,444,802)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation Expense	9,346,873
Changes in Assets, Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources:	
Receivables, Net	(990,436)
Loans and Notes Receivable, Net	(1,301)
Accounts Payable	(90,482)
Salaries and Wages Payable	1,186,992
Deposits Payable	91,493
Compensated Absences Payable	2,129,788
Unearned Revenue	328,573
Revenues Received in Advance	(886,665)
Other Liabilities	(514)
Other Postemployment Benefits Payable	18,374,550
Net Pension Liability	(1,120,204)
Deferred Outflows of Resources Related to Other Postemployment Benefits	(6,537,548)
Deferred Inflows of Resources Related to Other Postemployment Benefits	(9,996,008)
Deferred Outflows of Resources Related to Pensions	(3,467,881)
Deferred Inflows of Resources Related to Pensions	1,853,724
NET CASH USED BY OPERATING ACTIVITIES	<u>\$ (166,223,848)</u>

**SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND
CAPITAL FINANCING ACTIVITIES**

Unrealized gains on investments were recognized as an increase to investment income on the statement of revenues, expenses, and changes in net position, but are not cash transactions for the statement of cash flows.	\$ 1,807,321
Losses from the disposal of capital assets and the removal of the value of works of art and historical treasures were recognized on the statement of revenues, expenses, and changes in net position, but are not cash transactions for the statement of cash flows.	\$ (21,094,506)

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

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Reporting Entity. The University is a separate public instrumentality that is part of the State university system of public universities, which is under the general direction and control of the Florida Board of Governors. The University is directly governed by a Board of Trustees (Trustees) consisting of 13 members. The Governor appoints 6 citizen members and the Board of Governors appoints 5 citizen members. These members are confirmed by the Florida Senate and serve staggered terms of 5 years. The chair of the faculty senate and the president of the student body of the University are also members. The Board of Governors establishes the powers and duties of the Trustees. The Trustees are responsible for setting policies for the University, which provide governance in accordance with State law and Board of Governors' Regulations, and selecting the University President. 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.

Criteria for defining the reporting entity are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. These criteria were used to evaluate potential component units for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the primary government's financial statements to be misleading. Based on the application of these criteria, the University is a component unit of the State of Florida, and its financial balances and activities are reported in the State's Annual Comprehensive Financial Report by discrete presentation.

Discretely Presented Component Units. Based on the application of the criteria for determining component units, the following direct-support organizations (as provided for in Section 1004.28, Florida Statutes, and Board of Governors Regulation 9.011) are included within the University reporting entity as discretely presented component units. These legally separate, not-for-profit, corporations are organized and operated to assist the University in achieving excellence by providing supplemental resources from private gifts and bequests and valuable education support services and are governed by separate boards. Florida Statutes authorize these organizations to receive, hold, invest, and administer property and to make expenditures to or for the benefit of the University. These organizations and their purposes are explained as follows:

- University of West Florida Foundation, Inc. provides funding and services to support and foster the pursuit of higher education at the University and operates solely for the benefit of the University and its mission of teaching, research, and service. The Foundation serves as the vehicle whereby taxpayers who want to advance the cause of higher education and to pay more than their share of the cost of education may do so. The Foundation does not serve any private causes, but generally benefits the public.
- West Florida Historic Preservation, Inc. was established to engage in the restoration and exhibition of historical landmarks in the Pensacola, Florida vicinity. This organization conducts certain activities and programs that assist and promote the purposes of the University.

- UWF Business Enterprises, Inc. was established to receive, hold, develop, provide, maintain, and administer property and to make expenditures to or for the exclusive benefit of the University or a research and development park or research and development authority of or affiliated with the University and to promote, encourage, and aid the research activities of faculty, staff, and students of the University.

An annual audit of each organization's financial statements is conducted by independent certified public accountants. Additional information on the University's component units, including copies of audit reports, is available by contacting the University Controller's Office. Condensed financial statements for the University's discretely presented component units are shown in a subsequent note.

Basis of Presentation. The University's accounting policies conform with accounting principles generally accepted in the United States of America applicable to public colleges and universities as prescribed by GASB. The National Association of College and University Business Officers (NACUBO) also provides the University with recommendations prescribed in accordance with generally accepted accounting principles promulgated by GASB and the Financial Accounting Standards Board. GASB allows public universities various reporting options. The University has elected to report as an entity engaged in only business-type activities. This election requires the adoption of the accrual basis of accounting and entitywide reporting including the following components:

- Management's Discussion and Analysis
- Basic Financial Statements:
 - Statement of Net Position
 - Statement of Revenues, Expenses, and Changes in Net Position
 - Statement of Cash Flows
 - Notes to Financial Statements
- Other Required Supplementary Information

Measurement Focus and Basis of Accounting. Basis of accounting refers to when revenues, expenses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources, are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. The University's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange activities are generally recognized when all applicable eligibility requirements, including time requirements, are met. The University follows GASB standards of accounting and financial reporting.

The University's discretely presented component units use the economic resources measurement focus and the accrual basis of accounting and follows GASB standards of accounting and financial reporting.

Significant interdepartmental sales between auxiliary service departments and other institutional departments have been eliminated from revenues and expenses for reporting purposes.

The University's principal operating activities consist of instruction, research, and public service. Operating revenues and expenses generally include all fiscal transactions directly related to these activities as well as administration, operation and maintenance of capital assets, and depreciation of capital assets. Nonoperating revenues include State noncapital appropriations; Federal and State student financial aid; noncapital grants, contracts, and gifts; investment income (net of unrealized gains or losses on investments); and other nonoperating revenues. Loss on disposal of capital assets, interest on capital asset-related debt, and other nonoperating expenses are nonoperating expenses. Other revenues generally include revenues for capital construction projects.

The statement of net position is presented in a classified format to distinguish between current and noncurrent assets and liabilities. When both restricted and unrestricted resources are available to fund certain programs, it is the University's policy to first apply the restricted resources to such programs, followed by the use of the unrestricted resources.

The statement of revenues, expenses, and changes in net position is presented by major sources and is reported net of tuition scholarship allowances. Tuition scholarship allowances are the difference between the stated charge for goods and services provided by the University and the amount that is actually paid by the student or the third party making payment on behalf of the student. The University applied the "Direct Method A" as prescribed in NACUBO Advisory Report 2023-01 to determine the reported net tuition scholarship allowances. Under this method, the University computes these amounts by allocating the cash payments to students, excluding payment for services, using a detail by student and by term.

The statement of cash flows is presented using the direct method in compliance with GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*.

Cash and Cash Equivalents. Cash and cash equivalents consist of cash on hand and cash in demand accounts. University cash deposits are held in banks qualified as public depositories under Florida law. All such deposits are insured by the Federal Deposit Insurance Corporation, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool required by Chapter 280, Florida Statutes. Cash and cash equivalents that are externally restricted to purchase or construct capital or other restricted assets, are classified as restricted.

Capital Assets. University capital assets consist of land, construction in progress, buildings, infrastructure and other improvements, furniture and equipment, library resources, right-to-use lease assets, leasehold improvements, and computer software and other capital assets. These assets are capitalized and recorded at cost at the date of acquisition or at acquisition value at the date received in the case of gifts and purchases of State surplus property. 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. The University has a capitalization threshold of \$5,000 for tangible personal property and \$100,000 for new buildings and building improvements. Depreciation is computed on the straight-line basis over the following estimated useful lives:

- Buildings – 10 to 50 years
- Infrastructure and Other Improvements – 10 to 50 years
- Furniture and Equipment – 5 to 20 years

- Library Resources – 10 years
- Leasehold Improvements – 10 years or the term of the lease, whichever is greater
- Computer Software and Other – 5 years

Leases. The University determines if an arrangement is a lease at inception. Lessee arrangements are included in lease assets and lease liabilities in the statement of net position. Lease assets represent the University's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. Lease liabilities represent the University's obligation to make lease payments arising from the lessee arrangement. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the University will exercise that option. The University has elected to recognize payments for short-term leases with a lease term of 12 months or less and leases with a present value of less than a hundred thousand dollars over the life of the lease as expenses are incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statement of net position.

Lessor arrangements are included in deferred inflows of resources in the statement of net position. Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term. The University recognizes payments received for short-term leases with a lease term of 12 months or less as revenue as the payments are received. The University also recognizes payments received on leases with an initial calculated net present value of one hundred thousand dollars or less as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statement of net position.

Noncurrent Liabilities. Noncurrent liabilities include revenue received in advance, right-to-use leases payable, compensated absences payable, other postemployment benefits payable, and net pension liabilities that are not scheduled to be paid within the next fiscal year.

Pensions. For purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from the FRS and HIS fiduciary net positions have been determined on the same basis as they are reported by the FRS and the HIS plans. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

2. Deficit Net Position in Individual Funds

The University reported a deficit unrestricted net position at June 30, 2025, as shown below.

<u>Funds</u>	<u>Net Position</u>
General Revenue Fund	\$ (119,726,563)
All Other Current Unrestricted Funds	<u>93,587,776</u>
Total	<u><u>\$ (26,138,787)</u></u>

As shown in the following schedule, this deficit can be attributed to the full recognition of long-term liabilities (e.g., compensated absences payable, other postemployment benefits payable, and net pension liabilities) in the current unrestricted funds that are expected to be paid over time and financed by future appropriations:

<u>Description</u>	<u>Amount</u>
Total Unrestricted Net Position Before Recognition of Long-Term Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources	\$ 155,758,642
Amount Expected to be Financed in Future Years:	
Compensated Absences Payable	\$ (21,346,412)
Other Postemployment Benefits Payable and Related Deferred Outflows of Resources and Deferred Inflows of Resources	(106,996,917)
Net Pension Liability and Related Deferred Outflows of Resources and Deferred Inflows of Resources	<u>(53,554,100)</u>
Total Amount Expected to be Financed in Future Years	<u>(181,897,429)</u>
Total Unrestricted Net Position	<u><u>\$ (26,138,787)</u></u>

3. Investments

Section 1011.42(5), Florida Statutes, authorizes universities to invest funds with the State Treasury and State Board of Administration (SBA) and requires that universities comply with the statutory requirements governing investment of public funds by local governments. Accordingly, universities are subject to the requirements of Chapter 218, Part IV, Florida Statutes. The Board of Trustees has adopted a written investment policy providing that surplus funds of the University shall be invested in those institutions and instruments permitted under the provisions of Florida Statutes. Pursuant to Section 218.415(16), Florida Statutes, the University is authorized to invest in the Florida PRIME investment pool administered by the SBA; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits and savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; direct obligations of the United States Treasury; obligations of Federal agencies and instrumentalities; securities of, or interests in, certain open end or closed end management type investment companies; and other investments approved by the Board of Trustees as authorized by law.

The University categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. 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.

All of the University's recurring fair value measurements as of June 30, 2025, are valued using quoted market prices (Level 1 inputs), with the exception of bonds and notes, obligations of United States government agencies and instrumentalities, and certain United States Treasury Securities which are valued using a matrix pricing model (Level 2 inputs) and investments with the State Treasury which are valued based on the University's share of the pool (Level 3 inputs).

The University's investments at June 30, 2025, are reported as follows:

Investments by Fair Value Level	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
External Investment Pool:				
State Treasury Special Purpose Investment Account	\$ 116,070,649	\$ -	\$ -	\$ 116,070,649
United States Treasury Securities	8,754,398	3,419,501	5,334,897	-
Obligations of United States Government				
Agencies and Instrumentalities	5,328,349	-	5,328,349	-
Bonds and Notes	15,558,955	-	15,558,955	-
Mutual Funds:				
Equities	7,474,419	7,474,419	-	-
Total Investments by Fair Value Level	153,186,770	\$ 10,893,920	\$ 26,222,201	\$ 116,070,649
Investments at Amortized Cost				
SBA Florida Prime	1,338,228			
Total Investments	\$ 154,524,998			

External Investment Pools. The University reported investments at fair value totaling \$116,070,649 at June 30, 2025, in the State Treasury Special Purpose Investment Account (SPIA) investment pool, representing ownership of a share of the pool, not the underlying securities. Pooled investments with the State Treasury are not registered with the Securities and Exchange Commission. Oversight of the pooled investments with the State Treasury is provided by the Treasury Investment Committee per Section 17.575, Florida Statutes. The authorized investment types are set forth in Section 17.57, Florida Statutes. The State Treasury SPIA investment pool carried a credit rating of AA-f by Standard & Poor's, had an effective duration of 3.33 years, and fair value factor of 1.003 at June 30, 2025. Participants contribute to the State Treasury SPIA investment pool on a dollar basis. These funds are commingled, and the fair value of the pool is determined from the individual values of the securities. The fair value of the securities is summed, and the 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. The University relies on policies developed by the State Treasury for managing interest rate risk or credit risk for this investment pool. Disclosures for the State Treasury investment pool are included in the notes to financial statements of the State's Annual Comprehensive Financial Report.

At June 30, 2025, the University reported investments totaling \$1,338,228 in the Florida PRIME investment pool administered by the SBA pursuant to Section 218.405, Florida Statutes. The University's

investments in the Florida PRIME investment pool, which the SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. The Florida PRIME investment pool carried a credit rating of AAAM, by Standard & Poor's and had a weighted-average days to maturity (WAM) of 47 days as of June 30, 2025. A portfolio's WAM reflects the average maturity in days, based on final maturity or reset date, in the case of floating-rate instruments. WAM measures the sensitivity of the Florida PRIME investment pool to interest rate changes. The investments in the Florida PRIME investment pool are reported at amortized cost.

Section 218.409(8)(a), Florida Statutes, provides that "the principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the executive director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board [State Board of Administration] can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The trustees shall convene an emergency meeting as soon as practicable from the time the executive director has instituted such measures and review the necessity of those measures. If the trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the executive director until the trustees are able to meet to review the necessity for the moratorium. If the trustees agree with such measures, the trustees shall vote to continue the measures for up to an additional 15 days. The trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the trustees exceed 15 days." As of June 30, 2025, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

Other Investments. The following risks apply to the University's investments in other than external investment pools:

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Pursuant to Section 218.415(16), Florida Statutes, the University's investments in securities must provide sufficient liquidity to pay obligations as they come due. Investments of the University in debt securities and bonds and notes, and their future maturities at June 30, 2025, are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investments Maturities (In Years)</u>	
		<u>Less Than 1</u>	<u>1-5</u>
United States Treasury Securities	\$ 8,754,398	\$ 140,994	\$ 8,613,404
Obligations of United States Government Agencies and Instrumentalities	5,328,349	1,274,352	4,053,997
Bonds and Notes	15,558,955	5,137,525	10,421,430
Total Investments	\$29,641,702	\$ 6,552,871	\$23,088,831

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Obligations of the United States Government or obligations explicitly guaranteed by the United States Government are not considered to have credit risk and do not require disclosure of credit quality. The University’s investment policy limits fixed income exposure to investment grade assets and provides credit quality guidelines applicable to the investment objective. The following schedule represents the ratings at June 30, 2025, of the University’s debt instruments using Moody’s and Standard & Poor’s, nationally recognized rating agencies:

University Debt Investments Quality Ratings

<u>Investment Type</u>	<u>Fair Value</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Less Than A</u>
United States Treasury Securities	\$ 8,754,398	\$ -	\$ 8,754,398	\$ -	\$ -
Obligations of United States Government Agencies and Instrumentalities	5,328,349	485,415	4,643,256	199,678	-
Bonds and Notes	15,558,955	6,218,974	1,497,834	6,359,701	1,482,446
Total Investments	<u>\$ 29,641,702</u>	<u>\$ 6,704,389</u>	<u>\$ 14,895,488</u>	<u>\$ 6,559,379</u>	<u>\$ 1,482,446</u>

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the University’s investments in a single issuer. The University’s investment policies require diversification sufficient to reduce the potential of a single security, single sector of securities, or single style of management having a disproportionate or significant impact on the portfolio. The University’s policy considers credit risk on an investment-type basis and established that, in equities, no more than 10 percent of the portfolio should be invested in any one company.

Component Units’ Investments. The University of West Florida Foundation, Inc. (Foundation) has an investment policy which provides guidelines for the investment 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.

Investments held by the Foundation at June 30, 2025, are reported at fair value as follows:

	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Investments Measured at Fair Value:				
Equity Securities - Domestic and International	\$ 81,650,506	\$ 77,180,540	\$ 4,469,966	\$ -
Debt Securities	31,725,466	19,881,174	11,844,292	-
External Investment Pool:				
State Treasury Special Purpose Investment Account	2,163,316	-	-	2,163,316
Alternative Investments:				
Private Equity Investments	6,237,148	-	-	6,237,148
Real Estate Investment Trust	3,844,891	-	-	3,844,891
Total Alternative Investments	10,082,039	-	-	10,082,039
Total Investments by Fair Value Level	125,621,327	\$ 97,061,714	\$ 16,314,258	\$ 12,245,355
Investments Measured at Net Asset Value (NAV):				
Fund of Fund Hedge Funds	12,116,481			
Private Equity Investments	12,479,619			
Total Investments Measured at NAV	24,596,100			
Total Investments	\$ 150,217,427			

Other information for investments measured at NAV or its equivalent follows:

	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	12,479,619	1,672,722	N/A (1)	N/A (1)
Total Investments Measured at NAV	\$ 24,596,100	\$ 1,672,722		

(1) These funds are in private equity structures with no ability to be redeemed.

The investments above of \$150,217,427 at fair value, and certificates of deposits totaling \$522,678 equal a total investment holding for the Foundation of \$150,740,105 at June 30, 2025.

Fair Value Measurement: Equity Securities: Investments in equity securities are measured at fair value using quoted market prices. The majority of the securities are classified as Level 1 as they are traded in an active market for which closing stock prices are readily available. The remaining securities are classified as Level 2 when significant other observable inputs are used to ascertain their value.

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 are therefore included in Level 2.

External investment pool: Investments in the SPIA are classified as Level 3.

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 Trust: Private equity and real estate investment trust 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 and real estate investment trusts are partnerships formed for the purpose of acquiring, holding, managing and selling income producing real estate and real estate related assets, including interests in joint venture development projects for current income or investment and capital appreciation over a 3 to 5 year holding period.

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.

Custodial Credit Risk: Custodial credit 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, 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.

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 percent or more of the portfolio is required to be disclosed as a concentration of credit risk (investments issued by or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools and other pooled investments are exempt). As of June 30, 2025, there were no concentrations of credit risk.

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, the credit quality ratings of the Foundation's debt securities were as follows:

<u>Standard & Poor's Credit Rating</u>	<u>Amount</u>
AAA	\$ 9,750,980
AA	7,437,778
A	3,434,537
BBB	5,672,578
BB	2,592,168
B	1,981,704
Below B	711,132
Unrated	144,589
Total Debt Securities Investments	<u>\$ 31,725,466</u>

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 of \$31,725,466 had the following weighted average maturities:

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

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, the Foundation did not have any direct investments subject to this risk. As of June 30, 2025, 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.

Investments held by West Florida Historic Preservation, Inc. at June 30, 2025, consist of certificates of deposits totaling \$138,847.

Investments held by UWF Business Enterprises, Inc. at June 30, 2025, consist of certificates of deposits totaling \$814,667 and United States Treasury Securities valued at \$294,165 for a total investment balance of \$1,108,832.

4. Receivables

Accounts Receivable. Accounts receivable represent amounts for student tuition and fees, contract and grant reimbursements due from third parties, various sales and services provided to students and third parties, and interest accrued on investments and loans receivable. As of June 30, 2025, the University reported the following amounts as accounts receivable:

<u>Description</u>	<u>Amount</u>
Contracts and Grants	\$ 8,403,655
Student Tuition and Fees	5,366,056
Interest and Dividends	<u>411,704</u>
Gross Accounts Receivable	14,181,415
Less: Allowances for Doubtful Accounts	<u>(1,148,646)</u>
Total Accounts Receivable	<u><u>\$ 13,032,769</u></u>

Allowances for doubtful accounts are reported based on management's best estimate as of fiscal year end, considering type, age, collection history, and other factors considered appropriate. No allowance has been accrued for contracts and grants receivable or interest and dividends receivable, as University management considers these to be fully collectible.

5. Due From State

The amount due from State consists of \$49,438,310 of Public Education Capital Outlay and Capital Improvement Fee Trust Fund allocations due from the State to the University for construction of University facilities.

6. Capital Assets

Capital assets activity for the fiscal year ended June 30, 2025, is shown in the following table:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Nondepreciable Capital Assets:				
Land	\$ 11,478,677	\$ -	\$ -	\$ 11,478,677
Works of Art and Historical Treasures (1)	20,992,335	-	20,992,335	-
Construction in Progress	19,278,992	12,348,437	1,134,776	30,492,653
Total Nondepreciable Capital Assets	\$ 51,750,004	\$ 12,348,437	\$ 22,127,111	\$ 41,971,330
Depreciable Capital Assets:				
Buildings	\$ 223,972,426	\$ 1,830,567	\$ -	\$ 225,802,993
Infrastructure and Other Improvements	44,245,195	1,957,965	183,473	46,019,687
Furniture and Equipment	40,730,036	4,602,710	1,677,429	43,655,317
Library Resources	27,242,499	7,852	-	27,250,351
Right-to-Use Lease Assets	4,466,600	106,615	113,727	4,459,488
Leasehold Improvements	2,500,959	-	-	2,500,959
Computer Software and Other	683,800	68,965	-	752,765
Total Depreciable Capital Assets	343,841,515	8,574,674	1,974,629	350,441,560
Less, Accumulated Depreciation:				
Buildings	122,391,809	4,818,526	-	127,210,335
Infrastructure and Other Improvements	30,379,844	825,934	171,165	31,034,613
Furniture and Equipment	29,960,453	2,928,721	1,461,170	31,428,004
Library Resources	27,241,730	163	-	27,241,893
Right-to-Use Lease Assets	1,826,987	516,460	113,654	2,229,793
Leasehold Improvements	1,222,823	244,425	-	1,467,248
Computer Software and Other	683,800	12,644	-	696,444
Total Accumulated Depreciation	213,707,446	9,346,873	1,745,989	221,308,330
Total Depreciable Capital Assets, Net	\$ 130,134,069	\$ (772,199)	\$ 228,640	\$ 129,133,230

(1) The University removed works of art and historical treasures during the 2024-25 fiscal year. The works of art and historical treasures consisted mainly of periodicals and other local writings. Due to the nature of these items, assigning an acquisition value is highly subjective and, accordingly, the University removed the value in keeping GASB Statement No. 72, *Fair Value Measurements and Applications*.

7. Long-Term Liabilities

Long-term liabilities of the University at June 30, 2025, include revenue received in advance, right-to-use leases payable, compensated absences payable, other postemployment benefits payable, and net pension liability. Long-term liabilities activity for the fiscal year ended June 30, 2025, is shown in the following table:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Revenue Received in Advance	\$ 9,231,742	\$ 1,201,545	\$ 2,088,210	\$ 8,345,077	\$ 1,601,516
Right-to-Use Leases Payable	2,908,401	106,616	500,967	2,514,050	483,060
Compensated Absences Payable	19,216,624	3,718,409	1,588,621	21,346,412	1,583,961
Other Postemployment Benefits Payable	75,113,189	75,092,842	56,718,292	93,487,739	2,598,457
Net Pension Liability	67,467,518	27,050,004	28,170,208	66,347,314	-
Total Long-Term Liabilities	\$ 173,937,474	\$ 107,169,416	\$ 89,066,298	\$ 192,040,592	\$ 6,266,994

Revenue Received in Advance. Revenue received in advance consists primarily of funds received but not yet earned under a grant from the State Economic Development Initiative. Total revenue received in advance as of June 30, 2025, amounted to \$8,345,077, with \$1,601,516 expected to be earned during the 2025-26 fiscal year.

Right-to-Use Leases Payable. The University leases equipment and space from external parties for various terms under long-term lease agreements. The leases expire at various dates through 2040 and provide for renewal options ranging from 1 year to 10 years. In accordance with GASB Statement No. 87, *Leases*, the University records right-to-use lease assets and lease liabilities based on the present value of expected payments over the lease term of the respective leases. The expected payments are discounted using the interest rate charged on the lease, if available, or are otherwise discounted using the University’s incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. The University does not have any leases featuring payments tied to an index or market rate. The University does not have any leases subject to a residual value guarantee. See Note 6. Capital Assets for information on right-to-use lease assets and the associated accumulated depreciation. Future minimum payments under the lease agreements as of June 30, 2025, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 483,060	\$ 95,189	\$ 578,249
2027	397,372	77,332	474,704
2028	408,573	60,578	469,151
2029	379,216	43,742	422,958
2030	229,964	30,465	260,429
2031-2035	276,670	108,246	384,916
2036-2040	339,195	44,261	383,456
Total Minimum Lease Payments	<u>\$ 2,514,050</u>	<u>\$ 459,813</u>	<u>\$ 2,973,863</u>

Compensated Absences Payable. Employees earn the right to be compensated during absences for annual leave (vacation) and sick leave earned pursuant to Board of Governors’ Regulations, University regulations, and bargaining agreements. Leave earned is accrued to the credit of the employee and records are kept on each employee’s unpaid (unused) leave balance. Compensated absences are estimated and accrued as liabilities to the extent that it is more likely than not that the leave will be used for time off or otherwise paid in cash or settled through noncash means. The University reports a liability for the accrued leave; however, State noncapital appropriations fund only the portion of accrued leave that is used or paid in the current fiscal year. Although the University expects the liability to be funded primarily from future appropriations, generally accepted accounting principles do not permit the recording of a receivable in anticipation of future appropriations. At June 30, 2025, the estimated liability for compensated absences, which includes the University’s share of the Florida Retirement System and FICA contributions, totaled \$21,346,412. The current portion of the compensated absences liability, \$1,583,961, is the amount expected to be paid in the coming fiscal year and represents a historical percentage of leave used applied to total accrued leave liability.

Other Postemployment Benefits Payable. The University follows GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for certain postemployment healthcare benefits administered by the State Group Health Insurance Program.

General Information about the OPEB Plan

Plan Description. The Division of State Group Insurance's Other Postemployment Benefits Plan (OPEB Plan) is a multiple-employer defined benefit plan administered by the State of Florida. Pursuant to the provisions of Section 112.0801, Florida Statutes, all employees who retire from the University are eligible to participate in the State Group Health Insurance Program. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. A retiree means any officer or employee who retires under a State retirement system or State optional annuity or retirement program or is placed on disability retirement and who begins receiving retirement benefits immediately after retirement from employment. In addition, any officer or employee who retires under the Florida Retirement System Investment Plan is considered a "retiree" if he or she meets the age and service requirements to qualify for normal retirement or has attained the age of 59.5 years and has the years of service required for vesting. The University subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because retiree healthcare costs are generally greater than active employee healthcare costs. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The OPEB Plan contribution requirements and benefit terms necessary for funding the OPEB Plan each year is on a pay-as-you-go basis as established by the Governor's recommended budget and the General Appropriations Act. Retirees are required to enroll in the Federal Medicare (Medicare) program for their primary coverage as soon as they are eligible.

Benefits Provided. The OPEB Plan provides healthcare benefits for retirees and their dependents. The OPEB Plan only provides an implicit subsidy as described above.

Proportionate Share of the Total OPEB Liability

The University's proportionate share of the total OPEB liability of \$93,487,739 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2024. At June 30, 2024, the University's proportionate share, determined by its proportion of total benefit payments made, was 0.91627951263 percent, which was an increase of 0.018789068463 from its proportionate share reported as of June 30, 2023.

Actuarial Assumptions and Other Inputs. The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.4 percent
Salary increases	Varies by FRS class
Discount rate	4.21 percent
Healthcare cost trend rates	
PPO Plan	7.86 percent for 2025, decreasing to an ultimate rate of 4 percent for 2075 and later years
HMO Plan	7.68 percent for 2025, decreasing to an ultimate rate of 4 percent for 2075 and later years
Retirees' share of benefit-related costs	100 percent of projected health insurance premiums for retirees

The discount rate was based on the Standard & Poor's (S&P) Municipal Bond 20 Year High Grade Rate Index.

Mortality rates were based on the PUB-2010 mortality tables with fully generational mortality improvement using Scale MP-2018.

The demographic actuarial assumptions for retirement, disability incidence, and withdrawal used in the July 1, 2024, valuation were based on the 2019 Experience Study prepared by Milliman and adopted by the FRS.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the July 1, 2024, valuation were based on a review of recent plan experience done concurrently with the July 1, 2024, valuation.

The following changes have been made since the prior valuation:

- Census Data – The census data reflects changes in status for the 24-month period since July 1, 2022.
- DROP Participation Period – In conjunction with legislative action, the maximum DROP participation period was extended from 60 months (5 years) to 96 months (8 years) for all groups.
- DROP Entry Window – There were previously constraints on when a member could enter DROP after becoming retirement eligible. These constraints were removed. This was also implemented due to the legislative action.
- Special Risk – Eligibility for those hired on and after July 1, 2011. Previously, members became eligible at age 60 with 8 years of credited service or with 30 years of credited service. With the legislative action, eligibility is now age 55 with 8 years of credited service or with 25 years of credited service.
- Retirement and DROP Participation Rates – In conjunction with the plan changes above associated with the legislative action, retirement rates and DROP entry rates were updated in alignment with the actuarial valuation of the Florida Retirement System (FRS) conducted by Milliman as of July 1, 2023.

- **Claims Costs and Premium Rates** – The assumed claims and premiums reflect the actual claims information that was provided as well as the premiums that are actually being charged to participants. The recent claims experience along with changes in the demographics of the population resulted in pharmacy claims costs higher than projected and lower premium rates than expected. The net result was an increase in liabilities due to claims and premiums as of June 30, 2024.
- **Health Care Cost Aging Factors** – Age-related claims were updated to use aging factors developed in a study completed by Dale Yamamoto for the Society of Actuaries. These rates more accurately account for the way in which claims costs vary with age.
- **Trend Rate** –The medical trend assumption is updated each year based on the Getzen Model. Medical trend rates used were consistent with the August 2024 Report on Financial Outlook of the Plan along with information from the Getzen Model and actuarial judgement. The impact of the trend rate changes is a small increase in the liability, due primarily to higher trend rates in the first several years.
- **Discount Rate** – The discount rate was updated to utilize the mandated discount rate based on a 20-year S&P Municipal Bond Rate Index as of the measurement date, as required under GASB Statement No. 75. The discount rate increased from 4.13 percent to 4.21 percent.

Sensitivity of the University’s Proportionate Share of the Total OPEB Liability to Changes in the Discount Rate. The following table presents the University’s proportionate share of the total OPEB liability, as well as what the University’s proportionate share of the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.21 percent) or 1 percentage point higher (5.21 percent) than the current rate:

	<u>1% Decrease (3.21%)</u>	<u>Current Discount Rate (4.21%)</u>	<u>1% Increase (5.21%)</u>
University’s proportionate share of the total OPEB liability	\$109,507,658	\$93,487,739	\$80,609,046

Sensitivity of the University’s Proportionate Share of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following table presents the University’s proportionate share of the total OPEB liability, as well as what the University’s proportionate share of the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
University’s proportionate share of the total OPEB liability	\$79,469,092	\$93,487,739	\$111,594,798

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

For the fiscal year ended June 30, 2025, the University recognized OPEB expense of \$4,550,844. At June 30, 2025, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 6,903,135
Change of assumptions or other inputs	13,782,468	26,144,385
Changes in proportion and differences between University benefit payments and proportionate share of benefit payments	8,408,309	5,307,693
Transactions subsequent to the measurement date	2,655,258	-
Total	<u>\$ 24,846,035</u>	<u>\$ 38,355,213</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$2,655,258 resulting from transactions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability and included in OPEB expense in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2026	\$ (4,601,119)
2027	(3,602,534)
2028	(3,523,059)
2029	(3,523,059)
2030	(3,417,600)
Thereafter	2,502,935
Total	<u>\$ (16,164,436)</u>

Net Pension Liability. As a participating employer in the Florida Retirement System (FRS), the University recognizes its proportionate share of the collective net pension liabilities of the FRS cost-sharing multiple-employer defined benefit plans. As of June 30, 2025, the University's proportionate share of the net pension liabilities totaled \$66,347,314. Note 8. includes a complete discussion of defined benefit pension plans.

8. Retirement Plans – Defined Benefit Pension Plans

General Information about the Florida Retirement System (FRS). The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 121, Florida Statutes, also provides for nonintegrated, optional retirement programs in lieu of the FRS to certain members of the Senior Management Service Class employed by the State and faculty and specified employees in the State university system. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the University are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS 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 eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing multiple-employer defined benefit plans and other nonintegrated programs. An annual comprehensive financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services Web site (www.dms.myflorida.com).

The University's FRS and HIS pension expense totaled \$6,406,253 for the fiscal year ended June 30, 2025.

FRS Pension Plan

Plan Description. The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a DROP for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Senior Management Service Class* – Members in senior management level positions.
- *Special Risk Class* – Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of creditable service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of creditable service. Employees enrolled in the Plan may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

The DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS-participating employer. An employee may participate in DROP for a period not to exceed 96 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided. Benefits under the Plan are computed on the basis of age, and/or years of service, average final compensation, and credit service. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on retirement plan and/or the class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following table shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>% Value</u>
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
Senior Management Service Class	2.00
Special Risk Class	3.00

As provided in Section 121.101, Florida Statutes, if the member was initially enrolled in the Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member was initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2024-25 fiscal year were:

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (1)</u>
FRS, Regular	3.00	13.63
FRS, Senior Management Service	3.00	34.52
FRS, Special Risk	3.00	32.79
Deferred Retirement Option Program (applicable to members from all of the above classes)	0.00	21.13
FRS, Reemployed Retiree	(2)	(2)

(1) Employer rates include 2 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.

(2) Contribution rates are dependent upon retirement class in which reemployed.

The University's contributions to the Plan totaled \$7,837,246 for the fiscal year ended June 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2025, the University reported a liability of \$47,245,903 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The University's proportionate share of the net pension liability was based on the University's 2023-24 fiscal year contributions relative to the total 2023-24 fiscal year contributions of all participating members. At June 30, 2024, the University's proportionate share was 0.122130711 percent, which was an increase of 0.000143946 from its proportionate share measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the University recognized pension expense of \$5,775,369. In addition, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,773,105	\$ -
Change of assumptions	6,475,483	-
Net difference between projected and actual earnings on FRS Plan investments	-	3,140,208
Changes in proportion and differences between University contributions and proportionate share of contributions	37,189	2,886,418
University FRS contributions subsequent to the measurement date	7,837,246	-
Total	\$ 19,123,023	\$ 6,026,626

The deferred outflows of resources totaling \$7,837,246, resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2026	\$ (2,105,024)
2027	6,831,678
2028	146,152
2029	(44,574)
2030	430,919
Total	<u>\$ 5,259,151</u>

Actuarial Assumptions. The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	3.50 percent, average, including inflation
Investment rate of return	6.70 percent, net of pension plan investment expense, including inflation

Salary increases were changed from 3.25 percent in the previous valuation to 3.50 percent in the current valuation.

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2021. This is a change from the previous valuation in which the mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

The actuarial assumptions used in the July 1, 2024, valuation were based on the results of an actuarial experience study for the period July 1, 2018, through June 30, 2023.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	3.3%	3.3%	1.1%
Fixed Income	29.0%	5.7%	5.6%	3.9%
Global Equity	45.0%	8.6%	7.0%	18.2%
Real Estate (Property)	12.0%	8.1%	6.8%	16.6%
Private Equity	11.0%	12.4%	8.8%	28.4%
Strategic Investments	2.0%	6.6%	6.2%	8.7%
Total	<u>100.0%</u>			
Assumed inflation – Mean			2.4%	1.5%

(1) As outlined in the Plan's investment policy.

Discount Rate. The discount rate used to measure the total pension liability was 6.70 percent. The Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate used in the 2024 valuation was unchanged from the previous valuation.

Sensitivity of the University’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the University’s proportionate share of the net pension liability calculated using the discount rate of 6.70 percent, as well as what the University’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.70 percent) or 1 percentage point higher (7.70 percent) than the current rate:

	<u>1% Decrease (5.70%)</u>	<u>Current Discount Rate (6.70%)</u>	<u>1% Increase (7.70%)</u>
University’s proportionate share of the net pension liability	\$83,103,888	\$47,245,903	\$17,207,234

Pension Plan Fiduciary Net Position. Detailed information about the Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report.

Payables to the Pension Plan. At June 30, 2025, the University reported a payable of \$584,274 for the outstanding amount of contributions to the Plan required for the fiscal year ended June 30, 2025.

HIS Pension Plan

Plan Description. The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided. For the fiscal year ended June 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2025, the contribution rate was 2 percent of payroll pursuant to Section 112.363, Florida Statutes. The University contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS Plan benefits are not guaranteed and

are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The University's contributions to the HIS Plan totaled \$1,303,368 for the fiscal year ended June 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2025, the University reported a liability of \$19,101,411 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The University's proportionate share of the net pension liability was based on the University's 2023-24 fiscal year contributions relative to the total 2023-24 fiscal year contributions of all participating members. At June 30, 2024, the University's proportionate share was 0.127334446 percent, which was an increase of 0.008580862 from its proportionate share measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the University recognized pension expense of \$630,884. In addition, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 184,437	\$ 36,678
Change of assumptions	338,050	2,261,362
Net difference between projected and actual earnings on HIS Plan investments	-	6,908
Changes in proportion and differences between University HIS contributions and proportionate share of HIS contributions	1,476,514	1,300,604
University HIS contributions subsequent to the measurement date	1,303,368	-
Total	<u>\$ 3,302,369</u>	<u>\$ 3,605,552</u>

The deferred outflows of resources totaling \$1,303,368, resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2026	\$ (446,147)
2027	(523,030)
2028	(535,303)
2029	(161,707)
2030	46,954
Thereafter	12,682
Total	<u>\$ (1,606,551)</u>

Actuarial Assumptions. The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	3.50 percent, average, including inflation
Municipal bond rate	3.93 percent

Salary increases were changed from 3.25 percent in the previous valuation to 3.50 percent in the current valuation.

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2021. This is a change from the previous valuation in which the mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

While an experience study had not been completed for the HIS Plan, the actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the FRS Plan.

Discount Rate. The discount rate used to measure the total pension liability was 3.93 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate changed from 3.65 percent to 3.93 percent.

Sensitivity of the University’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the University’s proportionate share of the net pension liability calculated using the discount rate of 3.93 percent, as well as what the University’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.93 percent) or 1 percentage point higher (4.93 percent) than the current rate:

	<u>1% Decrease (2.93%)</u>	<u>Current Discount Rate (3.93%)</u>	<u>1% Increase (4.93%)</u>
University’s proportionate share of the net pension liability	\$21,744,501	\$19,101,411	\$16,907,218

Pension Plan Fiduciary Net Position. Detailed information about the HIS Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Annual Comprehensive Financial Report.

Payables to the Pension Plan. At June 30, 2025, the University reported a payable of \$121,368 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2025.

9. Retirement Plans – Defined Contribution Pension Plans

FRS Investment Plan. The SBA administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA’s annual financial statements and in the State’s Annual Comprehensive Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. University employees already participating in the State University System Optional Retirement Program or DROP are not eligible to participate in the Investment Plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Service retirement benefits are based upon the value of the member’s account upon retirement. Benefit terms, including contribution requirements, are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contributions, that are based on salary and membership class (Regular Class, Senior Management Service Class, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. Allocations to the Investment Plan member accounts during the 2024-25 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Compensation</u>
FRS, Regular	11.30
FRS, Senior Management Service	12.67
FRS, Special Risk Regular	19.00

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the FRS Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2025, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the University.

After termination and applying to receive benefits, the member may roll over vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided in which the member may either transfer the account balance to the FRS Pension Plan when

approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The University’s Investment Plan pension expense totaled \$3,630,535 for the fiscal year ended June 30, 2025.

State University System Optional Retirement Program. Section 121.35, Florida Statutes, provides for an Optional Retirement Program (Program) for eligible university instructors and administrators. The Program is designed to aid State universities in recruiting employees by offering more portability to employees not expected to remain in the FRS for 8 or more years.

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 can make an irrevocable election to participate in the Program, rather than the FRS, and purchase retirement and death benefits through contracts provided by certain insurance carriers. The employing university contributes 5.14 percent of the participant’s salary to the participant’s account, 4.84 percent to cover the unfunded actuarial liability of the FRS pension plan, and 0.01 percent to cover administrative costs, for a total of 9.99 percent, and employees contribute 3 percent of the employee’s salary. Additionally, the employee may contribute, by payroll deduction, an amount not to exceed the percentage contributed by the University to the participant’s annuity account. The contributions are invested in the company or companies selected by the participant to create a fund for the purchase of annuities at retirement.

The University’s contributions to the Program totaled \$4,221,178, and employee contributions totaled \$2,146,688 for the 2024-25 fiscal year.

10. Construction Commitments

The University’s construction commitments at June 30, 2025, were as follows:

<u>Project Description</u>	<u>Total Commitment</u>	<u>Completed to Date</u>	<u>Balance Committed</u>
B236 Campus Stadium	\$ 3,285,423	\$ 202,163	\$ 3,083,260
Portable Water System	3,267,735	67,186	3,200,549
B129 Science & Engineering Research Building	2,548,102	476,760	2,071,342
Subtotal	9,101,260	746,109	8,355,151
Other Projects (1)	33,438,030	29,746,544	3,691,486
Total	<u>\$ 42,539,290</u>	<u>\$ 30,492,653</u>	<u>\$ 12,046,637</u>

(1) Individual projects with a current balance committed of less than \$1 million at June 30, 2025.

11. Risk Management Programs

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Pursuant to Section 1001.72(2), Florida Statutes, the University participates in State self-insurance programs providing insurance for property and casualty, workers’ compensation, general liability, fleet automotive liability, Federal Civil Rights, and employment discrimination liability. During the 2024-25 fiscal year, for

property losses, the State retained the first \$2 million per occurrence for all perils except named windstorm and flood. The State retained the first \$2 million per occurrence with an annual aggregate retention of \$40 million for named windstorm and flood losses. After the annual aggregate retention, losses in excess of \$2 million per occurrence were commercially insured up to \$62.5 million for named windstorm and flood through February 14, 2025, and increased to \$75.3 million starting February 15, 2025. For perils other than named windstorm and flood, losses in excess of \$2 million per occurrence were commercially insured up to \$237.5 million through February 14, 2025, and increased to \$350 million starting February 15, 2025; and losses exceeding those amounts were retained by the State. No excess insurance coverage is provided for workers' compensation, general and automotive liability, Federal Civil Rights and employment action coverage; all losses in these categories are completely self-insured by the State through the State Risk Management Trust Fund established pursuant to Chapter 284, Florida Statutes. Payments on tort claims are limited to \$200,000 per person and \$300,000 per occurrence as set by Section 768.28(5), Florida Statutes. Calculation of premiums considers the cash needs of the program and the amount of risk exposure for each participant. Settlements have not exceeded insurance coverage during the past 3 fiscal years.

Pursuant to Section 110.123, Florida Statutes, University employees may obtain healthcare services through participation in the State group health insurance plan or through membership in a health maintenance organization plan under contract with the State. The State's risk financing activities associated with State group health insurance, such as risk of loss related to medical and prescription drug claims, are administered through the State Employees Group Health Insurance Trust Fund. It is the practice of the State not to purchase commercial coverage for the risk of loss covered by this Fund. Additional information on the State's group health insurance plan, including the actuarial report, is available from the Florida Department of Management Services, Division of State Group Insurance.

12. Litigation

The University is involved in several pending and threatened legal actions. The range of potential loss from all such claims and actions, as estimated by the University's legal counsel and management, should not materially affect the University's financial position.

13. Functional Distribution of Operating Expenses

The functional classification of an operating expense (instruction, research, etc.) is assigned to a department based on the nature of the activity, which represents the material portion of the activity attributable to the department. For example, activities of an academic department for which the primary departmental function is instruction may include some activities other than direct instruction such as research and public service. However, when the primary mission of the department consists of instructional program elements, all expenses of the department are reported under the instruction classification. The operating expenses on the statement of revenues, expenses, and changes in net position are presented by natural classifications. The following are those same expenses presented in functional classifications as recommended by NACUBO:

<u>Functional Classification</u>	<u>Amount</u>
Instruction	\$ 83,450,285
Research	23,105,450
Public Services	18,001,465
Academic Support	36,250,519
Student Services	13,498,940
Institutional Support	32,748,730
Operation and Maintenance of Plant	15,729,755
Scholarships, Fellowships, and Waivers	42,925,872
Depreciation	9,346,873
Auxiliary Enterprises	27,183,816
Total Operating Expenses	\$ 302,241,705

14. Discretely Presented Component Units

The University has three discretely presented component units as discussed in Note 1. These component units comprise 100 percent of the transactions and account balances of the aggregate discretely presented component units' columns of the financial statements. The following financial information is from the most recently available audited financial statements for the component units:

Condensed Statement of Net Position

	<u>Direct-Support Organizations</u>			<u>Total</u>
	<u>University of West Florida Foundation, Inc. 6-30-25</u>	<u>West Florida Historic Preservation, Inc. 6-30-25</u>	<u>UWF Business Enterprises, Inc. 6-30-25</u>	
Assets:				
Current Assets	\$ 17,786,225	\$ 2,468,780	\$ 1,650,245	\$ 21,905,250
Capital Assets, Net	33,014,992	4,699,236	3,117,460	40,831,688
Other Noncurrent Assets	149,042,096	834	1,770,235	150,813,165
Total Assets	199,843,313	7,168,850	6,537,940	213,550,103
Liabilities:				
Current Liabilities	4,062,307	143,838	513,391	4,719,536
Noncurrent Liabilities	24,463,139	-	6,517,489	30,980,628
Total Liabilities	28,525,446	143,838	7,030,880	35,700,164
Deferred Inflows of Resources	1,793,165	-	1,737,728	3,530,893
Net Position:				
Net Investment in Capital Assets	7,224,910	4,699,236	3,117,460	15,041,606
Restricted Nonexpendable	82,994,233	-	-	82,994,233
Restricted Expendable	74,733,748	171,754	-	74,905,502
Unrestricted	4,571,811	2,154,022	(5,348,128)	1,377,705
Total Net Position	\$ 169,524,702	\$ 7,025,012	\$ (2,230,668)	\$ 174,319,046

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	Direct-Support Organizations			Total
	University of West Florida Foundation, Inc. 6-30-25	West Florida Historic Preservation, Inc. 6-30-25	UWF Business Enterprises, Inc. 6-30-25	
Operating Revenues	\$ 19,109,611	\$ 1,980,767	\$ 1,503,084	\$ 22,593,462
Depreciation Expense	(3,143,620)	(244,578)	(127,154)	(3,515,352)
Operating Expenses	(17,878,945)	(1,741,837)	(1,004,993)	(20,625,775)
Operating Income (Loss)	(1,912,954)	(5,648)	370,937	(1,547,665)
Net Nonoperating Revenues (Expenses):				
Nonoperating Revenues	15,977,866	147,836	52,196	16,177,898
Interest Expense	(986,763)	-	-	(986,763)
Other Nonoperating Expenses	(4,147,016)	-	(32,776)	(4,179,792)
Net Nonoperating Revenues	10,844,087	147,836	19,420	11,011,343
Other Revenues	2,022,917	-	-	2,022,917
Increase in Net Position	10,954,050	142,188	390,357	11,486,595
Net Position, Beginning of Year	158,570,652	6,882,824	(2,621,025)	162,832,451
Net Position, End of Year	\$ 169,524,702	\$ 7,025,012	\$ (2,230,668)	\$ 174,319,046

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OTHER REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the University's Proportionate Share of the Total Other Postemployment Benefits Liability

	2024	2023	2022	2021	2020
University's proportion of the total other postemployment benefits liability	0.92%	0.90%	0.91%	0.96%	0.94%
University's proportionate share of the total other postemployment benefits liability	\$ 93,487,739	\$ 75,113,189	\$ 71,180,458	\$ 101,210,756	\$ 96,712,405
University's covered-employee payroll	\$ 98,950,740	\$ 87,547,064	\$ 81,526,596	\$ 87,391,552	\$ 94,633,730
University's proportionate share of the total other postemployment benefits liability as a percentage of its covered-employee payroll	94.48%	85.80%	87.31%	115.81%	102.20%
	2019	2018	2017	2016	
University's proportion of the total other postemployment benefits liability	0.89%	0.79%	0.79%	0.77%	
University's proportionate share of the total other postemployment benefits liability	\$ 112,729,335	\$ 83,357,000	\$ 85,002,000	\$ 91,051,000	
University's covered-employee payroll	\$ 91,294,267	\$ 94,792,234	\$ 84,509,945	\$ 80,338,474	
University's proportionate share of the total other postemployment benefits liability as a percentage of its covered-employee payroll	123.48%	87.94%	100.58%	113.33%	

**Schedule of the University's Proportionate Share of the Net Pension Liability –
Florida Retirement System Pension Plan**

	<u>2024 (1)</u>	<u>2023 (1)</u>	<u>2022 (1)</u>	<u>2021 (1)</u>
University's proportion of the FRS net pension liability	0.122130711%	0.121986765%	0.126970839%	0.133552560%
University's proportionate share of the FRS net pension liability	\$ 47,245,903	\$ 48,607,865	\$ 47,243,356	\$ 10,088,378
University's covered payroll (2)	\$ 93,597,472	\$ 86,651,220	\$ 81,332,999	\$ 86,958,969
University's proportionate share of the FRS net pension liability as a percentage of its covered payroll	50.48%	56.10%	58.09%	11.60%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	83.70%	82.38%	82.89%	96.40%

(1) The amounts presented for each fiscal year were determined as of June 30.

(2) Covered payroll includes defined benefit plan actives, investment plan members, State university system optional retirement program members, and members in DROP because total employer contributions are determined on a uniform basis (blended rate) as required by Part III of Chapter 121, Florida Statutes.

Schedule of University Contributions – Florida Retirement System Pension Plan

	<u>2025 (1)</u>	<u>2024 (1)</u>	<u>2023 (1)</u>	<u>2022 (1)</u>
Contractually required FRS contribution	\$ 7,837,246	\$ 6,915,814	\$ 5,868,348	\$ 5,418,077
FRS contributions in relation to the contractually required contribution	<u>(7,837,246)</u>	<u>(6,915,814)</u>	<u>(5,868,348)</u>	<u>(5,418,077)</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's covered payroll (2)	\$ 106,387,268	\$ 93,597,472	\$ 86,651,220	\$ 81,332,999
FRS contributions as a percentage of covered payroll	7.37%	7.39%	6.77%	6.66%

(1) The amounts presented for each fiscal year were determined as of June 30.

(2) Covered payroll includes defined benefit plan actives, investment plan members, State university system optional retirement plan members, and members in DROP because total employer contributions are determined on a uniform basis (blended rate) as required by Part III of Chapter 121, Florida Statutes.

<u>2020 (1)</u>	<u>2019 (1)</u>	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>
0.143558225%	0.149445112%	0.151231440%	0.145922896%	0.143843124%	0.136590124%
\$ 62,220,251	\$ 51,466,816	\$ 45,551,694	\$ 43,163,014	\$ 36,320,502	\$ 17,642,446
\$ 92,298,070	\$ 90,132,197	\$ 87,347,832	\$ 84,767,273	\$ 80,346,498	\$ 72,474,365
67.41%	57.10%	52.15%	50.92%	45.20%	24.34%
78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

<u>2021 (1)</u>	<u>2020 (1)</u>	<u>2019 (1)</u>	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>
\$ 5,087,776	\$ 4,769,804	\$ 4,633,877	\$ 4,309,975	\$ 3,798,732	\$ 3,507,844
<u>(5,087,776)</u>	<u>(4,769,804)</u>	<u>(4,633,877)</u>	<u>(4,309,975)</u>	<u>(3,798,732)</u>	<u>(3,507,844)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 86,958,969	\$ 92,298,070	\$ 90,132,197	\$ 87,347,832	\$ 84,767,273	\$ 80,346,498
5.85%	5.17%	5.14%	4.93%	4.48%	4.37%

**Schedule of the University's Proportionate Share of the Net Pension Liability –
Health Insurance Subsidy Pension Plan**

	<u>2024 (1)</u>	<u>2023 (1)</u>	<u>2022 (1)</u>	<u>2021 (1)</u>
University's proportion of the HIS net pension liability	0.127334446%	0.118753584%	0.115350115%	0.127447389%
University's proportionate share of the HIS net pension liability	\$ 19,101,411	\$ 18,859,653	\$ 12,217,420	\$ 15,633,338
University's covered payroll (2)	\$ 52,894,610	\$ 46,377,074	\$ 41,660,088	\$ 44,973,100
University's proportionate share of the HIS net pension liability as a percentage of its covered payroll	36.11%	40.67%	29.33%	34.76%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	4.80%	4.12%	4.81%	3.56%

(1) The amounts presented for each fiscal year were determined as of June 30.

(2) Covered payroll includes defined benefit plan actives, investment plan members, and members in DROP.

Schedule of University Contributions – Health Insurance Subsidy Pension Plan

	<u>2025 (1)</u>	<u>2024 (1)</u>	<u>2023 (1)</u>	<u>2022 (1)</u>
Contractually required HIS contribution	\$ 1,303,368	\$ 1,078,051	\$ 781,182	\$ 697,965
HIS contributions in relation to the contractually required HIS contribution	<u>(1,303,368)</u>	<u>(1,078,051)</u>	<u>(781,182)</u>	<u>(697,965)</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's covered payroll (2)	\$ 64,133,178	\$ 52,894,610	\$ 46,377,074	\$ 41,660,088
HIS contributions as a percentage of covered payroll	2.03%	2.04%	1.68%	1.68%

(1) The amounts presented for each fiscal year were determined as of June 30.

(2) Covered payroll includes defined benefit plan actives, investment plan members, and members in DROP.

<u>2020 (1)</u>	<u>2019 (1)</u>	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>
0.138974263%	0.141686519%	0.141160531%	0.140025649%	0.141032901%	0.128838678%
\$ 16,968,531	\$ 15,853,304	\$ 14,940,590	\$ 14,972,187	\$ 16,436,799	\$ 13,139,518
\$ 47,765,677	\$ 46,974,798	\$ 45,786,177	\$ 44,164,277	\$ 43,134,639	\$ 38,823,836
35.52%	33.75%	32.63%	33.90%	38.11%	33.84%
3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

<u>2021 (1)</u>	<u>2020 (1)</u>	<u>2019 (1)</u>	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>
\$ 749,137	\$ 800,844	\$ 786,771	\$ 765,517	\$ 741,056	\$ 722,884
(749,137)	(800,844)	(786,771)	(765,517)	(741,056)	(722,884)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 44,973,100	\$ 47,765,677	\$ 46,974,798	\$ 45,786,177	\$ 44,164,277	\$ 43,134,639
1.67%	1.68%	1.67%	1.67%	1.68%	1.68%

1. Schedule of the University's Proportionate Share of the Total Other Postemployment Benefits Liability

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Changes of Benefit Terms. This reflects changes made to the Plan upon legislative action. The changes reflected are as follows:

- Retirement eligibility for special risk employees hired on and after July 1, 2011, is now age 55 with 8 years of service, or attainment of 25 years of service regardless of age (previously age 60 with 8 years of service, or 30 years of service regardless of age).
- The maximum DROP participation period has been extended from 60 months (5 years) to 96 months (8 years).
- The maximum DROP participation age and service requirements have been removed.
- Retirement rates and DROP entry rates were updated in conjunction with these changes.

Changes of Assumptions. Changes in assumptions reflect a change in the discount rate from 4.13 percent for the reporting period ended June 30, 2024, to 4.21 percent for the reporting period ended June 30, 2025. Also reflected as assumption changes are:

- Updated health care costs and premiums based on Plan experience,
- Updated claims aging rates,
- Updated health care cost trend rates based on projected Plan experience, and
- Updated DROP participation period assumption to 48 months (4 years) for those who have elected DROP.

2. Schedule of Net Pension Liability and Schedule of Contributions – Florida Retirement System Pension Plan

Changes of Assumptions. In 2024, salary increases including inflation increased from 3.25 percent to 3.5 percent and the mortality assumptions were updated.

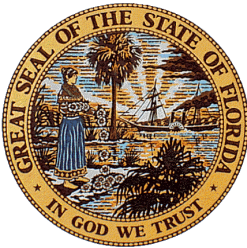
3. Schedule of Net Pension Liability and Schedule of Contributions – Health Insurance Subsidy Pension Plan

Changes of Assumptions. In 2024, the municipal rate used to determine total pension liability increased from 3.65 percent to 3.93 percent and the demographic and coverage election assumptions were updated.

**Schedule of the University's
Receipts and Expenditures of
Funds Related to the Deepwater Horizon Oil Spill
For the Fiscal Year Ended June 30, 2025**

<u>Source</u>	<u>Amount Received in the 2024-25 Fiscal Year</u>	<u>Amount Expended in the 2024-25 Fiscal Year</u>
Triumph Gulf Coast, Inc.:		
293-Nursing & Respiratory Therapy	\$ 530,240	\$ 1,514,282

Note: Basis of Presentation. The Schedule of the University's Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill includes the Deepwater Horizon grant activity of the University of West Florida. Receipts are presented on the cash basis, and expenditures are presented on the modified accrual basis, of accounting.



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The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

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*

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 University of West Florida, a component unit of the State of Florida, and its aggregate discretely presented component units as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated March 5, 2026, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the aggregate discretely presented component units, as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University'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 University's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, rules, 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 University'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 University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
March 5, 2026

**Board of Trustees
Audit and Compliance Committee
May 21, 2026**

IAMC Department Update

Recommended Action:

None – Informational Items Only

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 IAMC Charter.

1. Internal audits and management advisory services in progress
 - Clery Act Compliance – Campus Security Authorities
 - University Commons and Events Services – Revenue Controls
 - Purchasing Card Audit (Q3 2025/26)
 - Florida Small Business Development Center – UWF
 - Lab Safety Training
2. Audit follow up activities
3. External audits in progress
 - Auditor General 2025/26 Financial Audit
4. Miscellaneous items
 - IAMC 2025/26 Annual Work Plan Status – May 1, 2026
 - IAMC 2025/26 Required Annual Communication

Implementation Plan:

None

Fiscal Implications:

Fiscal oversight by the Board of Trustees.

Relevant Authority:

BOG Regulation 4.002
IAMC Charter

Supports Strategic Direction(s):

6: Operational Excellence

Supporting Documents:

1. IAMC – Engagement Memos
2. Audit Findings Status – May 1, 2026
3. AG 2025-26 Financial Statement Audit – Engagement Letter
4. IAMC 2025-26 Annual Work Plan Status – May 1, 2026

5. IAMC 2025-26 Required Annual Communication

Prepared by:


David J. Bryant, Chief Audit Executive, IAMC, President's Division, x2638, DBryant1@uwf.edu

Presenter:

David J. Bryant, Chief Audit Executive

February, 5 2026

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 Clery Act Compliance – Campus Security Authority (CSA) Training.

We are performing an advisory service reviewing Clery Act Compliance – Campus Security Authority (CSA) Training. This is a University-planned engagement and part of the approved 2025/26 work plan. The review period is January 1, 2025 through December 31, 2025. The objectives of the advisory service include those listed below, as well as other topics to be determined during the preliminary phase of the work:

- Determine whether UWF has developed an effective methodology for identifying employees meeting the definitions of a CSA
- Evaluate whether identified CSAs have been formally notified of their status
- Evaluate whether CSAs outside the Police Department understand their reporting obligations (when, what, and how to report Clery crimes)
- Assess the Police Department's CSA notification/training program effectiveness
- Determine CSA training completion rates across campus departments, including identifying departments with low or no completion rates and comparing training coverage inside vs. outside the Police Department

An entrance conference is scheduled for February 10, 2026 at 3:00 p.m at the Facilities Services Building - 90/124 South Conference Room. During this meeting we will discuss the terms of this engagement, including the proposed dates of fieldwork. It is expected that the advisory service will be completed by April 2026.

Upon completion of fieldwork, you and your management team will be provided with an exposure draft of the report to allow you to respond to any noted recommendations and/or observations. These responses will be incorporated into the final draft of our 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

**UNIVERSITY of
WEST FLORIDA**

Internal Auditing & Management Consulting

April 6, 2026

To: Dr. Lindsey Woods
Senior Director, Student Engagement and UCES

From: David J. Bryant
Associate Vice President/Chief Audit Executive



Re: Commons and Events – Revenue Controls Audit
Engagement Memo

We are performing an audit of UWF's Commons and Events Services Revenue Controls. This is a University-planned audit and part of the approved 2025/26 work plan. The audit period is July 1, 2025 through June 30, 2026. 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 the end-to-end reservation and event management process to understand the lifecycle of a booking from inquiry to event conclusion.
- Review existing internal policies, procedures, and service-level agreements to ensure they are documented, authorized, and consistently applied to stakeholders.
- Examine the fee structure, invoicing methodology, and collection processes to ensure revenue is accurately captured, categorized, and reconciled.
- Analyze the system of internal controls over revenue cycles to ensure the existence of adequate checks and balances to prevent errors or unauthorized fee modifications.
- Verify the integration and data integrity between reservation platforms (e.g., EMS) and financial systems (e.g., Banner) to ensure reliable financial reporting.

A virtual entrance conference is scheduled for April 8, 2026, at 10:30 am. 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 June 2026.

During the audit, you may be asked to provide a variety of information related to the audit topic, including information that may be confidential, protected by the Family Educational Rights and Privacy Act (FERPA), and/or be classified as exempt under Florida public records laws. Pursuant to BOG Regulation 4.002, Section 119.07(6) Florida Statutes, and 20 U.S.C. §1232g(b)(5), IAMC is permitted full, unrestricted, unmodified, and unredacted access to all records, including those that are confidential, FERPA-protected, and/or otherwise exempt from inspection.

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: Manny Diaz, Jr., President
Trustee Rebecca Matthews, BOT Chair
Trustee Chris Young, BOT Audit & Compliance Committee Chair
Dr. Mary Anderson, VP, DAESA
Lauren Loeffler, Assistant Vice President, Strategic Initiatives & Div Operations
Kennyattah Cox, Director, UCES

Internal Auditing & Management Consulting

April 7, 2026

To: Cass Boatwright
Assistant Vice President/Chief Operating Officer

From: David Bryant
Chief Audit Executive 

Re: Engagement Memo – Purchasing Card (PCard) Audit (Q3 2025/26)

Internal Auditing & Management Consulting is performing our quarterly Purchasing Card (PCard) Audit. This is a University-planned audit and part of the approved 2025/26 work plan. The objectives of the audit are:

- To determine the extent of compliance with the University's Procurement Card policies by cardholders and approvers,
- To confirm the legitimacy of any charges with atypical characteristics, and
- To identify potential internal controls or training needs to improve compliance and efficiency.

The audit will focus on PCard transactions from January 1, 2026 through March 31, 2026. The audit scope includes:

- Review of cardholder transaction documentation for a sample of purchases,
- Verification of proper approvals, receipts, and business purposes,
- Assessment of compliance with purchasing limits, restricted items, reconciliation requirements, and submission/approval deadlines, and
- Testing of selected transactions for policy exceptions or unusual activity.

This audit will be conducted in accordance with the Global Internal Audit Standards, as developed by the Institute of Internal Auditors.

Fieldwork is expected to occur through May 31, 2026.

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. The final report will then be distributed to appropriate senior officials and submitted to the Board of Trustees for review and approval. If necessary, follow-up procedures will be performed to monitor the status of corrective actions.

We look forward to working with your department during the audit process and welcome your questions and comments.

Cc:
Dan Lucas – Vice President for Finance and Administration
Jeffrey Djerlek – Sr. Associate Vice President and Controller

Internal Auditing & Management Consulting

April 10, 2026

To: Kelly Massey
Regional Director

From: David J. Bryant
Associate Vice President/Chief Audit Executive



Re: Audit of Florida SBDC at UWF
Engagement Memo

We are performing an audit of Florida SBDC at UWF. This is a University-planned audit, and part of the Board of Trustees approved 2025/26 work plan. The audit period is July 1, 2025 through June 30, 2026. 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:

- Identify and evaluate the adequacy and effectiveness of controls related to expense documentation, including consultant documentation.
- Evaluate (and test) documentation and processes to ensure the completeness and accuracy of expenses and reimbursements.
- Evaluate (and test) documentation and processes to ensure the completeness and accuracy of consultant records.
- Review compliance with applicable laws, rules, regulations, policies and procedures related to expenses.

An initial entrance/planning conference was held on March 31, 2026, where we discussed the terms of this engagement, including the proposed dates of fieldwork. It is expected that the audit will be completed by June 30, 2026. As you were unable to attend this meeting, we would be happy to meet with you and discuss the audit in further detail.

During the audit, you may be asked to provide a variety of information related to the audit topic, including information that may be confidential, protected by the Family Educational Rights and Privacy Act (FERPA), and/or be classified as exempt under Florida public records laws. Pursuant to BOG Regulation 4.002, Section 119.07(6) Florida Statutes, and 20 U.S.C. §1232g(b)(5), IAMC is permitted full, unrestricted, unmodified, and unredacted access to all records, including those that are confidential, FERPA-protected, and/or otherwise exempt from inspection.

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.



Internal Auditing & Management Consulting

We look forward to working with your department during the course of this audit process and welcome your questions and comments.

Cc: Manny Diaz, Jr., President
 Trustee Rebecca Matthews, BOT Chair
 Trustee Chris Young, Audit & Compliance Committee Chair
 Greg Britton, CEO Florida SBDC Network

Internal Auditing & Management Consulting

April 27, 2026

To: Dr. Jaromy Kuhl
Provost

From: David J. Bryant 
Associate Vice President/Chief Audit Executive

Re: Lab Safety Training Review - Spring 2026
Engagement Memo

We are performing a Management Advisory Service (MAS) of UWF's Lab Safety Training. This is a University-planned engagement and part of the approved 2025/26 work plan. The engagement period is Spring 2026. The objectives of the MAS include those listed below, as well as other topics to be determined during the preliminary phase of the MAS:

- Ensure there is a methodology for identifying individuals who need Lab Safety Training.
- Ensure there is a process to follow up with individuals who have not completed their training.
- Ensure there is a process for assigning training.
- Determine the rate of compliance with Lab Safety Training requirements.

This engagement will begin on **04/28/2026** and is expected to conclude by **06/30/2026**.

During the engagement, you may be asked to provide a variety of information related to the engagement topic, including information that may be confidential, protected by the Family Educational Rights and Privacy Act (FERPA), and/or be classified as exempt under Florida public records laws. Pursuant to BOG Regulation 4.002, Section 119.07(6) Florida Statutes, and 20 U.S.C. §1232g(b)(5), IAMC is permitted full, unrestricted, unmodified, and unredacted access to all records, including those that are confidential, FERPA-protected, and/or otherwise exempt from inspection.

Upon completion of fieldwork, you and your management team will be provided with an exposure draft of the engagement report to allow you to respond to any noted recommendations and/or observations. These responses will be incorporated into the final draft of our engagement 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 engagement process and welcome your questions and comments.

Internal Auditing & Management Consulting

Cc:

Manny Diaz, Jr., President

Dr. Mohamed Khabou, Dean, HMCSE

Dr. Shelley Diviney, Interim Dean, UKCOH

Dr. David Earle, Dean, CASSH

Michael Cobb, Director, EH&S

Derek Krepp, Environmental Coordinator, EH&S

**UWF Internal Auditing and Management Consulting
Audit Findings Follow-Up Status Report
May 1, 2026**

	Audit ID	Finding #	FindingTitle	Report Issued	Initial Implementation Date	Revised Implementation Date
	Current Follow-Ups					
1	25-26_001 Athletics Budget Review and Athlete Degree Progress	1	Retain Intervention Documentation	10/05/25	05/15/26	
2	MAS25-26_006 IIA Cybersecurity Topical Requirement	1a	Changes to IAMC Charter	02/27/26	05/21/26	
3	MAS25-26_006 IIA Cybersecurity Topical Requirement	1b	Changes to BOT Audit and Compliance Committee Charter	02/27/26	05/21/26	
4	24-25_005 Third Party Risk Management	1	Lack of a TPRM Policy and Procedure Framework	06/02/25	05/31/26	
5	24-25_005 Third Party Risk Management	2	Lack of a Third Party Vendor Risk Assessments	06/02/25	05/31/26	
6	24-25_005 Third Party Risk Management	3	Failure to Validate Vendor Taxpayer Identification Numbers (TINS)	06/02/25	05/31/26	
7	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	
8	25-26_006 Student Hazing Prevention	1	Reconciliation of Hazing Education Completion Records	03/06/26	08/01/26	

	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	
	23-24_008 Procurement Competitive Negotiations	3	Provide for Staffing	06/26/24	Implemented	
	24-25_006 Foreign Travel & Screening	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	3	Historical Treasures	09/03/25	Implemented	
	2026-018 - AG - Operational Audit	4	Purchasing Card Cancellations	09/03/25	Implemented	
	25-26_002 International Affairs	1	Recruitment Program Profit/Loss	06/11/25	Implemented	



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74
111 West Madison Street
Tallahassee, Florida 32399-1450



Phone: (850) 412-2722
Fax: (850) 488-6975

April 1, 2026

Mr. Manny Diaz Jr.
University of West Florida
11000 University Parkway
Pensacola, Florida 32514-5750

Dear Mr. Diaz:

In accordance with Section 11.45, Florida Statutes, as the University of West Florida's independent external auditor, we have scheduled an audit of the University of West Florida. The purpose of this letter is to describe the terms of our agreement with respect to management's responsibilities for the financial statements and accompanying information, the Auditor General's responsibility for the audit, and other matters related to our audit of the University.

The objectives of our audit and the responsibilities of the auditor are as follows:

Financial Statements

- 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 opinions as to whether the opinion units that collectively comprise the University's basic financial statements, prepared by management with the oversight of those charged with governance, are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America, for the fiscal year ended June 30, 2026.
- Express an opinion as to whether the presentation of the State of Florida's basic financial statements for the aggregate discretely presented component units for the fiscal year ended June 30, 2026, conform with accounting principles generally accepted in the United States of America. As part of this effort, because the University is a component unit of the State of Florida, we will apply audit procedures to the extent considered necessary to determine whether the University's financial statement information provided to the Florida Board of Governors for inclusion in the State of Florida's basic financial statements for the fiscal year ended June 30, 2026, was complete, accurate, and in conformity with accounting principles generally accepted in the United States of America.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. 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.

Mr. Manny Diaz Jr.

April 1, 2026

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- 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 entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Determine whether the University complied with laws, rules, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of amounts reported on the University's financial statements.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); generally accepted government auditing standards issued by the Comptroller General of the United States. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

At the conclusion of our audit, we will provide you, the University's board of trustees, and the Florida Board of Governors with separate audit reports, as follows:

- **An Independent Auditor's Report** on the University's basic financial statements. In addition, an **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*** which will include compliance and other matters that may have a material effect on the University's financial statements; internal control, including any significant deficiencies; and any other matters that are not considered to be insignificant to the financial statements.
- **An Independent Auditor's Report** regarding the State of Florida's basic financial statements. This report will include the results of our examination of the University's financial statements as a component unit to the State of Florida Board. Our opinion on the presentation of the State of Florida's basic financial statements will be published in the Florida Annual Comprehensive Financial Report, which will be distributed by the Chief Financial Officer, State of Florida.

Our ability to express the opinions and render the reports referred to above, and the wording of our opinions and reports, will depend on the results of the audit and the facts and circumstances at the date of those reports. If circumstances preclude us from issuing unmodified opinions, we will discuss the reasons with you in advance. If circumstances preclude us from completing the audit and issuing our reports as we contemplate, we will advise you and other appropriate parties promptly and take appropriate action.

The reasonable and efficient conduct of the audit requires timely access to records and personnel and that our access to records and University personnel not be restricted. Under generally accepted government auditing standards, the absence of such access may result in a limitation in the scope of our examination, and any such limitation, together with its impact on the audit,

Mr. Manny Diaz Jr.

April 1, 2026

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must be disclosed in our audit report. We respectfully request that you communicate with all affected personnel and component auditors that all financial records, supporting documents, and other related records necessary to complete the audit should be timely furnished to our audit staff. We are aware that, in some instances, certain public records may be considered confidential pursuant to State law, and we will communicate separately with you regarding such records.

Our audit will be conducted on the basis that management acknowledges and understands its responsibility for the preparation and fair presentation of the University's basic financial statements in accordance with accounting principles generally accepted in the United States of America and all accompanying information and the University's financial statement information provided to the Florida Board of Governors for inclusion in the State of Florida's basic financial statements. Encompassed in that responsibility are the design, implementation, and maintenance of effective internal control over financial reporting; the selection and application of appropriate accounting policies and principles; the prevention and detection of fraud; and the identification and disclosure of noncompliance with significant laws, rules, regulations, contracts, or grant agreements.

Management is also responsible for making all records, documentation, and information we request in connection with the audit available to us in a timely manner; communicating to us known or suspected fraud involving management, employees who have significant roles in internal control, or others where the fraud could have a material effect on the University's financial statements, and any allegations of fraud or suspected fraud received in communications from employees, former employees, analysts, regulators, or others; having a process to track the status of audit findings and recommendations and taking corrective action on audit findings included in financial or operational audit reports; adjusting the University's financial statements to correct material misstatements; and at the conclusion of the audit, providing a management representation letter confirming certain representations made during the audit and affirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the respective opinion units contained in the University's basic financial statements.

Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Our audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the University's financial statements; therefore, our audit will require judgment about the number of transactions examined and the areas to be tested.

We will plan and perform the audit to provide reasonable rather than absolute assurance of detecting material noncompliance or misstatements that, in our judgment, could have a direct and material effect on the University's financial statements for each opinion unit, and the University's financial statement information included in the State of Florida's basic financial statements. 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. Misstatements can arise from fraud or error and 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. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned in accordance with GAAS. Consequently, our audit will not necessarily detect all noncompliance or misstatements that might exist due to error or fraud. In addition, an audit is not designed to detect error or fraud that is immaterial to the basic financial statements. Characteristics of fraud include: (a) concealment through collusion among management,

employees, or third parties; (b) withheld, misrepresented, or falsified documentation; and (c) the ability of management to override or instruct others to override what otherwise appears to be effective controls. We will ask management, those charged with governance, and others within the University about known or suspected fraud, the risks of fraud, programs and controls established to prevent and detect fraud, whether management has communicated information about those programs and controls to those charged with governance, and how management communicates to employees its views on business practices and ethical behavior. We will inform you of all matters of fraud, waste, abuse, or other significant unusual transactions that come to our attention unless they are clearly inconsequential to the University's financial statements.

Our audit includes obtaining an understanding of the University and its environment, including its internal control over financial reporting, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Our audit is not designed to provide assurance on the University's internal control over financial reporting or compliance, or to identify significant deficiencies in the design or operation of internal control over financial reporting or compliance. However, we will communicate in writing to you and those charged with governance significant deficiencies that come to our attention, and whether they are material weaknesses in internal control over financial reporting or compliance.

We are required to inform you of any significant risks we have identified as part of our audit planning. According to GAAS, significant risks include management override of controls. Accordingly, we have identified this as a significant risk. If we identify other significant risks or matters during the audit, we will communicate them to you so that you can carry out your oversight responsibilities over the financial reporting process.

Generally accepted government auditing standards require that we be alert to situations or transactions that could be indicative of abuse, which involves behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary business practice given the facts and circumstances. The determination of abuse is subjective, and under generally accepted government auditing standards, we are not expected to provide reasonable assurance of detecting abuse. However, if we become aware of indications of abuse, we will apply procedures to ascertain whether abuse has occurred and its effect on the audit objectives and results of the audit.

In planning our audit, we will follow up on known significant findings and recommendations from previous financial audits, attestation engagements, performance audits, or other studies that directly relate to the objectives of the current audit to determine the effect on our risk assessment and audit procedures.

Pursuant to GAAS, components of group financial statements are defined as any entity or business activity for which group or component management prepares financial information that is required by the applicable financial reporting framework to be included in the group financial statements. Components may include blended or discretely presented component units as defined by the Governmental Accounting Standards Board literature, as well as other entities or business activities for which group or component management prepares financial information required to be included in the group financial statements by the financial reporting framework.

We will conduct audit procedures to evaluate group management's internal controls over the identification of components, and the compilation process for the University's group financial statements to determine our ability to obtain sufficient, appropriate audit evidence on which to base our opinion on the University's group financial statements.

In support of our audit of the University's group financial statements, please provide a listing of all components included in the University's group financial statements you have identified.

Additionally, for each identified component please provide:

- the name of the component's auditor and appropriate contact information;
- any other engagements the component's auditor is involved in with respect to the University's group financial statements;
- the financial reporting framework utilized by the component;
- the auditing standards utilized by the component auditor;
- restrictions, if any, placed on the component auditor's report;
- differences, if any, in accounting policies between the component and University's group financial statements; and
- the reporting date of such component if different from University's group financial statements.

Based upon our understanding of the component auditors obtained from this information and additional audit procedures, we will determine whether to rely on the work of the component auditors or reference to the component auditors audit reports in our report.

For all components identified, please facilitate: a) our unrestricted communication with the component auditors subject to any laws or regulations; b) communication to us of any important communications between the component auditors and component management and those charged with governance of the component, including communications regarding significant deficiencies and material weaknesses in internal controls and; c) communication to us of any important communications between components and regulatory authorities related to the component's financial reporting matters. Additionally, for all components identified, please provide a copy of the component auditor's report on the applicable component's financial statements to us upon receipt of such report; and identify the component as either a blended or discretely presented component unit if applicable.

GAAS require that management's discussion and analysis and certain other required supplementary information (RSI) be presented and supplement the University's basic financial statements. While we will disclaim an opinion on such information, as part of our engagement, we will apply certain limited procedures to the RSI. Those limited procedures will consist principally of inquiries of management regarding methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the University's basic financial statements, and other knowledge obtained during our audit of the University's basic financial statements.

Pursuant to Section 11.45(4)(c), Florida Statutes, our audit working papers and notes are not a public record. We will retain our supporting working papers for five years after the issuance of the related audit report. We will make such working papers available to applicable Federal agencies or the Comptroller General of the United States as part of a quality review, to resolve audit findings, or to carry out oversight responsibilities.

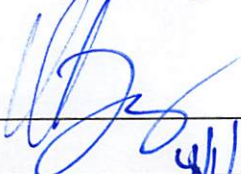
We are required by professional standards to inform you that this letter is intended solely for the information and use of those charged with governance and, as appropriate, management and is not intended to be used by anyone other than those specified parties.

Audit team members will begin audit fieldwork in the Fall, the audit team leader will be Helena Chappo, and I will supervise the audit. As audit supervisor, I am responsible for the direction, supervision, and performance of the audit in compliance with professional standards, applicable legal and regulatory requirements, and Auditor General policies and procedures. I am also responsible for ensuring that the audit report is appropriate in the circumstances, including ensuring that the audit report meets the objectives of and standards applicable to the audit. We look forward to working with you and your staff. Please sign and date below to indicate your acknowledgement of, and agreement with, the arrangements for our audit, including our

Mr. Manny Diaz Jr.
April 1, 2026
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respective responsibilities as outlined in this engagement letter, and return the signed/dated copy to us.

Acknowledged and agreed on behalf of the University of West Florida.



President

Date
4/1/26

Sincerely,



Kenneth C. Danley, CPA
Audit Supervisor
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kendanley@aud.state.fl.us

c: Rebecca Matthews, Board of Trustees Chair
Chris Young, Audit and Compliance Committee Chair
Daniel Lucas, Vice President of Finance and Administration
Jeffrey Djerlek, Associate Vice President of Finance and Preparer of Financial Statements
David Bryant, Associate Vice President/Chief Audit Executive
Ray Rodrigues, Chancellor, Florida Board of Governors
Alan M. Levine, Chair, Florida Board of Governors
Julie Leftheris, Inspector General, Florida Board of Governors
Lori Clark, Compliance Analyst, Florida Board of Governors

UWF Internal Auditing & Management Consulting
2025/26 Work Plan
Status as of 05/01/26

COMPLETED

- Q4 2024/25 PCard Audit
- Q1 2025/26 PCard Audit
- Q2 2025/26 PCard Audit
- Endpoint Protection
- Driver and Vehicle Information Database Review
- Annual Quality Assurance Self-Assessment
- Clery Act Compliance - Training of Campus Security Authorities
- Cybersecurity - Compliance with IIA Standards
- IAMC Annual Report for PY
- Student Hazing Prevention
- Performance-Based Funding - Data Integrity Audit

2025/26	Project #
X	P24-25_003
X	P25-26_001
X	P25-26_002
X	MAS25-26_002
X	MAS25-26_003
X	MAS25-26_004
X	MAS25-26_005
X	MAS25-26_006
X	MAS25-26_007
X	25-26_006
X	25-26_007

IN PROGRESS

- Q3 2025/26 PCard Audit
- Lab Safety Training Review
- Florida Small Business Development Center
- University Commons and Events Services - Revenue Controls

	P25-26_002
	MAS25-26_001
	25-26_004
	25-26_005

OUTSTANDING

- Construction Expenses (moved to 2026/27 work plan)

COMPLETED

11 73.33%

IN PROGRESS

4 26.67%

OUTSTANDING

0 0.00%

TOTAL

15 100.00%

Required Annual Communication

Internal Auditing and Management Consulting

BOG Regulation 4.002

Each board of trustees shall ensure that the university chief audit executive is organizationally independent and objective to perform the responsibilities of the position. The chief audit executive shall communicate to the president and the board of trustees, at least annually, the office's plans and resource requirements, including significant changes, and the impact of resource limitations. Audit engagements shall be performed in accordance with the International Professional Practices Framework (IPPF), published by the Institute of Internal Auditors, Inc. (IIA)

The IPPF includes the IIA Global Internal Audit Standards. These Standards require a variety of matters which must be communicated annually with any board that oversees an internal audit function. In addition to resource planning (financial, staffing, and technology), which was presented to the Board of Trustees (BOT) as a separate agenda item, the following information is required to be communicated annually:

IAMC Independence

IIA Global Internal Audit Standard 7.1 states:

The chief audit executive must confirm to the board the organizational independence of the internal audit function at least annually. This includes communicating incidents where independence may have been impaired and the actions or safeguards employed to address the impairment.

IAMC's independence is mandated in BOG Regulation 4.002. IAMC's independence is documented in the BOT Audit and Compliance Committee (ACC) Charter, which states, "The Chief Audit Executive shall report functionally to the Board of Trustees and administratively to the President." IAMC's reporting structure is reflected in its organizational chart, which includes reporting lines to the Board of Trustees and the University President. In addition, the BOT ACC is responsible for the appointment, reassignment, replacement, or dismissal of the chief audit executive.

IAMC Strategy (Vision and Strategic Objectives)

IIA Global Internal Audit Standard 9.2 states:

The chief audit executive must develop and implement a strategy for the internal audit function that supports the strategic objectives and success of the organization and aligns with the expectations of the board, senior management, and other key stakeholders. The internal audit strategy must include a vision, strategic objectives, and supporting initiatives for the internal audit function.

Vision

IAMC's vision is to be a high-performing internal audit activity that meets the expectations of our stakeholders and adheres to the IIA Global Internal Audit Standards, and other requirements of the IPPF.

Strategic Objectives

IAMC's overall goal is to provide sufficient assurance and consulting coverage for the University and Direct Support Organizations such that governance, risk management, and internal controls are evaluated in the highest risk areas by highly competent auditors.

Strategic Objective 1 – Contribute towards UWF Strategic Direction 6 – Operational Excellence, which includes:

- Goal 6.1: Effective and timely business and operational services informed by best practices.
- Goal 6.2: Ensure student and employee safety and continuity of operations from natural disasters or catastrophic events.
- Goal 6.3: Assure accountability of operations and outcomes to appropriate internal and external stakeholders.

Strategic Objective 2 – Develop and execute a risk-based annual work plan that supports the achievement of the University's objectives.

Strategic Objective 3 – Maintain a quality assurance and improvement program that covers all aspects of the internal audit function.

IAMC Performance

IIA Global Internal Audit Standard 12.2 states:

The chief audit executive must develop objectives to evaluate the internal audit function's performance. The chief audit executive must consider the input and expectations of the board and senior management when developing the performance objectives.

Performance Objectives

Performance Objective 1 – Substantially complete annual work plan each year.

Performance Objective 2 – Monitor the disposition of results communicated to university management and determine whether corrective actions have been effectively implemented.

Performance Objective 3 – Satisfactorily resolve, either by the performance of an investigation or other appropriate resolutions, all formally submitted complaints via UWF Integrity Helpline or other means.

Performance Objective 4 – Recruit, develop, and retain internal auditors who are qualified to successfully implement the internal audit strategy and achieve the internal audit plan.

- Timely recruitment of qualified personnel when vacancies occur
- All IAMC staff obtain at least 40 hours of professional continuing education
- Provide resources and encourage IAMC staff to obtain industry certifications

Performance Objective 5 – Support the University's strategic plan of community and economic engagement through professional advocacy, civic involvement, and campus engagement.

Pursuant to BOG Regulation 4.002 and the IAMC Charter, the chief audit executive will prepare and present a report each year summarizing IAMC's activities for the previous year and its progress towards established performance objectives.