



## Board of Directors Meeting

UWF Historic Trust - J. Earle Bowden Bldg. Classroom 1

Wednesday, December 4, 2024

3:30 to 5:00 p.m.

### Agenda

#### Opening Remarks/ Introduction

- Call to Order / Agenda
- Roll Call / Quorum / Approval of Minutes\*

*Chair, Bruce Vredenburg*

*Secretary, Amber Griffith*

#### Hal Marcus College of Science and Engineering Presentation

*Dean, Mohamed Khabou*

#### Information Reports

- University Update
- Advancement Report
- Alumni Report
- CFO Report

*UWF President, Martha Saunders  
VP for Advancement, Howard Reddy  
Alumni Assoc. President, Whitney Fike  
Foundation CFO, Daniel Lucas*

#### Committee/Officers' Reports

- Executive Committee
  - Actions of the Executive Committee, if any\*
- Investment Committee
  - Quarterly Performance Report\*
  - Earnings vs. Expenses and Other Assets
  - Foundation Student Fellow Update
  - Actions of the Investment Committee, if any\*
- Audit Budget Committee
  - Housing Update & Budget/Expenses
  - Foundation Budget & Unspent Prior Years
- Nominating Committee
  - Report from Chair
- Grant Committee
  - Report from Chair

*Chair, Bruce Vredenburg*

*Vice Chair, Megan Fry*

*Treasurer, Hong Potomski*

*James Hosman*

*Chris Roney*

#### Other Business

- Gift of Remainder Interest\*
- UWF Upcoming Events / Calendar

*Chair, Bruce Vredenburg*

#### Closing Remarks from Chair

*Chair, Bruce Vredenburg*

#### Adjournment

*Chair, Bruce Vredenburg*

\*Indicates possible action item for the Board



BOARD OF DIRECTORS MEETING  
MINUTES

Wednesday, September 11, 2024, 3:30 p.m.  
UWF Historic Trust, Bowden Building Classroom 1

**DRAFT**

**Members Present:** Board Chair Bruce Vredenburg, Gerald Adcox, BOT Rep Dick Baker, Alex Bell, Connie Bookman, DeeDee Davis, Whitney Fike, Megan Fry, Charles Gheen, Amber Griffith, James Hosman, Denis McKinnon, Victoria Mullet, Hong Potomski, Jacob Shively, Rodney Sutton, Cyndi Warren, Jeff Weeks, Stephen Wright, FSF Quinton Amaral, and FSF Nicolas Mielke

**Members Absent:** Carey Griffin, Nikki Nash, John Porter, Bill Rone, Chris Roney, Kathy Sandstrom, and Pres. Martha Saunders

**Staff Present:** Howard Reddy, Daniel Lucas, E. Jan Butts, Sarah Schmuck, Geri Battist, Peggy Do-Malden, Claire Stewart, Tori Bennett, Justin Bennet, Brett Berg, Robin Zimmern, Christy Rogers, Sierra Ebert, Gary Holloway, Karen Molek, and Jessica Scholl

**Guests:** Les Battist

Public access to this meeting was available by contacting Sarah Schmuck ([sschmuck@uwf.edu](mailto:sschmuck@uwf.edu), 850-474-3306) to request the call-in number and passcode or to attend in person at 120 Church Street, Pensacola, Florida.

**Call to Order:** Chair Bruce Vredenburg called the meeting to order at 3:30 p.m.

**Opening Remarks and Roll Call:** Chair Vredenburg welcomed the board to the first meeting of the fiscal year. Secretary Amber Griffith asked the staff to call roll. Staff confirmed the attendance of 19 board members, establishing a quorum.

**Approval of the Minutes:** Secretary Griffith verified that the board members had received and reviewed the June 12, 2024, meeting minutes.

**ACTION ITEM:** Charles Gheen made the motion to approve the minutes as written and Dick Baker seconded. Chair Vredenburg acknowledged the motion and verified there were no changes or corrections to the minutes. Hearing no questions, Chair Vredenburg called for a vote, and the motion unanimously passed.

**Introduction of New Board Members:** Chair Vredenburg recognized the new board members present and asked that they introduce themselves to the group. Afterwards, the remaining board members and staff did likewise.

**Usha Kundu, MD College of Health Presentation:** Dr. David Bellar addressed the group and gave a presentation on the Usha Kundu, MD College of Health. He reviewed the mission and vision of the college and their record enrollment. He further reported on department composition; comprised of seven schools or departments. Dean Bellar gave an overview of new workforce pipeline initiatives such as their 2<sup>nd</sup> cohort of BSN students that will be on the Ascension Sacred Heart campus this fall and the new gift of space from Santa Rosa Medical Center to have the Direct Entry Master's Nursing students educated at the hospital campus. Additionally, the college will be starting their 3<sup>rd</sup> cohort of Nursing students supported by Baptist Healthcare and the LINE program through the state of Florida. The college will also be starting a respiratory therapy program to meet the needs of the local area. Dean Bellar continued his presentation with key community activities, new communication strategies including the #UKunduGood campaign, and research activities. Dean Bellar recognized the gift of Stephen and Mona Wright to establish the Wright Family Institute for Global and Population Health. He then briefed the board on the college's goals for the year and took questions from board members.

Afterwards Chair Vredenburg thanked Dr. Bellar for his time and presentation.

### **Informational Reports:**

**Advancement Report:** Vice President Howard Reddy provided an overview of the Advancement highlights and reported the record number of dollars raised at the closing of the 2023-2024 fiscal year totaling \$29.6 million. Mr. Reddy shared a summary of recent major gifts, and reported on monies raised since July 1, 2024, totaling \$1.9 million. Mr. Reddy announced that gift officers will be reaching out to board members to discuss opportunities and match the passion of donors with departments on campus.

FRESH CATCH: Charles Gheen was recognized for working with the Santa Rosa Triathlon. They created two endowed scholarships to support swimming, diving, and cross country. That relationship also led to the creation of the Coach John Murray Memorial Scholarship which also benefits swimming, diving, and cross country.

**Alumni Report:** Alumni Association Board President Whitney Fike provided an update for the UWF Alumni Association including the announcement of an alumni-owned business directory. Those who subscribe to the directory will be given an "Argo Owned" window cling. For alumni teacher recognition, "An Argo Teaches Here" window cling is also available. Ms. Fike reported that the UWF license plates are here to stay. Those who purchase a UWF license plate or tag renewal will help provide scholarships for UWF students. In addition, the Alumni Travel Program continues to thrive with 2026 locations announced: Spotlight on the French Riviera, Irish Splendor, Classical Greece, and Alaska Discovery. Ms. Fike reminded the group about the next alumni event at Bogey's on Thursday, September 26<sup>th</sup>. Afterwards she concluded her report.

**CFO's Report:** Chief Financial Officer Dan Lucas recognized the Foundation Student Fellows in attendance and reviewed their role; including insight into Foundation operations and governance exposure. Mr. Lucas reported that housing occupancy is at 100% with a waiting list and that the university is working on a housing demand study to build another residence hall on campus. Mr. Lucas reported that investments are doing well. He then briefed the board on the annual audit that came back with a clean opinion.

### **Reports of Board Officers & Committees:**

**Executive Committee:** Board Chair Vredenburg gave an overview of the proposed slate of officers and asked the board for approval.

ACTION ITEM: Charles Gheen made the motion to ratify the slate of officers as written and Rodney Sutton seconded. Chair Vredenburg acknowledged the motion and hearing no questions, called for a vote. The motion unanimously passed.

**Investment Committee:** Investment Committee Chair Megan Fry provided an overview of the market values, cash flow summary, and asset rebalancing analysis. Ms. Fry reported that CAPTRUST has been asked to offer additional real estate strategies and presented a recommendation from CAPTRUST to the board to ratify the action approved by the Investment Committee to rebalance the portfolio from US and International equity to fixed income.

ACTION ITEM: Rodney Sutton made the motion to ratify the recommendation from CAPTRUST to move \$3 million from equities into the two fixed income categories and was seconded by Charles Gheen. Chair Vredenburg acknowledged the motion and hearing no questions, called for a vote. The motion unanimously passed.

Afterwards, Dan Lucas gave a presentation on the endowment status review as well as an earnings and expenses comparison. He also reviewed other UWF Foundation assets.

**Audit Budget Committee:** *Acting* Chair Vredenburg briefed the board on the 2024 UWF Foundation Draft Audited Financial Statements. He reported that the external auditors provided a clean opinion on the audited financial statements, assessed environments within the Foundation, and performed a compliance audit including gifts with matching state funds.

- ACTION ITEM: Charles Gheen made the motion to ratify the recommendation from the Audit Budget Committee to approve the 2024 UWF Foundation Draft Audited Financial Statements as submitted subject to any material changes at issuance, and Mr. Rodney Sutton seconded. *Acting* Chair Vredenburg acknowledged the motion and hearing no questions, called for a vote. The motion unanimously passed.

Afterwards Mr. Howard Reddy recognized Mr. Dan Lucas, Ms. Jan Butts, and the Foundation staff for their diligent and tireless work on the audit.

*Acting* Chair Vredenburg reported on summer 2024 housing occupancy including summer camp numbers and the closing of the aquatic center. The past months have been busy with campus

projects such as the chiller coil replacement in Martin Hall and completion of phase 1 in Presidents Hall. It was announced that fall program occupancy is at an all-time high of 100% and that the University of West Florida is in line with other SUS institutions in terms of Fall 2024 housing occupancy.

Afterwards, Mr. Dan Lucas reviewed the housing budget to actuals and confirmed that revenues are better than expected. Housing is staying within budget and a healthy debt coverage ratio was noted. The Foundation's operating budget was reviewed and within budget.

**Other Business:** Chair Vredenburg reviewed the University of West Florida upcoming events and encouraged participation where schedules allowed. He then directed the board members' attention to the conflict-of-interest policy and requested they complete their conflict-of-interest forms for compliance purposes.

Chair Vredenburg then read a board resolution in honor of Ms. Geri Battist in recognition of her service to the University and Foundation Board.

**Adjournment:** There being no further business to discuss, Chair Vredenburg adjourned the meeting at 5:08 p.m.

Minutes were prepared by Sarah Schmuck.



**UWF Foundation, Inc.**  
UNIVERSITY of WEST FLORIDA

Board of Directors – Executive Committee Meeting

UWF Historic Trust – J. Earle Bowden Building, Classroom #1

Wednesday, November 13, 2024

**DRAFT MINUTES**

Present Committee Members: Bruce Vredenburg, Megan Fry, Hong Potomski, and President Martha Saunders

Absent Committee Members: Dick Baker, Amber Griffith, James Hosman, and Whitney Fike

Staff: Howard Reddy, Dan Lucas, Jan Butts, Peggy Do-Malden, and Sarah Schmuck

**Call to Order:** Chair Bruce Vredenburg called the meeting to order at 3:35 p.m.

**Opening Remarks and Roll Call:** After welcoming the group, Mr. Vredenburg asked staff to call roll. Afterwards staff confirmed the attendance of four committee members, establishing a quorum.

**Approval of Minutes:** Chair Vredenburg verified that the board members had received and reviewed the August 28, 2024, minutes.

- **ACTION ITEM:** Ms. Hong Potomski made the motion to approve the minutes as written and was seconded by Ms. Megan Fry. Chair Vredenburg acknowledged the motion and verified there were no changes or corrections to the minutes. Hearing no questions, Mr. Vredenburg called for a vote, and the motion unanimously passed.

**University Reports:** President Martha Saunders addressed the committee and reported that construction projects are going very well. She further noted the ribbon cutting for the Sandy Sansing Sports Medicine Center. Dr. Saunders made special mention of the various university

partnerships that helped make the center possible. Additionally, she reported that the southside dorms are being demolished, but that the university is hoping to replicate at least one to make it into an event space. President Saunders confirmed that the university's workforce alignment is doing well and that the university is well positioned.

**Advancement Report:** Vice President Howard Reddy provided University Advancement highlights. He reported \$3,671,337 in donations. He then provided an overview of recent gifts, including gifts to the Pensacola Museum of Art, WUWF, and the Wright Family Institute for Global and Population Health. After taking questions, Mr. Reddy concluded his report.

**CFO Report:** Mr. Dan Lucas briefed committee members on the NXT migration update and announced it was a success. He also provided a brief overview of a housing demand study and announced that housing is up around 100% occupancy. Mr. Lucas further reported that investments are doing well. Afterwards, Mr. Lucas concluded his report.

**Investment Committee Report:** Chair Megan Fry briefed the committee on a presentation given by Foundation Student Fellow, Quinton Amaral, entitled *Growth Mindset: A Look At AppLovin's Explosive Returns*. She noted that CAPTRUST gave the committee an overview of alternative investment vehicles including a marketing commentary on stocks, bonds, and a post-election economic outlook. Afterwards Mr. Mike Valone, CAPTRUST, presented the market summary and quarterly performance report ending September 30, 2024. The portfolio did well in the last quarter with total market value assets going from \$132,139,068 at the start of the quarter to \$137,862,274 (YTD) by the end of the quarter. Afterwards Mr. Will Volkmann addressed the committee on private alternatives including reports on real estate, private equity and credit. The Investment Committee sought the Executive Committee's approval to ratify the following three recommendations made by CAPTRUST.

Invest a total of \$6 million with \$3 million in Ares U.S. Real Estate Fund IX, \$1.5 million in private equity LLR Equity Partners VII, and \$1.5 million in T. Rowe Price OHA Select Private Credit Fund.

- **ACTION ITEM:** Chair Fry called for a motion to approve all three investment strategies from CAPTRUST as stated above. Ms. Hong Potomski made the motion to ratify the recommendation and was seconded by Mr. Bruce Vredenburg. Hearing no questions, Board Chair Vredenburg called for a vote, and the motion unanimously passed.

Investment Committee Chair Megan Fry continued her briefing regarding the spending policy. She then asked the Executive Committee's approval to ratify the decision of the Investment Committee to keep the spending policy the same.

- **ACTION ITEM:** Chair Fry called for a motion to affirm the 4% spending rate. Ms. Hong Potomski made the motion to ratify the recommendation and was seconded by

Mr. Bruce Vredenburg. Hearing no questions, Board Chair Vredenburg called for a vote, and the motion unanimously passed.

Afterwards Chair Vredenburg spoke on the Foundation Student Fellows program, noting Mr. Amaral's presentation and how the three current FSFs have actively participated in the program.

**Audit Committee Report:** Chair Hong Potomski gave the committee an overview of the Housing and Residence Life presentation including strong occupancy for Fall 2024. She noted that Housing is waiting for the results of a market analysis study to support the trends they have already seen and to gauge demand. In addition, Housing is continuously reviewing their waitlist and is looking at adding additional spaces to the Nursing LLC (Living Learning Community) in Fall 2025. Chair Potomski further reported on the hiring of a new Senior Associate Director of Facilities.

Following the housing report, Mr. Dan Lucas reviewed the Foundation budget and financial reports including budget to actual and prior years unspent budget report. Mr. Lucas confirmed that all variances are within budget. Chair Potomski concluded her report by noting that Mr. Lucas reviewed the internal controls of the Foundation as well as a review of fraud responsibilities.

**Nominating Committee Report:** Acting Chair Bruce Vredenburg reported that the Nominating Committee began their meeting with a review of the committee's charge. Roles and responsibilities of board members were reviewed, and names of potential members were discussed.

**Other Business:** Mr. Dan Lucas and Mr. Howard Reddy briefed the committee on a gift of remainder interest in DeFuniak Springs that will be overseen by the Historic Trust.

- **ACTION ITEM:** Ms. Megan Fry made a motion to accept the remainder interest for 676 Circle Drive, DeFuniak Springs, FL, 32435 and was seconded by Ms. Hong Potomski. Hearing no questions, Board Chair Vredenburg called for a vote, and the motion unanimously passed.

Chair Vredenburg called the committee members' attention to the upcoming UWF events, including the next full board meeting on December 4<sup>th</sup>, 2024, and the Holiday Fest following the meeting.

**Adjournment:** With no further business to discuss, the meeting was adjourned at 4:12 p.m.

Minutes were prepared by Sarah Schmuck.

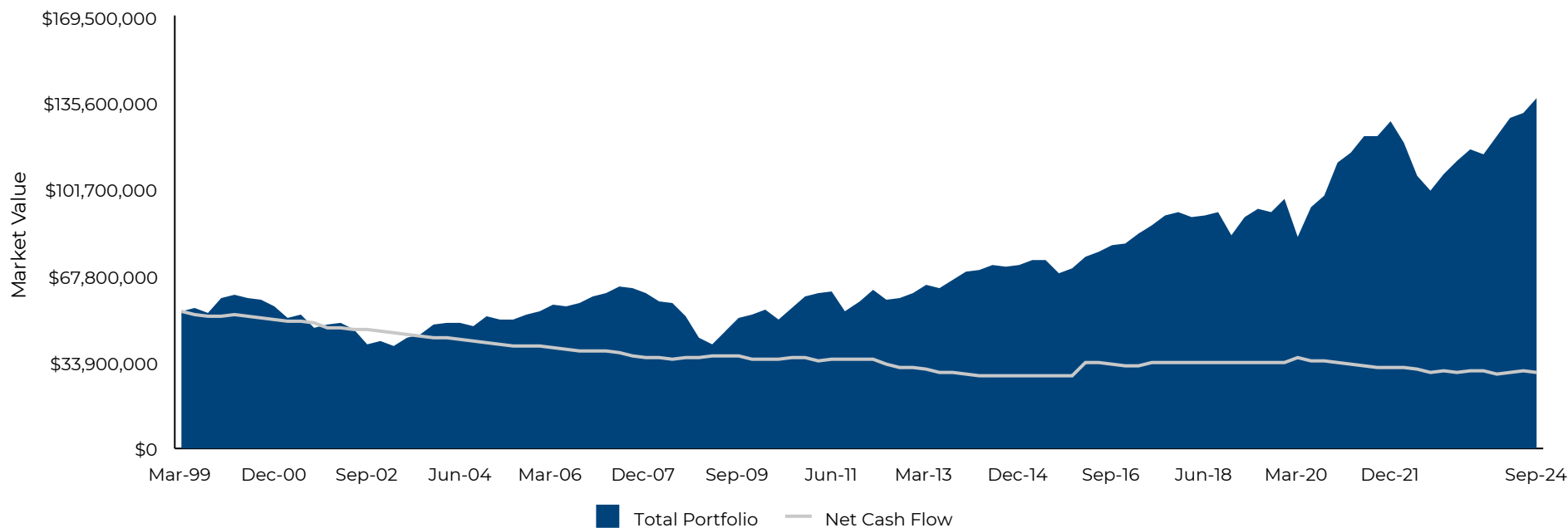


# MARKET VALUES & CASH FLOW SUMMARY

Period Ending 9.30.24 | Q3 24

University of West Florida Foundation, Inc.

## MARKET VALUES & CASH FLOW SUMMARY



	Last 3 Months	FYTD	FY2024	FY2023	FY2022	Since Inception	Inception Date
Total Portfolio							04/01/1999
Beginning Market Value	\$132,139,068	\$132,139,068	\$117,778,080	\$107,313,614	\$122,659,069	\$53,608,325	
Net Flows	-\$557,000	-\$557,000	\$55,471	-\$687,704	-\$1,509,971	-\$23,853,658	
Gain/Loss	\$6,280,206	\$6,280,206	\$14,305,517	\$11,152,171	-\$13,835,483	\$108,107,607	
Ending Market Value	\$137,862,274	\$137,862,274	\$132,139,068	\$117,778,080	\$107,313,614	\$137,862,274	

The summary has been compiled using data from sources believed to be reliable but is not guaranteed to be accurate or complete. Please refer to the official custodial account statement for verification. For Institutional Use Only. Fiscal Year ending June.

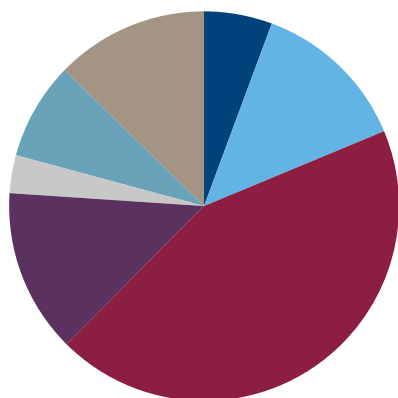


# ASSET ALLOCATION SUMMARY

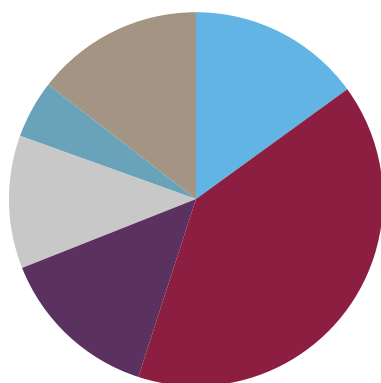
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University of West Florida Foundation, Inc.

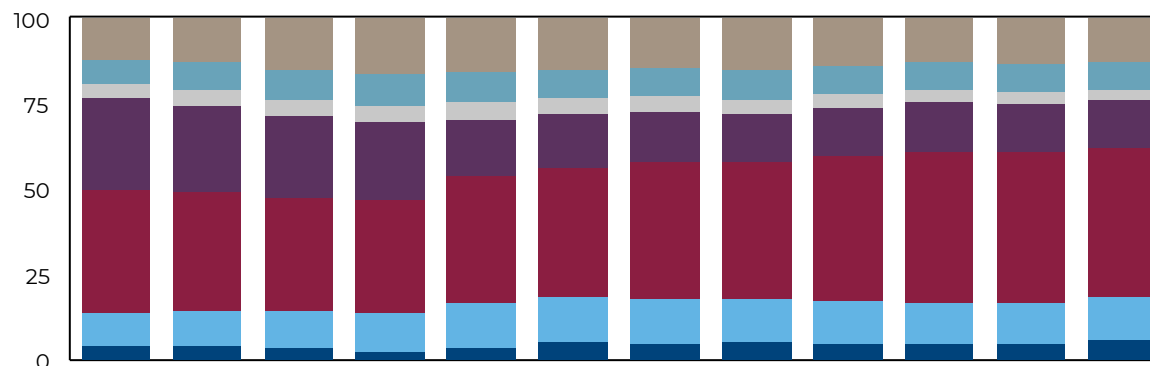
## ACTUAL ALLOCATION



## TARGET ALLOCATION



## HISTORIC ALLOCATION TREND



### QUARTERLY HISTORIC ALLOCATION TREND

	12 21 (%)	03 22 (%)	06 22 (%)	09 22 (%)	12 22 (%)	03 23 (%)	06 23 (%)	09 23 (%)	12 23 (%)	03 24 (%)	06 24 (%)	09 24 (%)
■	4.07	4.31	3.75	2.51	3.38	5.04	4.93	5.11	4.87	4.70	4.69	5.65
■	10.16	10.34	10.90	11.29	13.63	13.37	12.82	12.78	12.70	12.07	11.92	13.06
■	35.61	34.96	32.73	33.27	37.12	38.25	40.47	40.37	42.38	44.36	44.23	43.75
■	26.74	24.89	23.93	22.78	16.34	15.14	14.17	13.64	14.00	14.25	14.06	13.60
■	4.17	4.67	4.61	4.77	4.93	4.82	4.75	4.39	4.03	3.49	3.43	3.15
■	7.28	7.91	8.70	8.97	8.73	8.45	8.26	8.61	8.33	8.08	8.15	8.10
■	11.96	12.92	15.38	16.42	15.87	14.93	14.59	15.10	13.70	13.04	13.52	12.69

### ASSET REBALANCING ANALYSIS

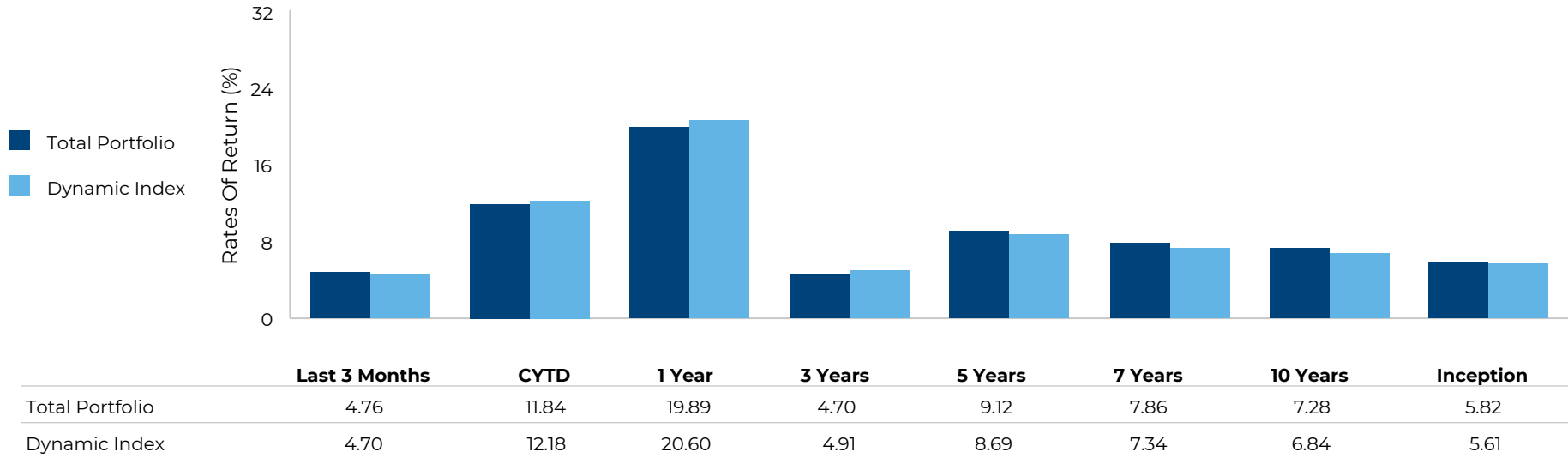
Asset Class	Asset Allocation (%)	Target Allocation (%)	(+/-) Variance (%)
■ Total Cash & Equivalents	5.65	0.00	5.65
■ Total Fixed Income	13.06	15.00	-1.94
■ Total U.S. Equities	43.75	40.00	3.75
■ Total International Equities	13.60	14.00	-0.40
■ Total Real Estate	3.15	11.50	-8.35
■ Total Strategic Opportunities	8.10	5.00	3.10
■ Total Private Equity/Debt	12.69	14.50	-1.81

The summary has been compiled using data from sources believed to be reliable but is not guaranteed to be accurate or complete. For Institutional Use Only.

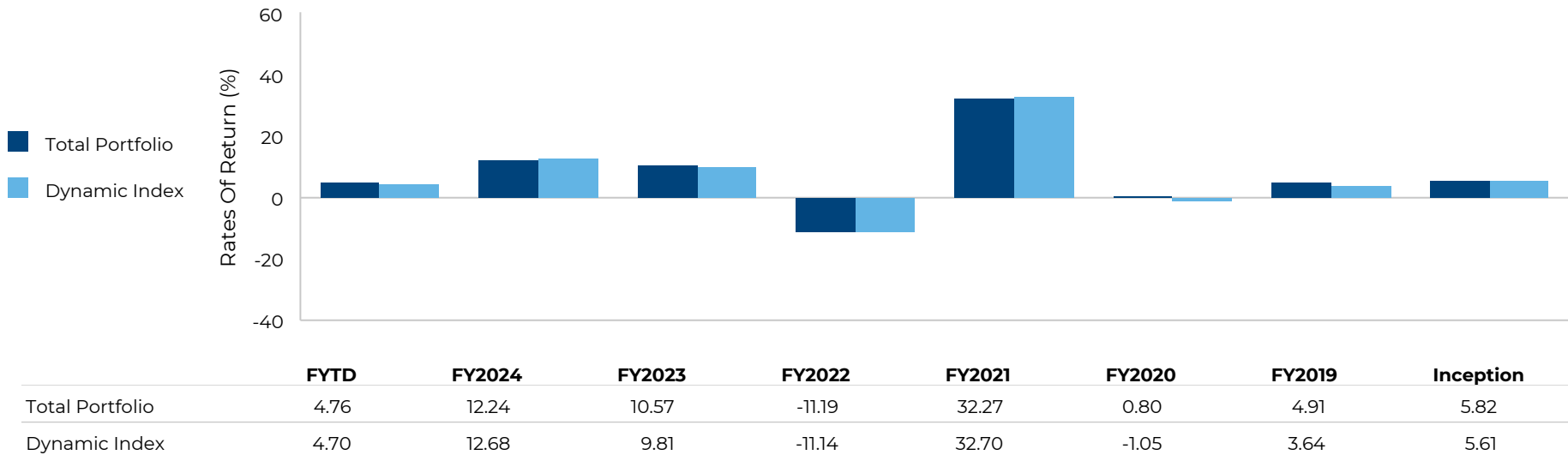


University of West Florida Foundation, Inc.

**TOTAL PORTFOLIO TRAILING PERFORMANCE**



**TOTAL PORTFOLIO FISCAL YEAR PERFORMANCE**



Performance returns over one-year are annualized. For important details regarding benchmarks, please refer the slides entitled "Total Fund Policy Benchmark Summary" in this presentation. Fiscal Year ending June.



# UWF FOUNDATION REBALANCER – NOVEMBER 12, 2024

Asset Class	Investment	Current Holdings		IPS Targets	Recommended Trades	Post-Trade Allocation	
		\$	%			\$	%
Cash	Principal Sweep Cash	\$ 315,536	0.2%			\$ 315,536	0.2%
Cash	PIMCO Short Term Instl	\$ 6,012,384	4.3%			\$ 6,012,384	4.3%
<b>Cash</b>		<b>\$ 6,327,920</b>	<b>4.5%</b>	<b>0%</b>		<b>\$ 6,327,920</b>	<b>4.5%</b>
Fixed Income	Barrow Hanley Total Return	\$ 10,912,188	7.8%			\$ 10,912,188	7.8%
Fixed Income	Barrow Hanley Credit Opportunities	\$ 617,034	0.4%			\$ 617,034	0.4%
Fixed Income	PIMCO Diversified Income	\$ 3,007,127	2.2%			\$ 3,007,127	2.2%
Fixed Income	Carillon Chartwell Short Duration High Yield	\$ 2,358,751	1.7%			\$ 2,358,751	1.7%
Fixed Income	Argo Student Managed Fixed Income	\$ 1,096,574	0.8%			\$ 1,096,574	0.8%
<b>FIXED INCOME TOTAL</b>		<b>\$ 17,991,674</b>	<b>12.9%</b>	<b>15%</b>		<b>\$ 17,991,674</b>	<b>12.9%</b>
US Large Cap Core/Value	Eagle Capital Management	\$ 14,293,392	10.3%			\$ 14,293,392	10.3%
US Large Cap Core	Vanguard 500 Index Admiral	\$ 13,238,915	9.5%			\$ 13,238,915	9.5%
US Large Cap Growth	Fidelity Large Cap Growth Index	\$ 8,221,907	5.9%			\$ 8,221,907	5.9%
US Large Cap Value	Seizert Large Cap Value	\$ 8,436,924	6.1%			\$ 8,436,924	6.1%
US Large Cap Equity	Argo Student Managed Equity	\$ 759,836	0.5%			\$ 759,836	0.5%
US Mid Cap Equity	Atlanta Capital SMID	\$ 6,388,508	4.6%			\$ 6,388,508	4.6%
US Small Cap Equity	Conestoga Small Cap Investors	\$ 5,032,181	3.6%			\$ 5,032,181	3.6%
US Small Cap Equity	Fuller & Thaler Behavioral Small Cap	\$ 7,340,283	5.3%			\$ 7,340,283	5.3%
<b>US Equity</b>		<b>\$ 63,711,946</b>	<b>45.7%</b>	<b>40%</b>		<b>\$ 63,711,946</b>	<b>45.7%</b>
International - Growth	WCM Focused Growth	\$ 8,925,777	6.4%			\$ 8,925,777	6.4%
International - Value	Dodge & Cox Int'l	\$ 5,905,361	4.2%			\$ 5,905,361	4.2%
Emerging Markets	Baillie Gifford Emerging Markets K	\$ 3,450,826	2.5%			\$ 3,450,826	2.5%
<b>International Equity</b>		<b>\$ 18,281,964</b>	<b>13.1%</b>	<b>14%</b>		<b>\$ 18,281,964</b>	<b>13.1%</b>
<b>EQUITY TOTAL</b>		<b>\$ 81,993,910</b>	<b>58.8%</b>	<b>54%</b>		<b>\$ 81,993,910</b>	<b>58.8%</b>
Hedge Fund	Ironwood International Ltd.	\$ 5,122,349	3.7%			\$ 5,122,349	3.7%
Hedge Fund	Canyon Balanced Fund Ltd.	\$ 3,021,238	2.2%			\$ 3,021,238	2.2%
Hedge Fund	Renaissance RIEF	\$ 3,086,063	2.2%			\$ 3,086,063	2.2%
<b>Hedge Fund Total</b>		<b>\$ 11,229,650</b>	<b>8.1%</b>	<b>5%</b>		<b>\$ 11,229,650</b>	<b>8.1%</b>
Real Estate	Harbert US RE Fund V*	\$ 16,780	0.0%			\$ 16,780	0.0%
Real Estate	Harbert US RE Fund VI*	\$ 814,822	0.6%			\$ 814,822	0.6%
Real Estate	Harbert US RE Fund VII*	\$ 3,506,971	2.5%			\$ 3,506,971	2.5%
<b>Real Estate Total</b>		<b>\$ 4,338,573</b>	<b>3.1%</b>	<b>11.5%</b>		<b>\$ 4,338,573</b>	<b>3.1%</b>
Private Equity	Portfolio Advisors V*	\$ 54,590	0.0%			\$ 54,590	0.0%
Private Equity	Portfolio Advisors VII*	\$ 335,572	0.2%			\$ 335,572	0.2%
Private Equity	Portfolio Advisors X*	\$ 5,364,388	3.8%			\$ 5,364,388	3.8%
Private Equity	Portfolio Advisors Secondary Fund III, L.P.*	\$ 1,433,125	1.0%			\$ 1,433,125	1.0%
Private Equity	Portfolio Advisors Secondary Fund IV, L.P.*	\$ 3,958,137	2.8%			\$ 3,958,137	2.8%
Private Equity	StepStone Pioneer Capital III, L.P.*	\$ 45,453	0.0%			\$ 45,453	0.0%
Private Equity	AEA Investors Fund VIII	\$ 332,424	0.2%			\$ 332,424	0.2%
<b>Private Equity Total</b>		<b>\$ 11,523,689</b>	<b>8.3%</b>	<b>9.5%</b>		<b>\$ 11,523,689</b>	<b>8.3%</b>
Private Credit	Portfolio Advisors Direct Credit II*	\$ 395,551	0.3%			\$ 395,551	0.3%
Private Credit	Portfolio Advisors Direct Credit III*	\$ 3,779,511	2.7%			\$ 3,779,511	2.7%
Private Credit	Golub Capital Partners Intl 12, L.P.*	\$ 1,800,000	1.3%			\$ 1,800,000	1.3%
<b>Private Credit Total</b>		<b>\$ 5,975,062</b>	<b>4.3%</b>	<b>5.0%</b>		<b>\$ 5,975,062</b>	<b>4.3%</b>
<b>ALTERNATIVES TOTAL</b>		<b>\$ 33,066,974</b>	<b>23.7%</b>	<b>31%</b>		<b>\$ 33,066,974</b>	<b>23.7%</b>
<b>Total</b>		<b>\$ 139,380,478</b>	<b>100.0%</b>	<b>100%</b>	<b>\$ -</b>	<b>\$ 139,380,478</b>	<b>100%</b>

\*Market Values as of 6/30/24



**The University of West Florida Foundation, Inc.**  
**Earnings vs Expenses Obligated**  
**As of September 30, 2024**

<b>Investment Earnings</b>	<u><b>9/30/2024</b></u>	<u><b>To Date</b></u>
Interest Income	\$ 148,904.10	\$ 148,904.10
Dividend Income	258,459.66	258,459.66
Realized Gain/Loss	2,647,346.05	2,647,346.05
Unrealized Gain/Loss	3,252,065.19	3,252,065.19
Other Charges & Fees	(1,059.42)	(1,059.42)
Investment Fees	(63,441.43)	(63,441.43)
Consultant Fees	(32,978.54)	(32,978.54)
<b>Total</b>	<u><u>\$ 6,209,295.61</u></u>	<u><u>\$ 6,209,295.61</u></u>

<b>Expenses Obligated</b>	<b>Spending Rate @ 4.00% FY 24/25</b>	<b>Spending Rate @ 4.00% FY 23/24</b>	<b>Spending Rate @ 4.00% FY 22/23</b>	<b>Spending Rate @ 4.00% FY 21/22</b>	<b>Spending Rate @ 4.00% FY 20/21</b>
Investment Earnings	\$ 6,209,295.61	\$ 12,790,090.21	\$ 10,011,302.79	\$ (14,128,426.64)	\$ 27,976,251.13
Dept. Allocated Spending	2,834,548.88	3,384,756.08	3,247,334.33	2,962,597.25	2,833,960.70
Operating Budget	2,026,042.00	1,889,487.00	1,810,086.00	1,630,148.00	1,592,632.00
Non-Endowed Budget	937,000.00	902,000.00	842,000.00	789,000.00	726,000.00
<b>Total Committed Expenses</b>	<u>5,797,590.88</u>	<u>6,176,243.08</u>	<u>5,899,420.33</u>	<u>5,381,745.25</u>	<u>5,152,592.70</u>
<b>Income Versus Expenses</b>	<u><u>\$ 411,704.73</u></u>	<u><u>\$ 6,613,847.13</u></u>	<u><u>\$ 4,111,882.46</u></u>	<u><u>\$ (19,510,171.89)</u></u>	<u><u>\$ 22,823,658.43</u></u>

## Other UWF Foundation Assets

### Charitable Gift Annuity

**Definition:** A charitable gift annuity enables you to transfer cash or marketable securities to the charitable organization issuing the gift annuity in exchange for a current income tax deduction and the organization's promise to make fixed annual payments to you for life. Annuity payments can begin immediately or can be deferred to some future date.

#### Current Assets held by the UWF Foundation as of 9/30/2024

Cornerstone	\$ 2,901,685.99
Annuitant 2	\$ 10,109.01
Annuitant 3	\$ 2,735,775.99
Annuitant 4	\$ 155,800.98

#### Annuity Commitments as of 6/30/2024

	Commitment	Age
Annuitant 2	\$ 6,258.26 **	94 @ 06.30.24
Annuitant 3	\$ 1,562,935.19 **	84 @ 06.30.24
Annuitant 4	\$ 96,529.14 **	82-88 @ 06.30.24

\*\*6.30.24 FASB Balances adjusted for Annuity Payments; alignment of calculation done by Cornerstone fiscal year end.

### Insurance

Insurance Commitments as of 6/30/2024 ***				
	Face Value	Cash Value	Interest Credit	Cost Per Year
Insurant 1	\$ 100,000	\$ 60,343.06	\$2,810.73	\$ 848.35
Insurant 3	\$ 175,000	\$ 14,801.09	-	-
Insurant 4	\$ 50,000	\$ 17,045.97	\$ 2,111.32	\$ 609.90
Insurant 5	\$ 1,000,000	\$ 262,879.66	\$ 8,282.82	\$ 65,000.00

\*\*\*Numbers represent 6.30.24 balances as information is only supplied at year end from insurance companies.



UNIVERSITY *of*  
WEST FLORIDA

# Housing and Residence Life

*Fall 2024 & Spring 2025*

# Fall 2024 Recap

## Fall 2024 Program Capacity: 1,580

Current Occupancy	1,559 residents (98%)
Occupancy Goal	1,560 (98%)
Budgeted Occupancy	1,530 (96%)

	<u>Occupancy</u>	<u>Program Capacity</u>
<b>Fall 2023</b>	1,512 (96%)	1,559
<b>Fall 2022</b>	1,461 (97%)	1,495
<b>Fall 2021</b>	1,445 (98%)	1,467



# Summer 2025 Projects

## Anticipated Summer Projects

<u>Location</u>	<u>Project</u>	<u>Estimated Cost</u>
Village West	½ HVAC unit replacement (2 of 4 buildings)	\$323,000
Martin Hall	Boiler Removal/Hot Water on Demand System	\$149,000
All Buildings	Painting, minors repairs, pressure washing, pest control	\$290,000
<b>Estimated Total:</b>		<b>\$762,000</b>

## Looking ahead...

- Spring only contract
- Continuous review of the waitlist
- Review of graduating seniors (57) & IEP students (20)
- Extending spring contracts individually
- Anticipated occupancy: 98%-100%

- Contract open February 3rd
- Returner contract to close March 21st
- FTIC & Transfer contract to close April 25th
- Automatic transition to standby list
- Continue standby list through the year

Bonus: looking to add additional spaces to Nursing LLC Fall 2025

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**University of West Florida Foundation**  
**Income Statement**  
Housing Budget to Actual for the UWF Foundation Board

		Quarter Ending				Year to Date					Notes
		Actual	Budget	Variance Amt.	Variance %	Actual to Date	Budget to Date	Variance Amt.	Variance %	Budget	
		9/30/2024	9/30/2024	9/30/2024	9/30/2024	9/30/2024	9/30/2024	9/30/2024	9/30/2024	6/30/2025	
<b>Revenues</b>											
97-42113	INTEREST INCOME - HOUSING	\$22,395.94	\$18,900.00	\$3,495.94	18.50%	\$22,395.94	\$18,900.00	\$3,495.94	18.50%	\$70,200.00	
97-42114	INTEREST INCOME - SPIA	\$46,774.34	\$43,000.00	\$3,774.34	8.78%	\$46,774.34	\$43,000.00	\$3,774.34	8.78%	\$245,000.00	
97-42400	UNREALIZED GAIN/LOSS	\$6,186.88	\$0.00	\$6,186.88	0.00%	\$6,186.88	\$0.00	\$6,186.88	0.00%	\$0.00	
97-43012	RENTAL INCOME - HOUSING	\$4,880,462.17	\$4,993,100.00	(\$112,637.83)	(2.26%)	\$4,880,462.17	\$4,993,100.00	(\$112,637.83)	(2.26%)	\$11,180,525.00	
97-44000	CONCESSIONS REVENUE	\$12,045.53	\$5,921.67	\$6,123.86	103.41%	\$12,045.53	\$5,921.67	\$6,123.86	103.41%	\$82,000.00	
97-45000	OTHER INCOME - HOUSING	\$58,089.51	\$26,000.00	\$32,089.51	123.42%	\$58,089.51	\$26,000.00	\$32,089.51	123.42%	\$145,000.00	
<b>Total Revenues</b>		<b>\$5,025,954.37</b>	<b>\$5,086,921.67</b>	<b>(\$60,967.30)</b>	<b>(1.20%)</b>	<b>\$5,025,954.37</b>	<b>\$5,086,921.67</b>	<b>(\$60,967.30)</b>	<b>(1.20%)</b>	<b>\$11,722,725.00</b>	
<b>Expenses</b>											
97-51010	SALARIES - FACULTY & STAFF	\$295,202.04	\$285,000.00	(\$10,202.04)	(3.58%)	\$295,202.04	\$285,000.00	(\$10,202.04)	(3.58%)	\$1,409,789.00	
97-51137	OPS - STAFF	\$131,638.57	\$146,000.00	\$14,361.43	9.84%	\$131,638.57	\$146,000.00	\$14,361.43	9.84%	\$1,248,948.00	
97-52110	TRAVEL	\$1,106.27	\$5,000.00	\$3,893.73	77.87%	\$1,106.27	\$5,000.00	\$3,893.73	77.87%	\$17,490.00	
97-53150	CONCESSION EXP - HOUSING	\$17,130.84	\$24,570.00	\$7,439.16	30.28%	\$17,130.84	\$24,570.00	\$7,439.16	30.28%	\$77,070.00	
97-54100	PROFESSIONAL DEVELOPMENT	\$909.00	\$1,500.00	\$591.00	39.40%	\$909.00	\$1,500.00	\$591.00	39.40%	\$5,000.00	
97-54110	MEMBERSHIPS & DUES	\$1,813.95	\$1,450.00	(\$363.95)	(25.10%)	\$1,813.95	\$1,450.00	(\$363.95)	(25.10%)	\$2,100.00	
97-55100	RECRUITMENT - TRAVEL	\$0.00	\$2,500.00	\$2,500.00	100.00%	\$0.00	\$2,500.00	\$2,500.00	100.00%	\$5,000.00	
97-55110	RECRUITMENT - MEALS	\$0.00	\$1,200.00	\$1,200.00	100.00%	\$0.00	\$1,200.00	\$1,200.00	100.00%	\$2,000.00	
97-70100	OFFICE EXPENSES - COPYING	\$816.99	\$500.00	(\$316.99)	(63.40%)	\$816.99	\$500.00	(\$316.99)	(63.40%)	\$1,500.00	
97-70110	OFFICE EXPENSES - POSTAGE	\$59.46	\$350.00	\$290.54	83.01%	\$59.46	\$350.00	\$290.54	83.01%	\$1,000.00	
97-70120	OFFICE EXPENSES - PRINT/DUPL	\$1,192.48	\$2,000.00	\$807.52	40.38%	\$1,192.48	\$2,000.00	\$807.52	40.38%	\$9,000.00	
97-70130	OFFICE EXPENSES - MKTG COMM	\$331.20	\$7,000.00	\$6,668.80	95.27%	\$331.20	\$7,000.00	\$6,668.80	95.27%	\$10,000.00	
97-70140	OFFICE SUPPLIES	\$3,218.19	\$2,500.00	(\$718.19)	(28.73%)	\$3,218.19	\$2,500.00	(\$718.19)	(28.73%)	\$7,000.00	
97-70200	COMPUTER SUPPLIES	\$0.00	\$500.00	\$500.00	100.00%	\$0.00	\$500.00	\$500.00	100.00%	\$1,000.00	
97-70220	COMPUTER - SOFTWARE SUPPORT	\$0.00	\$5,500.00	\$5,500.00	100.00%	\$0.00	\$5,500.00	\$5,500.00	100.00%	\$33,200.00	
97-70240	COMPUTER - TRAINING	\$0.00	\$4,000.00	\$4,000.00	100.00%	\$0.00	\$4,000.00	\$4,000.00	100.00%	\$4,000.00	
97-70300	TELEPHONE	\$2,528.63	\$2,820.00	\$291.37	10.33%	\$2,528.63	\$2,820.00	\$291.37	10.33%	\$11,300.00	
97-71100	EQUIPMENT - GENERAL	\$608.00	\$1,100.00	\$492.00	44.73%	\$608.00	\$1,100.00	\$492.00	44.73%	\$2,000.00	
97-71200	EQUIPMENT - COMPUTER	\$0.00	\$9,000.00	\$9,000.00	100.00%	\$0.00	\$9,000.00	\$9,000.00	100.00%	\$10,000.00	
97-72100	CLEANING SERVICES	\$183,852.22	\$174,452.00	(\$9,400.22)	(5.39%)	\$183,852.22	\$174,452.00	(\$9,400.22)	(5.39%)	\$688,242.00	
97-72110	CLEANING SUPPLIES	\$10,974.23	\$16,350.00	\$5,375.77	32.88%	\$10,974.23	\$16,350.00	\$5,375.77	32.88%	\$50,000.00	
97-72200	HSG REPAIR & MAINT. - MISCELLANEOUS	\$13,516.36	\$26,500.00	\$12,983.64	48.99%	\$13,516.36	\$26,500.00	\$12,983.64	48.99%	\$75,000.00	
97-72210	HSG REPAIR & MAINT.- TOOLS	\$3,180.46	\$2,100.00	(\$1,080.46)	(51.45%)	\$3,180.46	\$2,100.00	(\$1,080.46)	(51.45%)	\$4,000.00	
97-72215	HSG REPAIR & MAINT. - LOCKS & KEYS	\$508.00	\$2,000.00	\$1,492.00	74.60%	\$508.00	\$2,000.00	\$1,492.00	74.60%	\$6,000.00	
97-72220	HSG REPAIR & MAINT. - LANDSCAPING	\$1,009.71	\$20,200.00	\$19,190.29	95.00%	\$1,009.71	\$20,200.00	\$19,190.29	95.00%	\$25,000.00	
97-72225	HSG REPAIR & MAINT. - PLUMBING	\$22,918.95	\$11,500.00	(\$11,418.95)	(99.30%)	\$22,918.95	\$11,500.00	(\$11,418.95)	(99.30%)	\$35,000.00	1
97-72230	HSG REPAIR & MAINT. - FIRE ALARM	\$9,696.91	\$34,900.00	\$25,203.09	72.22%	\$9,696.91	\$34,900.00	\$25,203.09	72.22%	\$75,000.00	
97-72235	HSG REPAIR & MAINT. - AIR HANDLERS	\$47,958.93	\$26,960.00	(\$20,998.93)	(77.89%)	\$47,958.93	\$26,960.00	(\$20,998.93)	(77.89%)	\$60,000.00	2
97-72240	HSG REPAIR & MAINT. - ELEVATORS	\$54,517.80	\$57,500.00	\$2,982.20	5.19%	\$54,517.80	\$57,500.00	\$2,982.20	5.19%	\$65,000.00	
97-72245	HSG REPAIR & MAINT. - ELECTRICAL	\$3,127.92	\$10,800.00	\$7,672.08	71.04%	\$3,127.92	\$10,800.00	\$7,672.08	71.04%	\$30,000.00	
97-72250	HSG REPAIR & MAINT. - PEST CONTROL	\$9,554.87	\$6,800.00	(\$2,754.87)	(40.51%)	\$9,554.87	\$6,800.00	(\$2,754.87)	(40.51%)	\$20,000.00	
97-72255	HSG REPAIR & MAINT. - UNIFORMS	\$0.00	\$3,000.00	\$3,000.00	100.00%	\$0.00	\$3,000.00	\$3,000.00	100.00%	\$3,000.00	
97-72310	HOUSING - VEHICLE GAS	\$1,520.65	\$2,000.00	\$479.35	23.97%	\$1,520.65	\$2,000.00	\$479.35	23.97%	\$8,500.00	
97-72320	HOUSING - VEHICLE REPAIR & MAINT.	\$2,924.62	\$4,500.00	\$1,575.38	35.01%	\$2,924.62	\$4,500.00	\$1,575.38	35.01%	\$15,000.00	
97-72400	OPER EXP - HOUSING SUPPLIES	\$22,452.96	\$33,481.48	\$11,028.52	32.94%	\$22,452.96	\$33,481.48	\$11,028.52	32.94%	\$99,000.00	
97-72900	RENEWAL & REPLACEMENT	\$202,737.47	\$80,000.00	(\$122,737.47)	(153.42%)	\$202,737.47	\$80,000.00	(\$122,737.47)	(153.42%)	\$325,000.00	3
97-72910	CONTINGENCY & IMPROVEMENT EXP	\$56,415.02	\$50,000.00	(\$6,415.02)	(12.83%)	\$56,415.02	\$50,000.00	(\$6,415.02)	(12.83%)	\$200,000.00	4
97-73100	DEPREC/AMORT EXPENSE - OFFICE	\$2,977.12	\$2,977.14	\$0.02	0.00%	\$2,977.12	\$2,977.14	\$0.02	0.00%	\$6,084.69	

		Quarter Ending				Year to Date					Notes
		Actual	Budget	Variance Amt.	Variance %	Actual to Date	Budget to Date	Variance Amt.	Variance %	Budget	
		9/30/2024	9/30/2024	9/30/2024	9/30/2024	9/30/2024	9/30/2024	9/30/2024	9/30/2024	6/30/2025	
97-73205	DEPRECIATION EXP - VILLAGE WEST	\$106,535.22	\$106,535.22	\$0.00	0.00%	\$106,535.22	\$106,535.22	\$0.00	0.00%	\$383,871.07	
97-73210	DEPRECIATION EXP - VILLAGE EAST	\$179,254.14	\$179,254.14	\$0.00	0.00%	\$179,254.14	\$179,254.14	\$0.00	0.00%	\$715,418.76	
97-73215	DEPRECIATION EXP - ARGO HALL	\$63,104.37	\$63,104.37	\$0.00	0.00%	\$63,104.37	\$63,104.37	\$0.00	0.00%	\$248,773.96	
97-73220	DEPRECIATION EXP - MARTIN	\$79,960.14	\$79,960.08	(\$0.06)	(0.00%)	\$79,960.14	\$79,960.08	(\$0.06)	(0.00%)	\$309,940.35	
97-73225	DEPRECIATION EXP - PACE HALL	\$63,659.28	\$63,659.31	\$0.03	0.00%	\$63,659.28	\$63,659.31	\$0.03	0.00%	\$231,853.66	
97-73230	DEPRECIATION EXP - HERITAGE	\$123,605.14	\$123,605.10	(\$0.04)	(0.00%)	\$123,605.14	\$123,605.10	(\$0.04)	(0.00%)	\$494,420.43	
97-73235	DEPRECIATION EXP - PRESIDENTS	\$167,442.83	\$167,442.84	\$0.01	0.00%	\$167,442.83	\$167,442.84	\$0.01	0.00%	\$669,771.34	
97-74200	INTEREST EXPENSE - HOUSING	(\$97,163.86)	(\$97,163.86)	\$0.00	0.00%	(\$97,163.86)	(\$97,163.86)	\$0.00	0.00%	\$997,278.00	
97-74300	HOUSING - MISC. OPERATING ADMIN FEES	\$556.39	\$1,730.00	\$1,173.61	67.84%	\$556.39	\$1,730.00	\$1,173.61	67.84%	\$8,000.00	
97-74310	HOUSING - OTHER MISC. OPER EXP	\$30,292.06	\$31,000.00	\$707.94	2.28%	\$30,292.06	\$31,000.00	\$707.94	2.28%	\$38,000.00	
97-74315	HOUSING - MEAL PLANS	\$4,700.00	\$7,500.00	\$2,800.00	37.33%	\$4,700.00	\$7,500.00	\$2,800.00	37.33%	\$14,500.00	
97-75005	HOUSING UTILITIES - ELECTRICAL	\$194,515.67	\$235,000.00	\$40,484.33	17.23%	\$194,515.67	\$235,000.00	\$40,484.33	17.23%	\$900,000.00	
97-75010	HOUSING UTILITIES - GAS	\$2,460.15	\$5,290.31	\$2,830.16	53.50%	\$2,460.15	\$5,290.31	\$2,830.16	53.50%	\$40,000.00	
97-75015	HOUSING UTILITIES - SEWER	\$35,881.92	\$29,608.01	(\$6,273.91)	(21.19%)	\$35,881.92	\$29,608.01	(\$6,273.91)	(21.19%)	\$150,000.00	5
97-75020	HOUSING UTILITIES - WATER	\$1,046.71	\$1,400.00	\$353.29	25.24%	\$1,046.71	\$1,400.00	\$353.29	25.24%	\$5,000.00	
97-75025	HOUSING UTILITIES - GARBAGE	\$21,430.97	\$16,995.87	(\$4,435.10)	(26.10%)	\$21,430.97	\$16,995.87	(\$4,435.10)	(26.10%)	\$65,000.00	
97-75030	HOUSING UTILITIES - CABLE	\$109,035.48	\$109,035.48	\$0.00	0.00%	\$109,035.48	\$109,035.48	\$0.00	0.00%	\$441,355.00	
97-75100	HOUSING - INSURANCE	\$0.00	\$13,400.00	\$13,400.00	100.00%	\$0.00	\$13,400.00	\$13,400.00	100.00%	\$16,900.00	
97-75110	INSURANCE - BOND	(\$1,043.33)	\$0.00	\$1,043.33	0.00%	(\$1,043.33)	\$0.00	\$1,043.33	0.00%	\$82,000.00	
97-75115	INSURANCE - AUTOMOBILE	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$22,000.00	
97-75120	INSURANCE - PROPERTY	\$81,449.45	\$88,000.00	\$6,550.55	7.44%	\$81,449.45	\$88,000.00	\$6,550.55	7.44%	\$88,000.00	
97-75200	BOND EXPENSES	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$13,000.00	
97-76020	LEGAL FEES	\$8,410.00	\$12,400.00	\$3,990.00	32.18%	\$8,410.00	\$12,400.00	\$3,990.00	32.18%	\$35,000.00	
97-76060	PROFESSIONAL SERVICES	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$14,000.00	
97-76110	BANK SERVICE CHARGES	\$273.99	\$1,205.08	\$931.09	77.26%	\$273.99	\$1,205.08	\$931.09	77.26%	\$5,000.00	
97-76115	ADMINISTRATIVE FEE - SPIA	\$197.41	\$773.82	\$576.41	74.49%	\$197.41	\$773.82	\$576.41	74.49%	\$6,000.00	
97-76117	ADMINISTRATIVE FEE - HSG	\$9.52	\$0.00	(\$9.52)	0.00%	\$9.52	\$0.00	(\$9.52)	0.00%	\$146,534.00	
<b>Total Expenses</b>		<b>\$2,282,013.47</b>	<b>\$2,308,246.39</b>	<b>\$26,232.92</b>	<b>1.14%</b>	<b>\$2,282,013.47</b>	<b>\$2,308,246.39</b>	<b>\$26,232.92</b>	<b>1.14%</b>	<b>\$10,788,840.26</b>	

Notes:		
1	HSG REPAIR & MAINT. - PLUMBING	Replacement of multiple shower control valves
2	HSG REPAIR & MAINT. - AIR HANDLERS	Repairs to Dectron units
3	RENEWAL & REPLACEMENT	Retention pond refurbishment
4	CONTINGENCY & IMPROVEMENT EXP	Pressure washing higher than estimated
5	HOUSING UTILITIES - SEWER	Sewer cost increases that were not anticipated

Prepared by: \_\_\_\_\_

Reviewed by: \_\_\_\_\_

Bond Covenant Calculation

6/30/2025

Notes:

Housing <u>Income</u> per Housing Statement of Revenue and Expenses	11,661,757.70		
Refunds	-		
Housing <u>Expense</u> per Housing Statement of Revenue and Expenses	(10,690,279.13)	Total Revenue	11,661,757.70
Adjusted Net Income (Loss)	<u>971,478.57</u>		
<b>Add:</b>		DEPRECIATION EXP--TRUCK	6,084.67
Interest Expense	1,039,449.70	DEPRECIATION EXP--VILLAGE WEST	383,871.07
Amortization Expense	-	DEPRECIATION EXP--VILLAGE EAST	715,418.76
Depreciation Expense	3,060,134.30	DEPRECIATION EXP--MARTIN	309,940.41
Back out non-cash adjustment	(6,186.87)	DEPRECIATION EXP--ARGO	248,773.96
Back out proceeds from insurance		DEPRECIATION EXP-- PACE	231,853.63
Contingency and Improvement	206,415.02	DEPRECIATION EXP-- HERITAGE	494,420.47
Renewals & Replacements	387,737.47	DEPRECIATION EXP-- PRESIDENTS	669,771.33
<b>Adjusted Net Revenue</b>	<b><u>5,659,028.19</u></b>	OPERATING EXPENSES-PAYROLL	2,626,577.61
		INTEREST EXPENSE - HOUSING	1,039,449.70
<u>Debt Service 2020-2021</u>		AMORTIZATION EXPENSE - HOUSING	-
2005 Bond Principal	-	OPERATING EXPENSES- R&M	1,809,313.58
2005 Bond Interest	-	OPERATING EXPENSES-Admin & Gen	448,501.58
Rev of prior year accrual	(86,620.81)	OPERATING EXPENSES- Utilities	1,518,396.24
Interest Payable	76,105.61	OPERATING EXPENSES- Insurance	187,906.12
2009 Bond Principal	-	OPERATING EXPENSES- Other	-
2009 Bond Interest	-	CONSTRUCTION EXP	-
2010/2015 Bond Interest	-		
2010/2015 Bond Principal	-	Total Expenditure	<u>10,690,279.13</u>
2011 Bond Interest	-	Net Income	971,478.57
2011 Bond Principal	-		
2015 Bond Interest	-		
2015 Bond Principal	-		
2016A Bond Interest	729,481.26		
2016A Bond Principal	1,525,000.00		
2016B Bond Interest	87,848.76		
2016B Bond Principal	765,500.00		
2016C Bond Interest	222,119.68		
2016C Bond Principal	931,652.00		
Less Capitalized Interest	-		
<b>Total Debt Service 2024-2025</b>	<b><u>4,251,086.50</u></b>		
<b>Net Revenue</b>	<b>5,659,028.19</b>		
<b>Total Debt Service</b>	<b>4,251,086.50</b>		
<b>Debt Coverage Ratio#</b>	<b>1.331</b>		

**University of West Florida Foundation**  
**A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA**  
 BUDGETED STATEMENT OF FUNCTIONAL EXPENSES

	<u>Scholarship</u>	<u>Other Program Services</u>	<u>Student HSG System</u>	<u>Fundraising</u>	<u>General &amp; Admin</u>	<u>Actual Expenses 9/30/2024</u>	<u>Budget 9/30/2024</u>	<u>Variance</u>	<u>% Unspent</u>
<b>Operating Budget</b>									
Advancement Services	\$0.00	\$0.00	\$0.00	\$0.00	\$144.41	\$144.41	\$6,825.00	\$6,680.59	97.88%
Alumni Relations	\$0.00	\$0.00	\$0.00	\$0.00	\$12,757.28	\$12,757.28	\$31,037.52	\$18,280.24	58.90%
Board of Directors	\$0.00	\$0.00	\$0.00	\$0.00	\$585.96	\$585.96	\$9,324.99	\$8,739.03	93.72%
Development	\$7,846.92	\$0.00	\$0.00	\$229,181.26	\$0.00	\$237,028.18	\$240,250.01	\$3,221.83	1.34%
Foundation	\$0.00	\$0.00	\$0.00	\$0.00	\$131,776.25	\$131,776.25	\$193,521.48	\$61,745.23	31.91%
Total Adv. Division Lines	<u>\$7,846.92</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$229,181.26</u>	<u>\$145,263.90</u>	<u>\$382,292.08</u>	<u>\$480,959.00</u>	<u>\$98,666.92</u>	<u>20.51%</u>
Executive	\$0.00	\$0.00	\$0.00	\$0.00	\$31,601.30	\$31,601.30	\$57,551.49	\$25,950.19	45.09%
Total	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$31,601.30</u>	<u>\$31,601.30</u>	<u>\$57,551.49</u>	<u>\$25,950.19</u>	<u>45.09%</u>
Total of Operating Budget	<u>\$7,846.92</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$229,181.26</u>	<u>\$176,865.20</u>	<u>\$413,893.38</u>	<u>\$538,510.49</u>	<u>\$124,617.11</u>	<u>19.85%</u>
<b>Non-Endowed Budget</b>									
Non-Endowed Budget	\$0.00	\$298,838.19	\$0.00	\$3,000.00	\$45,563.10	\$347,401.29	\$351,749.97	\$4,348.68	1.24%
Total Non-Endowed Budget	<u>\$0.00</u>	<u>\$298,838.19</u>	<u>\$0.00</u>	<u>\$3,000.00</u>	<u>\$45,563.10</u>	<u>\$347,401.29</u>	<u>\$351,749.97</u>	<u>\$4,348.68</u>	<u>1.24%</u>
<b>Other Areas</b>									
Administrative Fee	\$0.00	\$142,723.93	\$0.00	\$0.00	\$0.00	\$142,723.93	\$200,000.00	\$57,276.07	28.64%
Housing	\$0.00	\$0.00	\$2,282,013.47	\$0.00	\$0.00	\$2,282,013.47	\$2,308,246.39	\$26,232.92	1.14%
Other University Accounts	\$1,106,643.73	\$2,591,942.70	\$0.00	\$0.00	\$13,583.35	\$3,712,169.78	\$3,712,169.78	\$0.00	0.00%
Total	<u>\$1,106,643.73</u>	<u>\$2,734,666.63</u>	<u>\$2,282,013.47</u>	<u>\$0.00</u>	<u>\$13,583.35</u>	<u>\$6,136,907.18</u>	<u>\$6,220,416.17</u>	<u>\$83,508.99</u>	<u>1.34%</u>
Total Other Areas	<u>\$1,106,643.73</u>	<u>\$2,734,666.63</u>	<u>\$2,282,013.47</u>	<u>\$0.00</u>	<u>\$13,583.35</u>	<u>\$6,136,907.18</u>	<u>\$6,220,416.17</u>	<u>\$83,508.99</u>	<u>1.34%</u>
Grand Total	<u>\$1,114,490.65</u>	<u>\$3,033,504.82</u>	<u>\$2,282,013.47</u>	<u>\$232,181.26</u>	<u>\$236,011.65</u>	<u>\$6,898,201.85</u>	<u>\$7,110,676.63</u>	<u>\$212,474.78</u>	<u>2.99%</u>

**The University of West Florida Foundation, Inc.**  
**Prior Years Unspent Budget Report**  
**As of September 30, 2024**

**Unspent Division of Advancement Lines**

**Carried Forward Funds**

2024 Carry Forward	\$ 75,564.22
Unspent Prior Year FY 23/24	121,677.92
<b>Total Carried Forward Budget</b>	<b>197,242.14</b>

**Expensed During 24/25**

American Heart Assoc.	10,000.00
<b>Total FY 24/25 Expenses to Date</b>	<b>10,000.00</b>

<b>Net FY 24/25 Activity</b>	<b>187,242.14</b>
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<b>Net Carry Forward FY 24/25</b>	<b>\$ 187,242.14</b>
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## Internal Control: A Tool for the Audit Committee

**PURPOSE OF THIS TOOL:** Internal control over financial reporting continues to be a major area of importance in the governance of an organization. This tool is intended to give audit committees basic information about internal control to understand what it is, what it is not, how it can be used most effectively in the organization, and the requirements of management with respect to the system of internal control over financial reporting. Note that the primary responsibility of the audit committee with respect to internal control is the system of internal control over financial reporting.

### Basics of Internal Control

In 1992, the Committee of Sponsoring Organizations of the Treadway Commission (COSO)<sup>1</sup> published a document called *Internal Control—Integrated Framework*,<sup>2</sup> which defined it as “a process, effected by an entity’s board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives” in the following three categories:

1. Effectiveness and efficiency of operations
2. Reliability of financial reporting
3. Compliance with applicable laws and regulations

Internal control can be judged as effective in each of these categories if the board of directors and management have reasonable assurance that

1. they understand the extent to which the organization’s operations objectives are being achieved.
2. published financial statements are being prepared reliably.
3. applicable laws and regulations are being complied with.

The COSO framework consists of five interrelated components as follows:

1. *Control environment.* Sometimes referred to as the “tone at the top” of the organization, meaning the integrity, ethical values, and competence of the organization’s people; management’s philosophy and operating style; the way management assigns authority and responsibility and organizes and develops its people; and the attention and direction provided by the board of directors. It is the foundation for all other components of internal control, providing discipline and structure.
2. *Risk assessment.* The identification and analysis of relevant risks to achieve the objectives that form the basis to determine how risks should be managed. This component should address the risks, both internal and external, that must be assessed. Before conducting a risk assessment, objectives must be set and linked at different levels.

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<sup>1</sup> The Committee of Sponsoring Organizations of the Treadway Commission (COSO) consists of the AICPA, the Institute of Management Accountants, the Institute of Internal Auditors, Financial Executives International, and the American Accounting Association.

<sup>2</sup> The COSO publication *Internal Control—Integrated Framework* (product code no. 990012), may be purchased through the AICPA store at [www.cpa2biz.com](http://www.cpa2biz.com). The proceeds from the sale of the framework are used to support the continuing work of COSO.

3. *Control activities.* Policies and procedures that help ensure that management directives are carried out. Control activities occur throughout the organization at all levels in all functions. These include activities such as approvals, authorizations, verifications, reconciliations, reviews of operating performance, security of assets, and segregation of duties.
4. *Information and communication.* Addresses the need in the organization to identify, capture, and communicate information to the right people to enable them to carry out their responsibilities. Information systems within the organization are key to this element of internal control. Internal information, as well as external events, activities, and conditions must be communicated to enable management to make informed business decisions and for external reporting purposes.
5. *Monitoring.* The internal control system must be monitored by management and others in the organization. This is the framework element that is associated with the internal audit function in the organization, as well as other means of monitoring such as general management activities and supervisory activities. It is important that internal control deficiencies are reported upstream, and that serious deficiencies are reported to top management and the board of directors.

These five components are linked together, thus forming an integrated system that can react dynamically to changing conditions. The internal control system is intertwined with the organization's operating activities, and is most effective when controls are built into the organization's infrastructure, becoming part of the very essence of the organization.

### **Key Terms in Internal Control**

A few common internal control terms are described as follows:

*Significant deficiency.* Defined by Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit* (AICPA, *Professional Standards*, vol. 1. AU sec. 325), 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.

*Material weakness.* Defined by SAS No. 115 as a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

*Compensating controls.* Some organizations, by virtue of their size, are not able to implement basic controls such as segregation of duties. In these cases, it is important that management institute compensating controls to cover for the lack of a basic control, or if a basic control is not able to function for some period of time.

### **What Internal Control Cannot Do**

As important as an internal control structure is to an organization, an effective system is not a guarantee that the organization will be successful. An effective internal control structure will keep the right people informed about the organization's progress (or lack of progress) in achieving its objectives, but it cannot turn a poor manager into a good one. Internal control cannot ensure success, or even survival.

Internal control is not an absolute assurance to management and the board about the organization's achievement of its objectives. It can only provide reasonable assurance due to limitations inherent in all internal control systems. For example, breakdowns in the internal control structure can occur due to simple error or mistake, as well as faulty judgments that could be made at any level of management. In addition, controls can be circumvented by collusion or by management override. Finally, the design of the internal control system is a function of the resources available, meaning that a cost-benefit analysis must be in the design of the system.

## **Roles and Responsibilities**

Everyone in the organization has some role to play in the organization's internal control system.

*CEO/president/executive director.* The CEO has ultimate responsibility and "ownership" of the internal control system. The individual in this role sets the tone at the top that affects the integrity and ethics and other factors that create the positive control environment needed for the internal control system to thrive. Aside from setting the tone at the top, much of the day-to-day operation of the control system is delegated to other senior managers in the organization, under the leadership of the CEO.

*CFO/vice president of finance/director of finance.* Much of the internal control structure flows through the accounting and finance area of the organization under the leadership of the CFO. In particular, controls over financial reporting fall within the domain of the CFO. The audit committee should use interactions with the CFO and others as a basis for their comfort level on the internal control over financial reporting.

This is not intended to suggest that the CFO must provide the audit committee with a level of assurance regarding the system of internal control over financial reporting. Rather, through interactions with the CFO and others, the audit committee should get a gut feeling about the completeness, accuracy, validity, and maintenance of the system of internal control over financial reporting.

*Controller/director of accounting or finance.* Much of the basics of the control system come under the domain of this position. It is key that the controller understands the need for the internal control system, is committed to the system, and communicates the importance of the system to all people in the accounting organization. Further, the controller must demonstrate respect for the system through his or her actions.

*Internal audit.* A main role for the internal audit team is to evaluate the effectiveness of the internal control system and contribute to its ongoing effectiveness. With the internal audit team reporting directly to the audit committee of the board of directors or the most senior levels of management, or both, it is often this function that plays a significant role in monitoring the internal control system. It is important to note that many not-for-profits are not large enough to employ an internal audit team. Each organization should assess the need for this team in light of available resources.

*Board of directors/audit committee.* A strong, active board is necessary. This is particularly important when the organization is controlled by an executive or management team with tight reins over the organization and the people within the organization. The board should recognize that its scope of oversight of the internal control system applies to all the three major areas of control: over operations, over compliance with laws and regulations, and over financial reporting. The audit committee is the board's first line of defense with respect to the system of internal control over financial reporting.

*All other personnel.* The internal control system is only as effective as the employees throughout the organization that must comply with it. Employees throughout the organization should understand their role in internal control and the importance of supporting the system through their own actions and encouraging respect for the system by their colleagues throughout the organization.

## **Compensating Controls**

It is important to realize that both the design and compliance with the internal control system is important. The audit committee should be tuned-in to the tone at the top of the organization as a first indicator of the functioning of the internal control system.

In addition, audit committees should realize that the system of internal control should be scaled to the organization. Some organizations will be so small, for example, that they will not be able to have appropriate segregation of duties. The message here is that the lack of segregation of duties is not automatically a material weakness, or even a reportable condition, depending on the compensating controls that are in place.

For example, suppose an organization's accounting department is so small that it is not possible to segregate duties between the person who does the accounts payable and the person who reconciles the bank statements. In this case, that person is one and the same, so the implication is that there are no checks and balances on the accounts payable person, who could be writing checks to a personal account, then passing on them during the bank reconciliation process (that is, there is no one to raise the red flag that personal checks are being written on the organization account).

Compensating controls could make up for this apparent breach in the internal control system. The following are some examples of compensating controls in this situation:

1. All checks are hand signed by an officer of the organization, rather than using a signature plate that is in the control of the person that prepared the checks.
2. The bank reconciliation may be reviewed by the preparer's manager.
3. A periodic report of all checks that are cleared at the bank could be prepared by the bank and forwarded to an officer of the organization for review.

Audit committees should be aware of situations like this and be prepared to ask questions and evaluate the answers when an apparent breach in internal control is surfaced.

## **Management Override of Controls**

Another area that an audit committee needs to focus on is the ability of management to override internal controls over financial reporting to perpetrate a fraud. Examples of techniques used by management in overriding internal controls over the financial reporting function include the following:

- Back dating or forward dating documents to a different period
- Making adjusting entries during the financial reporting closing process
- Reclassifying items improperly between the statement of activity and the statement of financial condition

An audit committee has the responsibility to help prevent or deter a management override of controls. It is important for the audit committee to understand that a system exists to uncover an override, as well as follow-up to determine its appropriateness. Questions about management override, and the controls over management override, as well as audit steps to detect if a management override has occurred, should be addressed to the CEO, CFO, and external auditor during the respective executive (in-camera) sessions with the audit committee as noted elsewhere in this toolkit.

## **Conclusion**

This tool was intended to provide a summary of what is meant by *internal control*. The concepts are not complex, but sometimes the application of internal control can be a challenge in an organization, depending on its size and culture. However, it is vitally important to design the system of internal control to achieve the objectives of (1) effectiveness and efficiency of operations, (2) reliability of financial reporting, and (3) compliance with applicable laws and regulations.

Simply stated, a strong system of internal control (both in its design and compliance) is good business.

## **Internal Control—A Tool for the Audit Committee**

The following tool, “Internal Control—A Tool for the Audit Committee,” contains questions modeled on those found in the COSO report, *Internal Control—Integrated Framework*.

## Internal Control—A Tool for the Audit Committee

**INSTRUCTIONS FOR USING THIS TOOL:** This tool is created around the five interrelated components of an internal control structure. Within each component is a series of questions that the audit committee should focus on to assure itself that controls are in place and functioning. These questions should be discussed in an open forum with the individuals who have a basis for responding to the questions. The audit committee should ask for detailed answers and examples from the management team, including key members of the financial management team, internal auditors, and external auditors to assure itself that the system is operating as management represents. Evaluation of the internal control structure is not a one-time, but rather a continuous, activity for the audit committee—the audit committee should always have its eyes and ears open for potential weaknesses in internal control and should continuously probe the responsible parties regarding the operation of the system. These questions are written in a manner such that a “no response” indicates a weakness that must be addressed.

Control Environment—Tone at the Top	Yes	No	Not Sure	Comments
<b><i>Integrity and Ethical Values</i></b>				
1. Does the organization have a comprehensive code of conduct or other policies addressing acceptable business practice, conflicts of interest, and expected standards of ethical and moral behavior?	X	<input type="checkbox"/>	<input type="checkbox"/>	
2. Is the code distributed to all employees?	X	<input type="checkbox"/>	<input type="checkbox"/>	
3. Are all employees required to annually acknowledge that they have read, understood, and complied with the code?	X	<input type="checkbox"/>	<input type="checkbox"/>	
4. Does management demonstrate through actions its own commitment to the code of conduct?	X	<input type="checkbox"/>	<input type="checkbox"/>	
5. Are dealings with clients and other constituents, customers, suppliers, employees, and other parties based on honesty and fair business practices?	X	<input type="checkbox"/>	<input type="checkbox"/>	
6. Does management take appropriate action in response to violations of the code of conduct?	X	<input type="checkbox"/>	<input type="checkbox"/>	

Control Environment—Tone at the Top	Yes	No	Not Sure	Comments
<b>Integrity and Ethical Values (cont.)</b>				
7. Is management explicitly prohibited from overriding established controls? What controls are in place to provide reasonable assurance that controls are not overridden by management? Are deviations from this policy investigated and documented? Are violations (if any) and the results of investigations brought to the attention of the audit committee?	X	<input type="checkbox"/>	<input type="checkbox"/>	Management documents any minor exceptions to policies.
8. Is the organization proactive in reducing fraud opportunities by (1) identifying and measuring fraud risks, (2) taking steps to mitigate identified risks, (3) identifying a position within the organization to “own” the fraud prevention program, and (4) implementing and monitoring appropriate preventative and detective internal controls and other deterrent measures?	X	<input type="checkbox"/>	<input type="checkbox"/>	
9. Does the organization use an anonymous ethics and fraud hotline and, if so, are procedures in place to investigate and report results to the audit committee? (See also the tool “Sample Whistle-Blower Tracking Report,” in this toolkit.)	X	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Commitment to Competence</b>				
1. Are the level of competence and the requisite knowledge and skills defined for each job in the accounting and internal audit departments?	X	<input type="checkbox"/>	<input type="checkbox"/>	
2. Does management make an effort to determine whether the accounting and internal audit departments have adequate knowledge and skills to do their jobs?	X	<input type="checkbox"/>	<input type="checkbox"/>	

(continued)

<b>Control Environment—Tone at the Top</b>	<b>Yes</b>	<b>No</b>	<b>Not Sure</b>	<b>Comments</b>
<b><i>Board of Directors and/or Audit Committee</i></b>				
1. Are the audit committee's responsibilities defined in a charter? If so, is the charter updated annually and approved by the board of directors? (See also the tool "Audit Committee Charter Matrix," in this toolkit.)	X	<input type="checkbox"/>	<input type="checkbox"/>	
2. Are audit committee members independent of the organization and of management? Do audit committee members have the knowledge, industry experience, and financial expertise to serve effectively in their role?	X	<input type="checkbox"/>	<input type="checkbox"/>	
3. Are a sufficient number of meetings held, and are the meetings of sufficient length and depth to cover the agenda and provide healthy discussion of issues?	X	<input type="checkbox"/>	<input type="checkbox"/>	
4. Does the audit committee constructively challenge management's planned decisions, particularly in the area of financial reporting, and probe the evaluation of past results?	X	<input type="checkbox"/>	<input type="checkbox"/>	Foundation and Housing budgets & financial reports are reviewed quarterly. The Annual Budget, Audited Financial Statements, and 990 are reviewed by the committee and presented & approved by the full Board each year.
5. Are regular meetings held between the audit committee and the CFO, the chief audit executive (internal audit), other key members of the financial management and reporting team, and the external auditors? Are executive sessions conducted on a regular basis? (See also the tool "Conducting an Audit Committee Executive Session: Guidelines and Questions," in this toolkit.)	X	<input type="checkbox"/>	<input type="checkbox"/>	
6. Does the audit committee approve internal audit's annual audit plan?	X	<input type="checkbox"/>	<input type="checkbox"/>	BOT approves internal audits plan
7. Does the audit committee receive key information from management in sufficient time in advance of meetings to prepare for discussions at the meetings?	X	<input type="checkbox"/>	<input type="checkbox"/>	Generally 7 – 10 days in advance.



Control Environment—Tone at the Top	Yes	No	Not Sure	Comments
<b>Board of Directors and/or Audit Committee (cont.)</b>				
8. Does a process exist for informing audit committee members about significant issues on a timely basis and in a manner conducive to the audit committee having a full understanding of the issues and their implications? (See also the tool “Significant Issues, Estimates, and Judgments: Management’s Report to the Audit Committee” in this toolkit.)	X	<input type="checkbox"/>	<input type="checkbox"/>	
9. Is the audit committee informed about personnel turnover in key functions including the audit team (both internal and the external auditors), senior executives, and key personnel in the financial accounting and reporting teams? Are unusual employee turnover situations observed for patterns or other indicators of problems?	X	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Management’s Philosophy and Operating Style</b>				
1. Is the accounting department viewed as a team of competent professionals bringing information, order, and controls to decision-making?	X	<input type="checkbox"/>	<input type="checkbox"/>	
2. Is the selection of accounting practices made in the long-term best interest of the organization (as opposed to short-term benefits)?	X	<input type="checkbox"/>	<input type="checkbox"/>	
3. Are assets, including intellectual assets, protected from unauthorized access and use?	X	<input type="checkbox"/>	<input type="checkbox"/>	
4. Do managers respond appropriately to unfavorable signals and reports?	X	<input type="checkbox"/>	<input type="checkbox"/>	
5. Are estimates and budgets reasonable and achievable?	X	<input type="checkbox"/>	<input type="checkbox"/>	

(continued)

<b>Control Environment—Tone at the Top</b>	<b>Yes</b>	<b>No</b>	<b>Not Sure</b>	<b>Comments</b>
<b><i>Organizational Structure</i></b>				
1. Is the organizational structure within the accounting function and the internal audit function appropriate for the size of the organization?	X	<input type="checkbox"/>	<input type="checkbox"/>	
2. Are key managers in the accounting and internal audit functions given adequate definition of their responsibilities?	X	<input type="checkbox"/>	<input type="checkbox"/>	
3. Do sufficient numbers of employees exist, particularly at the management levels in the accounting and internal audit functions, to allow those individuals to effectively carry out their responsibilities?	X	<input type="checkbox"/>	<input type="checkbox"/>	
<b><i>Assignment of Authority and Responsibility</i></b>				
1. Is the authority delegated appropriate for the responsibilities assigned?	X	<input type="checkbox"/>	<input type="checkbox"/>	
2. Are job descriptions in place for management and supervisory personnel in the accounting and internal audit functions?	X	<input type="checkbox"/>	<input type="checkbox"/>	
3. Do senior managers get involved as needed to provide direction, address issues, correct problems, and implement improvements?	X	<input type="checkbox"/>	<input type="checkbox"/>	
<b><i>Human Resources Policies and Practices</i></b>				
1. Are policies and procedures in place for hiring, training, promoting, and compensating employees in the accounting and internal audit functions?	X	<input type="checkbox"/>	<input type="checkbox"/>	The Foundation follows UWF HR policies.
2. Do employees understand that sub-standard performance will result in remedial action?	X	<input type="checkbox"/>	<input type="checkbox"/>	
3. Is remedial or corrective action taken in response to departures from approved policies?	X	<input type="checkbox"/>	<input type="checkbox"/>	
4. Do employees understand the performance criteria necessary for promotions and salary increases?	X	<input type="checkbox"/>	<input type="checkbox"/>	

<b>Control Environment—Tone at the Top</b>	<b>Yes</b>	<b>No</b>	<b>Not Sure</b>	<b>Comments</b>
<b>Risk Assessment</b>				
1. Has the organization conducted a systematic assessment of the risk of failure in its internal control environment and identified the likely areas of weakness? (See the “Enterprise Risk Management—The COSO Framework: A Primer and Tool for the Audit Committee” in this toolkit.)	X	<input type="checkbox"/>	<input type="checkbox"/>	
2. Does the organization consider risks from external sources such as creditor demands, economic conditions, regulation, or labor relations?	X	<input type="checkbox"/>	<input type="checkbox"/>	
3. Does the organization consider risks from internal sources such as cash management, investment management and documentation, information systems security, and backup systems?	X	<input type="checkbox"/>	<input type="checkbox"/>	
4. Is the risk of a misstatement of the financial statements considered, and are steps taken to mitigate that risk?	X	<input type="checkbox"/>	<input type="checkbox"/>	
5. If applicable, are the risks associated with foreign and offshore operations considered, including their impact on the financial reporting process?	X	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Control Activities</b>				
1. Does the organization have a process in place to ensure that controls as described in its policy and procedures manuals are applied as they are meant to be applied? Do the policy and procedures manuals document all important policies and procedures? Are these policies and procedures reviewed and updated on a regular basis? If so, by whom?	X	<input type="checkbox"/>	<input type="checkbox"/>	We have multiple policies and procedures. Processes are reviewed at least annually and the written procedures updated if necessary. Board policies are updated as required.
2. Do supervisory personnel review the functioning of controls? If so, how is that review conducted and how are the results used? Is appropriate and timely follow-up action taken on exceptions?	X	<input type="checkbox"/>	<input type="checkbox"/>	Review is incorporated into controls and effectiveness is monitored on a continual basis. Function of controls also reviewed annually by auditors.

*(continued)*

Control Environment—Tone at the Top	Yes	No	Not Sure	Comments
<b>Information and Communication</b>				
1. Is a process in place to collect information from external sources, such as industry, economic, and regulatory information, that could have an impact on the organization or the financial reporting process, or both?	X	<input type="checkbox"/>	<input type="checkbox"/>	Management regularly receive & review publications from AICPA, CASE, IRS, etc., participate in list serves, attend various conferences (CASE, SUS FL Fnd)
2. Are milestones to achieve financial reporting objectives monitored to ensure that timing deadlines are met?	X	<input type="checkbox"/>	<input type="checkbox"/>	Monitor FL BOG requests calendar, Foundation calendar, University deadlines, etc.
3. Is necessary operational and financial information communicated to the right people in the organization on a timely basis and in a format that facilitates its use, including new or changed policies and procedures?	X	<input type="checkbox"/>	<input type="checkbox"/>	
4. Is a process in place to respond to new information needs in the organization on a timely basis?	X	<input type="checkbox"/>	<input type="checkbox"/>	
5. Is a process in place to collect and document errors or complaints to analyze, determine cause, and prevent a problem from recurring in the future?	X	<input type="checkbox"/>	<input type="checkbox"/>	
6. Is a process established and communicated to officers, employees, and others, about how to communicate suspected instances of wrongdoing by the organization or employees of the organization? Further, does a process exist to ensure that anyone making such a report is protected from retaliation for making one? (See also the tool “Sample Whistle-Blower Tracking Report,” in this toolkit.)	X	<input type="checkbox"/>	<input type="checkbox"/>	Employees are encouraged to bring problems to the attention of others. There is a link to the whistleblower site on the Foundation website.
<b>Monitoring</b>				
1. Do officers and employees understand their obligation to communicate observed weaknesses in design or compliance with the internal control structure of the organization to the appropriate supervisory or management personnel?	X	<input type="checkbox"/>	<input type="checkbox"/>	

Control Environment—Tone at the Top	Yes	No	Not Sure	Comments
<b>Monitoring (cont.)</b>				
2. Are interactions with external stakeholders periodically evaluated to determine if they are indicative of a weakness in the internal control structure? (For example, consider the frequency of complaints about incorrect invoices, statements, and acknowledgments.)	X	<input type="checkbox"/>	<input type="checkbox"/>	
3. Is there follow-up on recommendations from the internal and external auditors for improvements to the internal control system?	X	<input type="checkbox"/>	<input type="checkbox"/>	
4. Are personnel required to sign off, indicating their performance of critical control activities such as performing reconciliations?	X	<input type="checkbox"/>	<input type="checkbox"/>	
5. Does the internal audit team have the right number of competent and experienced staff? Do they have access to the board of directors and audit committee? Is the reporting structure in place to ensure their objectivity and independence? Is the work of the internal audit team appropriate to the organization's needs, and prioritized with the audit committee's direction?	X	<input type="checkbox"/>	<input type="checkbox"/>	


## Fraud and the Responsibilities of the Audit Committee: An Overview

**PURPOSE OF THIS TOOL:** An audit committee should take an active role in the prevention and deterrence of fraud, as well as an effective ethics and compliance program. The audit committee should constantly challenge management and the auditors to ensure that the organization has appropriate antifraud programs and controls in place to identify potential fraud and ensure that investigations are undertaken if fraud is detected. The audit committee should take an interest in ensuring that appropriate action is taken against known perpetrators of fraud.

This tool is intended to make audit committee members aware of their responsibilities as they undertake this important role. This tool highlights areas of activity that may require additional scrutiny by the audit committee.

Fraud can be very costly to all types of organizations, including not-for-profit organizations. According to the Association of Certified Fraud Examiners (ACFE), U.S. organizations lose an estimated 7 percent of annual revenues to fraud.<sup>1</sup> Their research also indicates that there is anecdotal evidence that fraud at not-for-profit organizations may be even higher. This is due to the fact that not-for-profit organizations are not implementing the most effective fraud controls, such as whistle-blower hotlines and management review of financial statements, and are focusing their resources on the least effective fraud controls.<sup>2</sup> The cost of fraud not only includes the financial cost, but also costs such as damage to the organization's reputation, potential loss of donors or other resource providers, loss of management and board expertise, and many other nonfinancial costs.

### Definition and Categories of Fraud

An understanding of fraud is essential for the audit committee to carry out its responsibilities. The term *fraud* is defined in Black's Law Dictionary (Sixth Edition, 1990) as

An intentional perversion of truth for the purpose of inducing another in reliance upon it to part with some valuable thing belonging to him or to surrender a legal right. A false representation of a matter of fact, whether by words or by conduct, by false or misleading allegations, or by concealment of that which should have been disclosed, which deceives and is intended to deceive another so that he shall act upon it to his legal injury ... A generic term, embracing all multifarious means which human ingenuity can devise, and which are resorted to by one individual to get advantage over another by false suggestions or by suppression of truth, and includes all surprise, trick, cunning, dissembling, and any unfair way by which another is cheated.

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<sup>1</sup> Association of Certified Fraud Examiners (ACFE), *2008 Report to the Nation on Occupational Fraud and Abuse*, Austin, TX: ACFE, 2008, p 8.

<sup>2</sup> ACFE, *2008 Report to the Nation on Occupational Fraud and Abuse*, Austin, TX: ACFE, 2008, p 40.

The ACFE defines *occupational fraud* as

The use of one's occupation for personal enrichment through deliberate misuse or misapplication of the employing organization's resources or assets<sup>3</sup>

The audit committee also needs to be aware that fraud affecting the organization often falls within one of the following three categories:

- *Management fraud*, which involves senior management's intentional misrepresentation of financial statements, or theft or improper use of an organization's resources.
- *Employee fraud*, which involves nonsenior employee theft or improper use of an organization's resources.
- *External fraud*, which involves theft or improper use of resources by people who are neither management, nor employees of the firm.

This categorization of fraud is useful, but not absolute. Middle management employees may intentionally misrepresent financial statement transactions, for example, to improve their apparent performance, or outside individuals may collude with organization management or employees.

### **Roles of the Audit Committee in the Prevention, Deterrence, Investigation, and Discovery or Detection of Fraud**

The members of the audit committee should understand their role of ensuring that the organization has antifraud programs and controls in place to help prevent fraud, and aid in its discovery if it does occur, to properly fulfill their fiduciary duties of the following:

1. Monitoring the financial reporting process
2. Monitoring the internal control system
3. Overseeing the external audit and internal audit functions
4. Reporting findings to the board of directors
5. Monitoring and overseeing the whistle-blower policy and hotline

Guidance to boards of directors and trustees, audit committees, and management to help prevent, deter, and detect fraud is contained in the AICPA's Antifraud & Corporate Responsibility Resource Center available at [www.aicpa.org/antifraud/homepage.htm](http://www.aicpa.org/antifraud/homepage.htm). The information contained in the center can be viewed from different user perspectives for a personalized focus on the issues.

Not-for-profit organizations can use the specific requirements for audit committees as outlined in the Sarbanes-Oxley Act and the Securities and Exchange Commission rules as a guide. The requirements can be obtained from the AICPA Web site at [www.aicpa.org/sarbanes/index.asp](http://www.aicpa.org/sarbanes/index.asp).

The audit committee should ensure that the organization has implemented an effective ethics and compliance program, and that it is periodically tested. Because the occurrence of significant frauds can frequently be attributed to an override of internal controls, the audit committee plays an important role to ensure that internal controls address the appropriate risk areas and are functioning as designed.

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<sup>3</sup> ACFE, *2008 Report to the Nation on Occupational Fraud and Abuse*, Austin, TX: ACFE, 2008, p 6.

Internal auditors and external auditors can serve a vital role in aiding in fraud prevention and deterrence. Internal audit staff and external auditors that are experienced and trained in fraud prevention and deterrence can help to provide assurance that (1) risks are effectively identified and monitored, (2) organizational processes are effectively controlled and tested periodically, and (3) appropriate follow-up action is taken to address control weaknesses. The audit committee needs to ensure that internal and external auditors are carrying out their responsibilities in connection with potential fraud.

### **Whistle-Blowers**

According to the ACFE, the most effective method for detection of fraud has historically been tips.<sup>4</sup> In many cases, these tips are obtained through the use of whistle-blower policies and hotlines. Not-for-profit organizations must establish procedures for the receipt, retention, and treatment of complaints received by the organization regarding accounting, internal accounting controls, or auditing matters; and the confidential, anonymous submission by employees of the organization of concerns regarding questionable accounting or auditing matters (see Sarbanes-Oxley Act of 2002, Title III, Section 301.) In many organizations, the audit committee is significantly involved monitoring the whistle-blower process. The audit committee chair or the entire committee may be involved in the primary investigation and review of the whistle-blower complaints and reporting. In addition, some organizations have designated the audit committee chair or an audit committee member as the individual who initially receives whistle-blower reports. See also the “Sample Whistle-Blower Tracking Report” in this toolkit.

### **When Fraud Is Discovered**

Fraud can be discovered through many sources, namely, internal or external auditors, forensic accounting consultants, employees, vendors, and others. Establishing a confidential hotline can also be an important source of information leading to fraud discovery, as part of an organization’s overall ethics, compliance, and fraud prevention program. Although a confidential hotline is something that could be accomplished internally, a variety of outside service providers can be engaged to provide this service for the organization.

If fraud or improprieties are asserted or discovered, the audit committee—through the external auditors, internal auditors, or forensic accounting consultants, as appropriate—should investigate, and, if necessary, retain legal counsel to assert claims on the organization’s behalf. Forensic accounting consultants, in particular, may be needed to provide the depth of skills necessary to conduct a fraud investigation and, if it is desirable, to get an external assessment.

If fraud is discovered or there is a reasonable basis to believe that fraud may have occurred, the audit committee is responsible for ensuring that an investigation is undertaken. Criteria should be in place describing the audit committee’s level of involvement, based on the severity of the offense. Most audit committees will also want to obtain information about all violations of the law and the organization’s policies.

Forensic accounting consultants can also frequently provide audit committees with other related advisory services, namely, (1) evaluations of controls designs and operating effectiveness through compliance verification, (2) creation of special investigations units, (3) incident management committees, (4) disclosure risk controls, (5) ethics hotlines, (6) code of conduct, and other antifraud measures.

The audit committee can engage the audit firm to carry out a forensic or fraud investigation. If CPA forensic accountants are engaged by the organization’s general counsel, rather than the audit committee, they may potentially attain attorney-client privilege status, not otherwise available under normal circumstances.

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<sup>4</sup> ACFE, *2008 Report to the Nation on Occupational Fraud and Abuse*, Austin, TX: ACFE, 2008, p 20.



## **Expertise of Forensic Accounting Consultants**

In some situations, it may be necessary for an organization to look beyond the external audit team for expertise in the fraud area. In such cases, forensic accounting consultants can provide additional assurance or advanced expertise because they have special training and experience in fraud prevention, deterrence, investigation, and detection. Forensic accounting consultants may also provide fresh insights into the organization's operations, control systems, and risks. The work of forensic accounting consultants may also provide comfort for the organization's CEO and CFO. Forensic accounting consultants, however, cannot act as an insurer to prevent or detect fraud.

Many forensic accountants have obtained specific training in the identification and detection of fraud and may have additional designations such as certified fraud examiner. More information about certified fraud examiners may be located at the Web site for the ACFE at [www.acfe.com](http://www.acfe.com)

## **Conclusion**

The public is demanding greater vigilance from all parties involved in organizational governance, thus increasing the need to fight fraud. Audit committees are required to play a pivotal role in the prevention and deterrence of fraud, and to take appropriate action in the discovery of fraud. External public accountants, hired by audit committees, and internal auditors will continue to play an important part in the process. Forensic accounting consultants have emerged, however, as vital, newly recognized allies. Qualified forensic accounting consultants have the education, training, and experience to provide additional assistance to audit committees so they may better carry out their fiduciary responsibilities in the fight against fraud.



**UWF Foundation Inc. Board of Directors  
FY25 Reappointments, Appointments and Roll Off Status**

Updated 11.13.2024

**Eligible Board of Director Reappointments to start July 1, 2025:**

Ms. Hong Potomski	Board appointment	2 <sup>nd</sup> Full 4-year term (7/01/25 - 6/30/2029)
Ms. Kathy Sandstrom	Board appointment	2 <sup>nd</sup> Full 4-year term (7/01/25 - 6/30/2029)
Mr. Rodney Sutton	Presidential Appt.	2 <sup>nd</sup> Full 4-year term (7/01/25 - 6/30/2029)

*To be approved by UWFF Board at full board meeting on June 11, 2025, and BOT Board at Full Board Meeting June 12, 2025.*

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**New Board of Director Appointments starting July 1, 2025, to fill vacancies and a board member rolling off:**

Presidential Appt. (DeeDee Davis, roll off)	First four-year term: 7/1/2025 – 6/30/2029
Presidential Appt. (Caryl Greene, vacancy)	Two-yr. partial term: 7/1/2025 – 6/30/2027 First four-year term: 7/1/2027 – 6/30/2031
Presidential Appt. (H. Britt Landrum III, vac.)	One-yr. partial term: 7/1/2025 – 6/30/2026 First four-year term: 7/1/2026 – 6/30/2030

*To be approved by UWFF Board at full board meeting on June 11, 2025, and BOT Board at Full Board Meeting June 12, 2025.*

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**2025 Foundation Fellow Appointment:**

Possible Nominee to consider for Foundation Fellow nomination:

- TBD



## **UWF Foundation Board of Directors Grant Committee Chair Report**

- The committee received ten student applications for Foundation Study Abroad Program scholarships.
- After committee members reviewed and scored each student application, the scores were compiled into a master spreadsheet ranking the applicants.
- The committee met via Zoom on Monday, Nov. 18, 2024, and selected the top nine ranking applicants to receive their requested awards ranging between \$2,000 and \$2,750.

Grant Committee Chair Chris Roney will provide more details in his Report from the Chair at the board meeting.



**UWF Upcoming Events**  
**November 14, 2024 - February 7, 2025**

**Wednesday, December 4, 2024** - Holidayfest in Historic Pensacola Village, 6 pm

**Thursday, December 5, 2024** - WUWF presents RadioLive at Museum of Commerce, 6 pm

**Saturday, December 7, 2024** - Fall Commencement Ceremonies, Pensacola Bay Center

**Saturday, December 7, 2024** - Golden Graduates Class of 1974 Ceremony and Luncheon at Pensacola Bay Center, 9:30 am

**Thursday, December 19, 2024** - UWF home men's and women's basketball games at the UWF Field House, 5:30 pm and 7:30 pm

**Saturday, December 21, 2024** - UWF home men's and women's basketball games at the UWF Field House, 2:00 pm and 4:00 pm

**Monday, December 23, 2024** - WUWF presents Tidings of Comfort & Joy holiday concerts at First United Methodist Church in downtown Pensacola. Two performances 6:00 pm and 8:00 pm.

**(Date TBD) January 2025** - UKCOH / Ascension Nightingale Awards Ceremony

**Thursday, January 16, 2025** - Women & Wealth Luncheon hosted by UWF Alumni Association at Voices Museum 11 am

**Friday, February 7, 2025** - UKCOH Gulf Coast IPE Conference (InterProfessional Education) 9 am - 3 pm at SCI Community Room



## UWF FOUNDATION BOARD OF DIRECTORS MEETING SCHEDULE: FY 2024 – 2025

<b>Aug. 28, 2024 – Wed.</b>	Investment Committee Audit Budget Committee Executive Committee	9:30 a.m. – 12 p.m. 2:00 p.m. – 3:15 p.m. 3:30 p.m. – 5:00 p.m.	UWF Historic Trust Bowden Bldg. 120 Church St. Classroom #1
<b>Sept. 11, 2024 – Wed.</b>	Full Board Meeting	3:30 p.m. – 5:00 p.m.	UWF Historic Trust Bowden Bldg. 120 Church St. Classroom #1
<b>Nov. 13, 2024 – Wed.</b>	Investment Committee Nominating Committee Audit Budget Committee Executive Committee	9:30 a.m. – 12:00 p.m. 1:00 p.m. – 1:45 p.m. 2:00 p.m. – 3:15 p.m. 3:30 p.m. – 5:00 p.m.	UWF Historic Trust Bowden Bldg. 120 Church St. Classroom #1
<b>Nov. 18, 2024 – Mon.</b>	Grant Committee	11:00 a.m. – 12:00 p.m.	via Zoom
<b>Dec. 4, 2024 – Wed.</b>	Full Board Meeting	3:30 p.m. – 5:00 p.m.	UWF Historic Trust Bowden Bldg. 120 Church St. Classroom #1
<b>Feb. 11, 2025 – Tues.</b>	Investment Committee Nominating Committee Audit Budget Committee Executive Committee	9:30 a.m. – 12 p.m. 1:00 p.m. – 1:45 p.m. 2:00 p.m. – 3:15 p.m. 3:30 p.m. – 5:00 p.m.	UWF Historic Trust Bowden Bldg. 120 Church St. Classroom #1
<b>TBD March</b>	Grant Committee	TBD	In person or Via Zoom
<b>March 12, 2025 – Wed.</b>	Full Board Meeting	3:30 p.m. – 5:00 p.m.	UWF Historic Trust Bowden Bldg. 120 Church St. Classroom #1
<b>May 6, 2025 – Tues.</b>	Investment Committee Nominating Committee Audit Budget Committee Executive Committee	9:30 a.m. – 12 p.m. 1:00 p.m. – 1:45 p.m. 2:00 p.m. – 3:15 p.m. 3:30 p.m. – 5:00 p.m.	UWF Historic Trust Bowden Bldg. 120 Church St. Classroom #1
<b>June 11, 2025 – Wed.</b>	Full Board Meeting	3:30 p.m. – 5:00 p.m.	UWF Historic Trust Bowden Bldg. 120 Church St. Classroom #1

### Annual University Events Attended by the Board

UWF Home Football Games and President’s Tailgates, President’s State of the University Address (September)  
 UWF FBOD Annual Kickoff Reception – September 11, 2024, Voices of Pensacola following Board Meeting  
 UWF President’s Holiday Fest – December 4, 2024, Historic Pensacola Village  
 UWF Foundation Donor Recognition Dinner – April 10, 2025