

**FLORIDA GULF COAST UNIVERSITY
FOUNDATION, INC.**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

As of and for the Years Ended June 30, 2023 and 2022

And Reports of Independent Auditor

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**REPORT OF INDEPENDENT AUDITOR ON INTERNAL CONTROL
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Report of Independent Auditor

To the Board of Directors
Florida Gulf Coast University Foundation, Inc.
Fort Myers, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Florida Gulf Coast University Foundation, Inc. (the "Foundation"), a direct support organization and component unit of Florida Gulf Coast University, as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Foundation's basic financial statements. The supplementary information as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2023, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Cherry Bekasert LLP

Tampa, Florida
October 27, 2023

FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023 AND 2022

Florida Gulf Coast University Foundation, Inc. (the "Foundation") is a direct support organization and component unit of Florida Gulf Coast University (a governmental agency) (the "University"). The Foundation accounts for its transactions in accordance with the pronouncements issued by the Governmental Accounting Standards Board ("GASB").

The Foundation reports as a special-purpose government engaged only in business type activities. The financial statements are prepared on an accrual basis of accounting. The statements are a presentation of 1) assets and liabilities as current and noncurrent, deferred inflows of resources and net position; 2) revenues and expenses as operating and non-operating and endowment contributions; and 3) the use of the direct and indirect methods for statement of cash flows.

The unaudited management discussion and analysis ("MD&A"), is a narrative that relays management's insights into the Foundation's performance. The objective of the MD&A is to focus on current activities, resulting changes, and currently known facts to provide the reader with an overall summary of the accompanying financial statements. It should be read in conjunction with the basic financial statements and accompanying notes.

The financial statements include the following:

- 1) Basic financial statements –
 - a) Statements of Net Position
 - b) Statements of Revenues, Expenses, and Changes in Net Position
 - c) Statements of Cash Flows
 - d) Notes to the Financial Statements, and
- 2) Supplementary Schedules to the financial statements

Financial Highlights

Financial Position

2023

Total Assets were \$185.7 million, an increase of \$21.0 million (12.7%) from 2022. This was mainly due to \$12.2 million increase in current and restricted investments along with an \$11.7 million increase in cash and cash equivalents.

2022

Total Assets were \$164.7 million, a decrease of \$13.4 million (-7.5%) from 2021. This was mainly due to \$16.5 million decrease in current and restricted investments.

FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023 AND 2022

Foundation Scholarships

2023

The Foundation paid scholarships during the fiscal year 2023 totaling approximately \$5.9 million, an increase of 4.0% from fiscal year 2022's \$5.7 million. It also represents a new high for Foundation scholarships awarded within a fiscal year.

2022

The Foundation paid scholarships during the fiscal year 2022 totaling approximately \$5.7 million, an increase of 18.7% from fiscal year 2021's \$4.8 million. It also represents a new high for Foundation scholarships awarded within a fiscal year.

Major Gifts

The 2011 legislature suspended the Major Gifts Matching Program effective July 1, 2011. The program may be restarted after \$200 million of the backlog for programs have been matched. Existing eligible donations remain eligible for future matching funds. The Foundation's existing request to the state of Florida for matching gifts is \$11.8 million as of June 30, 2023 and 2022.

The following sections in the MD&A include an analysis of the three basic financial statements listed on the previous page.

Statements of Net Position

The purpose of the statements of net position is to present the reader with a look at the Foundation's financial condition as of the end of the fiscal year.

In reading the statements of net position, the reader will be able to determine the Foundation's ability to continue operations; how much it owes to vendors and other lending institutions; and provide a snapshot of the assets and their availability for spending by the Foundation.

FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023 AND 2022

Condensed Summary of Net Position
(in thousands of dollars)

	2023	2022	2021	2023 - 2022	
				Increase (Decrease)	Change
Assets					
Current assets	\$ 48,713	\$ 35,223	\$ 30,936	13,490	38.3%
Noncurrent assets	136,986	129,495	147,150	7,491	5.8%
Total Assets	185,699	164,718	178,086	20,981	12.7%
Liabilities					
Current liabilities	361	557	1,337	(196)	(35.2%)
Noncurrent liabilities	561	558	580	3	0.5%
Total Liabilities	922	1,115	1,917	(193)	(17.3%)
Deferred Inflows of Resources	1,457	1,373	1,881	84	6.1%
Net Position					
Net Investment in capital assets	88	-	-	88	100.0%
Restricted by donors-expendable	73,906	57,703	73,963	16,203	21.9%
Permanent endowments-nonexpendable	95,629	92,023	88,094	3,606	3.9%
Unrestricted	13,697	12,504	12,231	1,193	9.5%
Total Net Position	\$ 183,320	\$ 162,230	\$ 174,288	21,090	13.0%

The 2023 and 2022 statements of net position are presented on page 12 of the basic financial statements. For the fiscal year ended June 30, 2023, the total net position increased \$21.1 million (13.0%). This year's activity included the following:

Assets

2023

Current assets increased by \$13.5 million (38.3%). Cash and cash equivalents increased by approximately \$11.7 million. The cash position in the Foundation's investment pool at June 30, 2023 was \$1.3 million, approximately 3.2% more than on June 30, 2022.

Noncurrent assets also increased by \$7.5 million (5.8%). Restricted investments increased by \$11.4 million (9.6%) due to positive market returns. The Foundation's investment pool had a one-year return of negative 11.1% at June 30, 2023.

2022

Current assets increased by \$4.3 million (13.9%). Cash and cash equivalents increased by approximately \$5.6 million. The cash position in the Foundation's investment pool at June 30, 2023 was \$1.2 million, approximately 75.5% less than on June 30, 2021.

FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023 AND 2022

Noncurrent assets decreased by \$17.7 million (-12.0%). Restricted investments decreased by \$15.6 million (-11.7%) due to negative market returns. The Foundation's investment pool had a one-year return of negative 12.6% at June 30, 2023.

Liabilities

2023

Current liabilities decreased by approximately \$196,000 (-35.2%) mainly due to approximately 35.3% decrease in Accounts payable on June 30, 2023.

Noncurrent liabilities increased by approximately \$3,000 (0.6%) due to an increase in future planned gift annuity payments offset by a new gift annuity obligation added in fiscal year 2023.

2022

Current liabilities decreased by approximately \$780,000 (-58.3%) due to approximately \$1 million decrease in University support payable on June 30, 2023.

Noncurrent liabilities decreased by approximately \$22,000 (-3.8%) due to a reduction in future planned gift annuity payments offset by a new gift annuity obligation added in fiscal year 2022.

Deferred Inflows of Resources

2023

Deferred inflows of resources for gift annuities increased by approximately \$84,000 (6.1%) due to positive earnings on the gift annuity investment along with a new gift annuity in fiscal year ended June 30, 2023.

2022

Deferred inflows of resources for gift annuities decreased by approximately \$508,000 (-27.0%) due to negative earnings on the gift annuity investment portfolio.

Net Position

The net position section of the statements of net position provides three classifications:

- 1) The net investment in capital assets reflects the Foundation's capital assets net of accumulated amortization.
- 2) The restricted assets are listed in two categories:
 - a) The restricted by donors category represents amounts which are available for spending in accordance with the donor's specified criteria and,
 - b) The permanent endowments category represents the Foundation's restricted nonexpendable funds, which are required to be held in perpetuity.
- 3) The unrestricted assets are the amounts available to the Foundation for any purpose in support of its mission.

FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023 AND 2022

2023

The net position at June 30, 2023 increased to \$183.2 million, which is 13.0% more than the \$162.2 million in 2022.

The change in net position equals the excess amounts expended and amortized over the funds and pledges received. For fiscal year 2023, the statements of revenues, expenses, and changes in net position reflects a \$21.1 million increase in net position (13.0%).

2022

The net position at June 30, 2022 decreased to \$162.2 million, which is 6.9% less than the \$174.3 million in 2021.

The change in net position equals the excess amounts expended and amortized over the funds and pledges received. For fiscal year 2022, the statements of revenues, expenses, and changes in net position reflects a \$12.1 million decrease in net position (-6.9%).

Statements of Revenues, Expenses, and Changes in Net Position

The purpose of the statements of revenues, expenses, and changes in net position is to provide the details of the Foundation's operating and nonoperating activities for the fiscal year. This includes the revenues displayed by major source (net of discounts), expenditures, and gains and losses received by the Foundation.

The statements of revenues, expenses, and changes in net position include the following categories:

- Operating revenues are revenues received from donors (i.e., contributions, etc.) and services provided (i.e., special events, etc.) to various customers and constituents of the Foundation.
- Operating expenses are detailed by expense type, which include program fees, scholarships, University support, and general administrative expenses.
- Operating income (loss) represents the amount of current year revenue less expenses and does not include nonoperating revenue.
- Nonoperating revenue (expense) is received from sources for which no service is provided by the Foundation (i.e., investments). An impairment loss on land holdings is an unexpected decline in the carrying value of land on the Foundation's list of assets.
- Endowment contributions are received for permanent endowments from external sources.
- The change in net position is the result of the current-year's excess revenues over expenses, which is also the change in total net position on the statements of net position.

FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023 AND 2022

Condensed Summary of Revenues, Expenses, and Changes in Net Position
(in thousands of dollars)

	2023	2022	2021	2023 - 2022	
				Increase (Decrease)	Change
Operating Revenues:					
Contributions	\$ 22,341	\$ 18,741	\$ 14,127	3,600	19.2%
Other income	3,282	3,109	2,359	173	5.6%
Total Operating Revenues	25,623	21,850	16,486	3,773	17.3%
Less operating expenses	22,129	20,761	21,058	1,368	6.6%
Operating Income (Loss)	3,494	1,089	(4,572)	2,405	(220.8%)
Nonoperating Revenues (Expenses):					
Interest earnings	764	85	123	679	798.8%
Gain on sale of land holdings	623	-	69	623	100.0%
Investment gains (losses)	13,096	(17,133)	31,340	30,229	(176.4%)
Impairment loss on land holdings	-	-	(3,345)	-	-
Nonoperating Revenues (Expenses)	14,483	(17,048)	28,187	31,531	(185.0%)
Income before endowment contributions	17,977	(15,959)	23,615	33,936	(212.6%)
Endowment Contributions:					
Contributions to endowments	3,113	3,901	4,961	(788)	(20.2%)
Increase (Decrease) in net position	21,090	(12,058)	28,576	33,148	(274.9%)
Net position, beginning of the year	162,230	174,288	145,712	(12,058)	(6.9%)
Net position, end of the year	\$ 183,320	\$ 162,230	\$ 174,288	21,090	13.0%

The 2023 and 2022 statements of revenues, expenses, and changes in net position are on page 13 of the basic financial statements. The statements' highlights are as follows:

Operating Revenues

2023

Contributions increased by \$3.6 million (19.2%) compared to 2022. This was mainly due to sizable new scholarship donations. Unrestricted and restricted gifts are classified as contributions whereas endowed gifts are classified as increases to permanent endowment.

Other income increased by approximately \$173,000 (5.5%).

2022

Contributions increased by \$4.6 million (32.7%) compared to 2021. This was mainly due to contributions towards the Foundation's Entrepreneurship Building construction project. Unrestricted and restricted gifts are classified as contributions whereas endowed gifts are classified as increases to permanent endowment.

Other income increased by \$750,000 (31.8%) due to increased sponsorship revenue associated with University fundraising events.

FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023 AND 2022

Operating Expenses

2023

The Foundation assisted the University in providing program services including salaries, scholarships, operating expenses, and equipment in the amount of \$22.1 million. This represented a 6.5% increase from 2022.

The Foundation disbursed \$5.9 million for scholarships in 2023. This amount is a 4.0% increase from 2022 and represents the largest total Foundation scholarships awarded within a fiscal year.

2022

The Foundation assisted the University in providing program services including salaries, scholarships, operating expenses, and equipment in the amount of \$20.8 million. This represented a slight decrease from 2021.

The Foundation disbursed \$5.7 million for scholarships in 2022. This amount is a 18.7% increase from 2021 and represents the largest total Foundation scholarships awarded within a fiscal year.

Nonoperating Revenues and Expenses

2023

Nonoperating revenues, excluding expenses, increased by \$31.5 million mainly due to sizable investment gains of \$13.1 million in 2023 compared to investment losses of \$17.1 million in 2022. The Foundation also had interest earnings of approximately \$764,000 in 2023, a 791.2% increase compared to 2022.

2022

Nonoperating revenues, excluding expenses, decreased by \$45.2 million mainly due to a reduction in investment earnings of \$17.1 million in 2022 compared to positive investment earnings of \$31.3 million in 2021. The Foundation also had interest earnings of approximately \$86,000 in 2022, a 30.1% decrease from 2021.

Endowments

2023

Contributions to endowments decreased by approximately \$787,000 compared to 2022. During 2023, the Foundation received major endowed gifts for the benefit of a variety of University programs including the Bower School of Music and the Arts, the Department of Construction Management, and the Department of Journalism. The Foundation also received a \$100,000 endowed gift for the School of Resort & Hospitality Management scholarships. The Foundation also received many contributions under \$100,000 to endowments for the purpose of scholarships and programs that will benefit the University's faculty, staff, and students.

2022

Contributions to endowments decreased by approximately \$1.1 million compared to 2021. During 2022, the Foundation received two major endowed gifts totaling of \$2.2 million for the benefit of undergraduate, graduate, and doctoral students in the Dr. Elaine Nicpon Marieb College of Health & Human Services. The Foundation received endowed scholarships contributions of \$258,000 for the benefit of first generation college students. The Foundation also received many contributions to endowments under \$100,000 for the purpose of scholarships and programs that will benefit the University's faculty, staff, and students.

FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023 AND 2022

Statements of Cash Flows

The statements of cash flows display the cash provided and used for operating, investing activities, noncapital financing, and capital and related financing.

Operating activities include funds received (i.e., from private donors, fees, matching programs, etc.) and payments (i.e., for programs, scholarships, University support, etc.) made for the Foundation's operations.

Investing activities represent funds used to purchase investments and associated investment earnings.

Noncapital financing includes endowment contributions and interest paid on debt.

Capital and related financing activities include outflows of cash for debt service, capital expenses, and other notes payable and receivable.

Economic Outlook

Florida Gulf Coast University continues to experience enrollment and funding growth. On the first day of classes for academic year 2023-2024 there were 16,169 students enrolled at Florida Gulf Coast University. This is in line with the 16,128 recorded on the first day of classes for 2022-2023 academic year. University housing occupancy is at 100% along with a waiting list resulting in increased tuition and auxiliary revenues. For fiscal year 2024, Florida Gulf Coast University has received state appropriations of \$20 million for general operations, approximately \$3.1 million increase in Performance Based Funding, \$2.3 million for the nursing program and \$10 million non-recurring for the exclusive purpose of attending to faculty recruitment and retention. These investments by the state of Florida in addition to locally sourced revenue will enhance the student experience and operations overall in the coming year. The number of alumni is now over 44,911 worldwide.

The Foundation has no knowledge of any current facts, decisions, or conditions that are expected to have a significant effect on the financial position or its results of operations during the next fiscal year.

Management believes the Foundation's overall position is strong. The Foundation has sufficient funds to cover its obligations.

Request for Information

This financial report is designed to provide the reader an overview of the Foundation. Questions regarding any information provided in this report should be directed to: Chief Financial Officer, Florida Gulf Coast University Foundation, Inc., 10501 FGCU Blvd. South, Fort Myers, Florida 33965, (239) 745-4365.

FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.
STATEMENTS OF NET POSITION

JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 44,416,774	\$ 32,704,178
Investments	2,036,726	1,210,896
Accounts receivable	-	1,850
Prepaid expenses	48,215	68,128
Pledges receivable	2,211,626	1,238,312
Total Current Assets	<u>48,713,341</u>	<u>35,223,364</u>
Noncurrent Assets:		
Restricted investments	129,139,656	117,776,741
Prepaid expenses, net of current portion	-	26,147
Pledges receivable, net of current portion	3,279,467	2,916,245
Surrender value of insurance policy	383,670	325,462
Land held for investments	207,900	207,900
Capital assets, net	3,975,170	8,242,500
Total Noncurrent Assets	<u>136,985,863</u>	<u>129,494,995</u>
Total Assets	<u>185,699,204</u>	<u>164,718,359</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	239,020	369,177
University support payable	-	35,525
Unearned revenue	-	32,000
Gift annuities payable	122,147	120,487
Total Current Liabilities	<u>361,167</u>	<u>557,189</u>
Noncurrent Liabilities:		
Gift annuities payable, net of current portion	561,043	557,877
Total Noncurrent Liabilities	<u>561,043</u>	<u>557,877</u>
Total Liabilities	<u>922,210</u>	<u>1,115,066</u>
DEFERRED INFLOWS OF RESOURCES		
Gift annuities	1,457,312	1,373,073
NET POSITION		
Net investment in capital assets	87,670	-
Restricted:		
Expendable	73,906,181	57,702,983
Nonexpendable endowments	95,628,690	92,023,565
Unrestricted	13,697,141	12,503,672
Total Net Position	<u>\$ 183,319,682</u>	<u>\$ 162,230,220</u>

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

FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues:		
Contributions	\$ 22,340,707	\$ 18,741,088
Other income	3,281,707	3,109,207
Total Operating Revenues	<u>25,622,414</u>	<u>21,850,295</u>
Operating Expenses:		
Amortization	24,336	-
Program fees	4,724,548	5,003,063
Scholarships	5,877,459	5,653,796
University support	9,967,358	7,931,512
General and administrative expenses	1,536,133	2,173,063
Total Operating Expenses	<u>22,129,834</u>	<u>20,761,434</u>
Operating Income	<u>3,492,580</u>	<u>1,088,861</u>
Nonoperating Revenues (Expenses):		
Interest earnings	763,715	85,696
Gain on sale of land holdings	623,065	-
Investment gains (losses)	13,096,351	(17,133,410)
Total Nonoperating Revenues (Expenses)	<u>14,483,131</u>	<u>(17,047,714)</u>
Income (loss) before endowment contributions	17,975,711	(15,958,853)
Endowment Contributions:		
Contributions to endowments	3,113,751	3,900,707
Change in net position	21,089,462	(12,058,146)
Net position, beginning of year	<u>162,230,220</u>	<u>174,288,366</u>
Net position, end of year	<u>\$ 183,319,682</u>	<u>\$ 162,230,220</u>

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

FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.
STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Received from private donors	\$ 21,004,171	\$ 21,187,800
Received from other sources	3,251,557	3,147,880
Payments to University for programs	(20,567,554)	(18,612,068)
Payments to suppliers for goods and services	(1,592,837)	(3,481,230)
Net cash flows from operating activities	<u>2,095,337</u>	<u>2,242,382</u>
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	16,021,190	41,420,943
Purchases of investments	(19,071,683)	(47,073,389)
Investment earnings received	3,899,891	5,002,330
Proceeds from sale of land holdings	4,890,395	-
Interest earnings received	763,715	85,696
Net cash flows from investing activities	<u>6,503,508</u>	<u>(564,420)</u>
Cash flows from noncapital financing activities:		
Endowment contributions	3,113,751	3,900,707
Net cash flows from noncapital financing activities	<u>3,113,751</u>	<u>3,900,707</u>
Net change in cash and cash equivalents	11,712,596	5,578,669
Cash and cash equivalents, beginning of year	32,704,178	27,125,509
Cash and cash equivalents, end of year	<u>\$ 44,416,774</u>	<u>\$ 32,704,178</u>
Supplemental disclosures of noncash related investing activities:		
Net change in unrealized gain (loss)	<u>\$ 9,196,460</u>	<u>\$ (22,135,740)</u>

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

FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.
STATEMENTS OF CASH FLOWS (CONTINUED)

YEARS ENDED JUNE 30, 2023 AND 2022

**Reconciliation of operating income to net cash flows
from operating activities:**

Operating income	\$ 3,492,580	\$ 1,088,861
Adjustments to reconcile operating income to net cash flows from operating activities:		
Change in allowance and present value discount of contributions and annuities	(521,059)	(177,504)
Deferred Inflow of resources related to gift annuities	116,832	(508,136)
Land held for investment	84,239	39,993
Amortization	24,336	-
Effect of changes in operating assets and liabilities:		
Accounts receivable	1,850	(1,320)
Prepaid expenses	21,724	(22,261)
Pledges receivable	(815,477)	2,713,444
Accounts payable	(130,157)	218,074
University support payable	(35,525)	(998,696)
Gift annuity payable	(112,006)	(110,073)
Unearned revenue	(32,000)	-
Net cash flows from operating activities	<u>\$ 2,095,337</u>	<u>\$ 2,242,382</u>

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

FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

Note 1—Nature of organization and summary of significant accounting policies

Nature of Organization – The Florida Gulf Coast University Foundation, Inc. (the “Foundation”) was incorporated on April 21, 1993 as a Florida not-for-profit foundation under the provisions of Chapter 617 of the Florida Statutes. The Foundation is a direct support organization as certified by the Board of Regents on June 14, 1993. The Foundation was established to encourage, solicit, collect, receive, and administer gifts and bequests of property and funds for scientific, educational, and charitable purposes, for the advancement of Florida Gulf Coast University (the “University”) and its objectives.

Reporting Entity – The Foundation is considered a discretely presented component unit of the University due to the University’s budgetary oversight responsibility and due to the Foundation’s significant operational and financial relationships with the University. Management has determined no entities are required to be reported as component units of the Foundation.

Basis of Presentation and Accounting – The financial statements of the Foundation have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Government Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

For financial reporting purposes, the difference between assets and deferred outflows of resources (none in the current year) less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted. These components are defined as follows:

- *Net Investment in Capital Assets* – Consists of capital assets, net of accumulated depreciation / amortization and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets totaling \$3,975,170 with accumulated net amortization at June 30, 2023 and 2022 of \$24,336 and \$-0-, respectively. The Foundation uses a straight-line amortization method over the life of the prepaid lease purchase.
- *Restricted* – Includes funds *Restricted by donors – Expendable, Nonexpendable Endowments*
 - *Expendable* – Includes funds whose use by the Foundation is subject to donor-imposed stipulations that can be fulfilled by actions of the Foundation pursuant to those stipulations or that expire by passage of time.
 - *Nonexpendable Endowments* – Includes funds subject to donor-imposed stipulations that they be maintained permanently by the Foundation to use all or part of the related investment return for general or specific purposes in support of the University.
- *Unrestricted* – Consists of funds that do not meet the definition of “restricted”.

The financial statements of the Foundation have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recognized when they are incurred.

FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

Note 1—Nature of organization and summary of significant accounting policies (continued)

When unrestricted and restricted resources are available, the Foundation’s practice is to apply restricted resources first, then unrestricted resources as needed. When internally committed unrestricted resources and restricted resources are available, the Foundation’s practice is to first apply internally designated unrestricted resources, then restricted resources, and finally unrestricted resources as needed.

Cash and Cash Equivalents – For purposes of the statements of cash flows, the Foundation considers cash on hand, cash on deposit, money market mutual funds, and all highly-liquid debt instruments purchased with an original maturity of three months or less to be cash and cash equivalents.

Cash and cash equivalents held on June 30, 2023 and 2022 are as follows:

2023			
Unrestricted	Restricted	Endowed	Total
\$ 11,191,963	\$ 32,098,543	\$ 1,126,268	\$ 44,416,774

2022			
Unrestricted	Restricted	Endowed	Total
\$ 10,348,542	\$ 21,194,317	\$ 1,161,319	\$ 32,704,178

Pledges Receivable – Pledge receivables are recorded at estimated present value at the date of the gift, less an appropriate reserve for uncollectible amounts. Amounts expected to be received after one year are discounted using the appropriate risk-free rate. The Foundation does not require collateral in relation to these receivables. Endowment pledges are not recognized until all time requirements have been met which generally occurs when resources are received.

Fair Value Measurement – Investments, surrender value of insurance policy and land held for investment are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value determinations, other than those measured using the net asset value (“NAV”) as a practical expedient, are made based upon a hierarchy that prioritizes the inputs to valuation techniques. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements):

Level 1 – Inputs are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 – Inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specific (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability, and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

Note 1—Nature of organization and summary of significant accounting policies (continued)

The asset's or liability's fair value measurement level within the fair value hierarchy, is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Realized and unrealized gains and losses are reflected in the statements of revenues, expenses, and changes in net position.

Investments – The Foundation's investment policy allows for investments in domestic equities, international equities, fixed income, and alternatives. For fixed income instruments, the Foundation's investment policy allows for investment in domestic, global, U.S. inflation protected, U.S. high yield emerging market bonds, short-term bonds, multi-sector bond, unconstrained bond, and cash equivalents. For alternatives instruments, the Foundation's investment policy allows for private equity, absolute return (hedge funds), real assets, and commodities.

Capital Assets – Land holdings are capitalized at cost if purchased or at acquisition value at the time of contribution. Prepaid leases are capitalized at cost and amortized over the life of the lease period using a straight-line method.

Land Held for Investment – Land held for investment is recorded at estimated fair value.

Unearned Revenue – Unearned revenue results from the Foundation receiving payment in the period before the performance time has lapsed.

Gift Annuity Payable – The Foundation is obligated under charitable gift annuity agreements. The obligations were calculated based on actuarial assumptions and the fair values at the dates of receipt. The Foundation has recorded an annuity payable equal to the present value of the total anticipated future payments to the beneficiaries.

Deferred Inflows of Resources – In addition to liabilities, the statements of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Foundation has one item that meets the criterion for this category related to gift annuity payments. This amount is deferred and recognized as an inflow of resources in the period the amount becomes available.

Income Taxes – The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code as an organization described in Section 501(c)(3). However, the Foundation is subject to income tax on unrelated business income. The Foundation is classified as an organization operated for the benefit of a college or university owned or operated by a governmental unit described in Section 170(b)(1)(A)(iv).

Operating and Nonoperating Activities – The Foundation's operating income includes all revenues and expenses associated with the Foundation's daily activities in support of the University's programs. Interest and net investment earnings are excluded from operating income and classified as nonoperating revenues. Contributions received for endowments are also excluded from operating and nonoperating activities and are classified as endowment contributions.

FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

Note 1—Nature of organization and summary of significant accounting policies (continued)

Revenue Recognition – Contributions are recognized as increases in net position when pledged provided all eligibility requirements have been met, with the exception of pledges to the endowment which are recognized when eligible. Assets donated to the Foundation are recorded at their estimated acquisition value at the date of donation. Real estate donated for the advancement of the University is reported as Land Holdings pending sale or transfer to the University. Revenues associated with irrevocable split-interest agreements, like charitable gift annuities, are recognized when the resources become applicable to the reporting period.

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

Subsequent Events – Management has evaluated subsequent events through October 27, 2023 in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

Note 2—Cash, cash equivalents, and investments

Deposits – Custodial credit risk is the risk that in the event of a bank failure, the Foundation's deposits may not be returned to it. The Foundation's policy regarding custodial credit risk is to hold non-invested cash in a financial institution covered by the Federal Deposit Insurance Corporation ("FDIC") not exceeding the limit of FDIC coverage. Non-invested cash in excess of FDIC coverage will be held in a certified Qualified Public Depository (QPD) as identified by the Florida Security for Public Deposits Act, Chapter 280, Florida Statute. At June 30, 2023 and 2022, the bank balances totaled \$32,949,065 and \$25,483,779, respectively. Of the bank balance, \$275,769 and \$275,453, respectively, were covered by FDIC with the remainder collateralized under the Florida Security for Public Deposits Act. The Foundation also had cash held on deposit with investment managers at June 30, 2023 and 2022 totaling \$1,272,621 and \$1,233,633, respectively, of which \$725,253 and \$459,267, respectively, were covered by the Securities Investor Protection Corporation.

The Foundation has an account with the State Treasury Special Purpose Investment Account ("SPIA"). This account represents ownership of a share of the Florida Treasury Investment Pool, not the underlying securities. At June 30, 2023 and 2022, the Florida Treasury Investment Pool carried a credit rating of AA-f by Standard & Poor's and had an effective duration of 3.02 and 2.60 years, respectively. At June 30, 2023 and 2022, the Foundation had cash equivalents of \$6,333,606 and \$6,230,647, respectively, with the SPIA.

Designated Cash – Starting July 2010, the Foundation's board decided to annually designate a portion of unrestricted cash to a scholarship reserve. The scholarship reserve will be determined and approved as part of the annual operating budget. This reserve will be used at the Foundation's discretion to support endowed scholarships that are unable to fund their annual allotment. At June 30, 2023 and 2022, the scholarship reserve was \$2,774,580 and \$2,549,580, respectively.

FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

Note 2—Cash, cash equivalents, and investments (continued)

Investments consist of the following at June 30, 2023:

	Fair Value Measurements Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:			
Equity investment:			
U.S. equities	\$ 15,353,956	\$ 15,353,956	\$ -
Mutual funds:			
U.S. portfolio	42,366,018	40,648,013	-
International equities	34,700,767	30,624,011	-
Fixed income	19,920,857	15,644,001	-
	<u>96,987,642</u>	<u>86,916,025</u>	<u>-</u>
Fixed income investments:			
Mortgage-backed securities	812,987	-	812,987
Corporate bonds	7,101,022	-	7,101,022
Government obligations	2,943,735	-	2,943,735
Municipal bonds	5,109,726	-	5,109,726
U.S. treasury notes	2,050,079	2,050,079	-
	<u>18,017,549</u>	<u>2,050,079</u>	<u>15,967,470</u>
Land held for investment	207,900	-	207,900
Total Investments by fair value level	<u>130,567,047</u>	<u>\$ 104,320,060</u>	<u>\$ 15,967,470</u>
Investments measured at NAV or its equivalent:			
Other investments:			
Real assets	6,393		
Surrender value of insurance policy	383,670		
Private equity	810,842		
Total investments measured at NAV or its equivalent	<u>1,200,905</u>		
Total investments measured at fair value	<u>\$ 131,767,952</u>		

FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

Note 2—Cash, cash equivalents, and investments (continued)

Investments consist of the following at June 30, 2022:

	Fair Value Measurements Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:			
Equity investment:			
U.S. equities	\$ 12,677,521	\$ 538,910	\$ -
Mutual funds:			
U.S. portfolio	40,648,013	65,831,928	-
International equities	30,624,011	28,148,821	-
Fixed income	15,644,001	20,329,106	-
	<u>86,916,025</u>	<u>114,309,855</u>	<u>-</u>
Fixed income investments:			
Mortgage-backed securities	737,320	-	1,233,564
Corporate bonds	6,872,859	-	7,598,601
Government obligations	2,830,546	-	2,335,136
Municipal bonds	5,328,607	-	5,745,431
U.S. treasury notes	2,448,788	2,495,424	-
	<u>18,218,120</u>	<u>2,495,424</u>	<u>16,912,732</u>
Land held for investment	207,900	-	207,900
Total investments by fair value level	<u>118,019,566</u>	<u>\$ 117,344,189</u>	<u>\$ 16,912,732</u>
Investments measured at NAV or its equivalent:			
Other investments:			
Real assets	74,408		
Surrender value of insurance policy	325,462		
Private equity	1,101,563		
Total investments measured at NAV or its equivalent	<u>1,501,433</u>		
Total investments measured at fair value	<u>\$ 119,520,999</u>		

FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

Note 2—Cash, cash equivalents, and investments (continued)

Fair Value Measurement – Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified as Level 2 of the fair value hierarchy are valued using quoted prices for similar assets in active markets.

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

June 30, 2023				
	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real assets	\$ 6,393	\$ 90,000	Not available	NA
Surrender value of insurance policy	383,670	-	Not available	NA
Private equity	810,842	130,850	Not available	NA
Total investments measured at NAV or its equivalent	<u>\$ 1,200,905</u>	<u>\$ 220,850</u>		

June 30, 2022				
	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real assets	\$ 74,408	\$ 90,000	Not available	NA
Surrender value of insurance policy	325,462	-	Not available	NA
Private equity	1,101,563	130,850	Not available	NA
Total investments measured at NAV or its equivalent	<u>\$ 1,501,433</u>	<u>\$ 220,850</u>		

Real Assets – This investment is in a partnership that invests in a diversified portfolio of private equity and real assets investment funds (underlying funds or private investment funds), which in turn have been established to invest in a broad range of private equity, real estate, energy, and other hard asset-oriented investments.

Surrender Value of Life Insurance – These instruments are valued using the cash value provided by the administrator of the policy. NAV is based on the value of the underlying assets owned by the policy, minus its liabilities. NAV is excluded from the valuation hierarchy.

Private Equity – The investment within this segment invests in private equity funds in the venture capital, buyout, and capital restructuring sectors.

Custodial Credit Risk – The Foundation utilizes the services of an investment advisor and several investment managers to manage its portfolio.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Foundation will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

Note 2—Cash, cash equivalents, and investments (continued)

At June 30, 2023 and 2022, the Foundation's collective investment fund investments were uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Foundation's name.

The investment in mutual funds are not categorized as to custodial risk as they are not evidenced by securities that exist in physical or book entry form. These mutual funds are not rated by a nationally statistical rating organization.

There were no losses during the period due to default by counterparties to investment transactions.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of June 30, 2023, the maturities of the Foundation's fixed income investments were as follows:

	2023				
	Market Value	Investment Maturities			Over 10 years
Less than 1 Year		1 - 5 Years	5 -10 Years		
Investment type:					
Mortgage-backed securities	\$ 812,987	\$ 568	\$ 409,632	\$ 402,787	\$ -
Corporate bonds	7,101,022	1,369,032	3,824,446	1,855,561	51,983
Government obligations	2,943,735	811,690	1,075,137	1,056,908	-
Municipal bonds	5,109,726	622,826	2,246,442	2,240,458	-
U.S. treasury notes	2,050,079	-	2,050,079	-	-
	\$18,017,549	\$ 2,804,116	\$ 9,605,736	\$ 5,555,714	\$ 51,983

As of June 30, 2022, the maturities of the Foundation's fixed income investments were as follows:

	2022				
	Market Value	Investment Maturities			Over 10 years
Less than 1 Year		1 - 5 Years	5 -10 Years		
Investment type:					
Mortgage-backed securities	\$ 737,320	\$ 2,324	\$ 250,065	\$ 484,931	\$ -
Corporate bonds	6,872,859	1,472,748	3,189,252	2,182,753	28,106
Government obligations	2,830,546	-	2,194,500	636,046	-
Municipal bonds	5,328,607	862,890	2,384,150	2,081,567	-
U.S. treasury notes	2,448,788	35,141	2,413,647	-	-
	\$18,218,120	\$ 2,373,103	\$10,431,614	\$ 5,385,297	\$ 28,106

FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

Note 2—Cash, cash equivalents, and investments (continued)

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Foundation’s investment policy manages credit risk by limiting:

- A maximum equity holding of 5% in any single company as a percentage of cost of the total equity portfolio.
- A maximum equity holding of 15% in a single non-U.S. country as a percentage of market value of total equity portfolio.
- A maximum fixed income of 5% holdings in a single corporate issuer (excluding U.S. government and agencies) as a percentage of cost to total fixed income portfolio.

At June 30, 2023 and 2022, the Foundation’s fixed income investments were rated as follows:

2023			
Rating	Number	Fair Value	% Bond Holdings
AAA	52	\$ 6,500,295	36.08%
AA	26	4,999,092	27.75%
A	58	5,919,506	32.85%
BBB	4	598,656	3.32%
		<u>\$18,017,549</u>	
2022			
Rating	Number	Fair Value	% Bond Holdings
AAA	42	\$ 4,752,968	26.09%
AA	35	6,028,763	33.09%
A	57	6,715,342	36.86%
BBB	3	721,047	3.96%
		<u>\$18,218,120</u>	

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Foundation’s investment in a single issuer. The Foundation’s policy requires a maximum equity holding of 5% in any single company as a percentage at cost of the total equity portfolio, a maximum equity holding of 15% in a single non-U.S. country as a percentage at market value of total equity portfolio and a maximum fixed income of 5% holdings in a single corporate issuer (excluding U.S. government and agencies) as a percentage at cost of total fixed income portfolio.

Foreign Currency Risk – Foreign currency risk is the risk that changes in exchange rates could adversely affect the fair value of an investment or deposit. The Foundation does not have any foreign currency risk as all investments are denominated in U.S. dollars.

FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

Note 2—Cash, cash equivalents, and investments (continued)

Land Held for Investment – On January 19, 2017, the Foundation reacquired ownership to 215 acres of mining land that was originally donated to the Foundation in 1994 and subsequently sold to a third party. The Foundation receives royalties from the mining sales on the property through a lease agreement with an external party. The value of the property is deemed to be the estimated future royalty revenue and is listed as land held for investment on the statements of net position. The Foundation maintains commercial general liability insurance on the property while the lessee is responsible for liabilities associated with the mining operations. The lessee bears the responsibility of environmental remediation after the mined resources are depleted. At June 30, 2023 and 2022, the estimated value of the land held for investment was \$207,900. On May 26, 2023, the Foundation and a third party executed purchase and sale agreement to the purchase price of \$750,000. Although the purchase and sale agreement was executed prior to June 30, 2023, all consideration and conditions precedent to a sale have not occurred as of the issuance of these financial statements.

Other Information – For management control, investments are pooled. Gains, losses, and investment income from the pool are allocated quarterly to the funds that participate in the pool based upon each fund’s average quarterly balance.

Note 3—Endowments

The Endowment Fund account balances (including cash balances) subject to the administrative fees are comprised as follows at June 30:

	<u>2023</u>	<u>2022</u>
Eminent Scholars Program	\$ 15,614,179	\$ 14,816,429
Major Gifts Program	47,388,380	45,062,455
Other Endowment	58,313,642	51,958,104
	<u>\$ 121,316,201</u>	<u>\$ 111,836,988</u>

The Foundation authorizes expenditures for the uses and purposes for which endowment funds were established.

The Foundation’s general spending calculation for eligible endowments is 4.0% of the average market balances on December 31 for each of the immediately preceding three years. The following displays the total ending endowment balances for nonexpendable endowments or donor-restricted endowments on June 30:

	<u>2023</u>	<u>2022</u>
Total endowment balance	\$ 121,316,201	\$ 111,836,988
Less appreciation portion deemed restricted expendable	25,687,511	19,813,423
	<u>\$ 95,628,690</u>	<u>\$ 92,023,565</u>

FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

Note 4—Pledges receivable

Present value of the June 30, 2023 pledges receivable was calculated using the U.S. Treasury risk free discount rate of 5.4% along with an allowance for doubtful amounts based on historical collection rates. Pledges receivable are expected to be received as follows:

2024	\$ 2,211,626
2025	1,913,170
2026	574,342
Thereafter	791,955
Total pledges receivable	<u>\$ 5,491,093</u>

Pledges receivable, net, are summarized as follows at June 30:

	<u>2023</u>	<u>2022</u>
Total pledges receivable	\$ 6,035,498	\$ 4,410,528
Less allowance for doubtful amounts	(21,173)	(19,001)
Less discount on future payments	<u>(523,232)</u>	<u>(236,970)</u>
Pledges receivable, net	<u>\$ 5,491,093</u>	<u>\$ 4,154,557</u>

Note 5—Due from the state of Florida – matching gifts program

The State University System Trust Fund for Major Gifts provides the opportunity for state universities to receive and match private gifts to endow: a) scholarships and fellowships, b) faculty positions such as eminent scholar chairs and professorships, and c) funds for library holdings and acquisitions. Based on the gift received, which must equal or exceed \$100,000, the Foundation is eligible to receive 50% through 100% matching funds.

State matching pledges receivables are recorded when a donor commitment is fulfilled and matching funds have been appropriated by the state of Florida. As of June 30, 2023 and 2022, the Foundation submitted matching funds requests totaling \$11,752,281 to the state of Florida. Due to the state of Florida's current economic conditions, the legislature did not appropriate the matching funds for these requests. Therefore, the \$11,752,281 has not been recorded in the financial statements. Although the state of Florida has not eliminated the matching gifts programs, it is currently unknown as to when the state will appropriate the matching funds.

Note 6—Capital assets

Land holdings activity for the years ended June 30 were as follows:

	<u>2023</u>			<u>Balance June 30, 2023</u>
	<u>Balance June 30, 2022</u>	<u>Increase</u>	<u>Decrease</u>	
Land holdings	<u>\$ 8,242,500</u>	<u>\$ -</u>	<u>\$ 4,355,000</u>	<u>\$ 3,887,500</u>

FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

Note 6—Capital assets (continued)

	2022			Balance June 30, 2022
	Balance June 30, 2021	Increase	Decrease	
Land holdings	\$ 8,242,500	\$ -	\$ -	\$ 8,242,500

On July 5, 2007, the Foundation executed a bargain purchase for waterfront property in Bonita Springs. This property is now the home of the Florida Gulf Coast University Vester Marine Science and Environmental Education Center. The property, valued at \$3,887,500, was purchased for \$2,870,000, resulting in a donation of \$1,017,500.

On May 27, 2014, the Foundation received land valued at \$7,700,000, located north of the University's main campus. In fiscal year ended June 30, 2021, management obtained an appraisal of the land to begin the process of selling the land. On June 30, 2022, the carrying value of this land holding was \$4,355,000. On December 8, 2022, the Foundation sold that land holding and recognized a \$623,065 gain on sale of land holdings, which is included in the accompanying statements of revenue, expenses and changes in net position.

In 2023 the Foundation prepaid five auto leases on behalf of the University's Athletics department. Each purchase is recorded separated and amortized individually using a straight-line method over the three-year life of the prepaid period. At June 30, 2023, the net capital asset was \$87,670. The accumulated amortization in fiscal year ended June 30, 2023 was \$24,336.

A summary of the changes in prepaid leases are as follows:

	June 30, 2022	Increase	Decrease	June 30, 2023
Prepaid leases	\$ -	\$ 112,006	\$ 24,336	\$ 87,670

Note 7—Annuities payable

The Foundation manages charitable gift annuities. These annuities are irrevocable split-interest agreements where the Foundation is the remainder interest beneficiary that makes quarterly distributions to the annuitant. The assets are recorded at the fair value of resources received; the liability is the present value of future payments to annuitants; the deferred inflow of resources is the difference between the asset and the liability.

On June 30, 2023 and 2022, the deferred inflows of resources related to gift annuities were \$1,457,312 and \$1,373,073, respectively.

A summary of changes in annuities payable is as follows:

	June 30, 2022	Increase	Decrease	June 30, 2023	Current Portion
Annuities payable	\$ 678,364	\$ 9,099	\$ 4,273	\$ 683,190	\$ 122,147

	June 30, 2021	Increase	Decrease	June 30, 2022	Current Portion
Annuities payable	\$ 699,209	\$ 9,706	\$ 30,551	\$ 678,364	\$ 120,487

FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

Note 8—Related party transactions

The Foundation maintains a portion of its investments with Northern Trust Bank. A Foundation board member was an officer of Northern Trust Bank during the fiscal years ended June 30, 2023 and 2022. The Foundation's investments managed by Northern Trust Bank at June 30, 2023 and 2022 totaled \$14,567 and \$20,624, respectively.

The Foundation maintains a portion of its fixed income investments with Wasmer, Schroeder & Company, Inc. A Foundation board member was an officer of Wasmer, Schroeder & Company, Inc. during the fiscal years ended June 30, 2023 and 2022. The Foundation's investments managed by Wasmer, Schroeder & Company, Inc. at June 30, 2023 and 2022 totaled \$13,592,791 and \$13,478,473, respectively.

The Foundation also has a lease agreement with the University whereby the University pays the Foundation a lease payment of \$32,000 a month for the use of the waterfront property in Bonita Springs. The monthly lease payment is used to cover all the expenses of owning the Florida Gulf Coast University Vester Marine Science and Environmental Education Center. Both the Foundation and the University have an option to terminate the lease without permission from either party.

Note 9—Risk management

The Foundation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and natural disasters. The Foundation carries commercial insurance for the risks of loss. There were no significant reductions in insurance coverage from the prior year, and there have been no settlements that exceed the Foundation's insurance coverage during the past three years.

Note 10—Contingencies

The Foundation participates in state assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional upon compliance with the terms and conditions the grant agreements and applicable state regulations. Any disallowance resulting from a regulatory audit may become a liability of the Foundation. Liabilities, if any, from such audits, if any, will be recorded when the amounts of such liabilities become reasonably determinable.

Note 11—Subsequent events

On September 8, 2023, the Foundation sold land held investments for \$750,000.

SUPPLEMENTARY INFORMATION

FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.
EMINENT SCHOLARS PROGRAM – SCHEDULES OF RECEIPTS, EXPENDITURES, AND
ENDOWMENT BALANCES

YEAR ENDED JUNE 30, 2023 AND 2022

	Cash						
	Beginning Corpus	Beginning Balance	Contributions/ State Match	Investment	Expenditures	Ending Corpus	Ending Balance
	July 1, 2022	July 1, 2022	Received	Gains (Losses)		June 30, 2023	June 30, 2023
Alico Endowed Chairs	\$ 2,105,512	\$ 3,993,639	\$ -	\$ 362,990	\$ 177,500	\$ 2,105,512	\$ 4,179,129
Backe Endowed Chair	1,000,001	1,316,749	-	121,556	54,523	1,000,001	1,383,782
Davis Endowed Chair	1,067,270	1,493,158	-	134,906	66,400	1,067,270	1,561,664
Moorings Park Endowed Chair	1,020,000	1,481,575	-	134,182	65,900	1,020,000	1,549,857
Southwest Florida Nursing	1,144,768	2,753,816	-	258,361	23,925	1,144,768	2,988,252
Sproul Endowed Chair	600,000	802,227	-	71,737	35,600	600,000	838,364
Uncommon Friends Endowed Chair	1,020,000	1,336,149	1,000	120,853	59,400	1,021,000	1,398,602
Whitaker Endowed Chair	1,022,000	1,639,116	-	148,113	72,700	1,022,000	1,714,529
	<u>\$ 8,979,551</u>	<u>\$ 14,816,429</u>	<u>\$ 1,000</u>	<u>\$ 1,352,698</u>	<u>\$ 555,948</u>	<u>\$ 8,980,551</u>	<u>\$ 15,614,179</u>

	Cash						
	Beginning Corpus	Beginning Balance	Contributions/ State Match	Investment	Expenditures	Ending Corpus	Ending Balance
	July 1, 2021	July 1, 2021	Received	Gains (Losses)		June 30, 2022	June 30, 2022
Alico Endowed Chairs	\$ 2,105,512	\$ 4,792,945	\$ -	\$ (638,406)	\$ 160,900	\$ 2,105,512	\$ 3,993,639
Backe Endowed Chair	1,000,001	1,572,464	-	(213,643)	42,072	1,000,001	1,316,749
Davis Endowed Chair	1,067,270	1,792,759	-	(239,301)	60,300	1,067,270	1,493,158
Moorings Park Endowed Chair	1,020,000	1,778,112	-	(236,837)	59,700	1,020,000	1,481,575
Southwest Florida Nursing Endowed Chair	1,144,768	3,206,804	-	(443,788)	9,200	1,144,768	2,753,816
Sproul Endowed Chair	600,000	962,672	-	(128,245)	32,200	600,000	802,227
Uncommon Friends Endowed Chair	1,020,000	1,603,638	-	(213,589)	53,900	1,020,000	1,336,149
Whitaker Endowed Chair	1,022,000	1,966,945	-	(262,029)	65,800	1,022,000	1,639,116
	<u>\$ 8,979,551</u>	<u>\$ 17,676,339</u>	<u>\$ -</u>	<u>\$ (2,375,838)</u>	<u>\$ 484,072</u>	<u>\$ 8,979,551</u>	<u>\$ 14,816,429</u>

FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.
MAJOR GIFTS PROGRAM – SCHEDULES OF RECEIPTS, EXPENDITURES, AND
ENDOWMENT BALANCES

YEAR ENDED JUNE 30, 2023

Name of Major Gift	Beginning Corpus July 1, 2022	Beginning Balance July 1, 2022	Cash		Expenditures	Ending Corpus June 30, 2023	Ending Balance June 30, 2023
			Contributions/ State Match Received	Investment Gains (Losses)			
Abernathy Kiwanis	\$ 100,000	\$ 115,285	\$ -	\$ 10,677	\$ 5,300	\$ 100,000	\$ 120,662
Alico	1,362,550	1,661,714	-	154,826	66,852	1,362,550	1,749,688
ASQ Aviation	100,000	146,658	-	13,242	6,600	100,000	153,300
BB&T	600,000	725,721	-	65,566	32,300	600,000	758,987
BCCDLM	226,000	262,686	-	24,517	11,900	226,000	275,303
Belcher/Oliff	168,639	198,150	1,000	18,075	8,900	169,639	208,325
Benson	260,911	323,340	-	30,150	14,700	260,911	338,790
Blue Shield of Florida	150,000	176,023	-	16,385	8,000	150,000	184,408
Bower Music Fund	558,940	711,284	-	64,295	31,300	558,940	744,279
Bower Music/Art Excellence	5,028,703	5,859,064	1,000	532,855	260,300	5,029,703	6,132,619
Campbell	175,000	209,403	-	19,399	9,500	175,000	219,302
Cobb	225,000	269,487	-	24,921	12,200	225,000	282,208
Collier	382,000	543,966	-	50,495	24,600	382,000	569,861
Conner #2	2,707,000	3,123,187	-	290,490	141,400	2,707,000	3,272,277
Conservancy	1,006,079	1,265,741	-	114,376	56,100	1,006,079	1,324,017
Edith Potter Deats	214,043	458,924	-	42,927	6,700	214,043	495,151
Embassy	150,082	203,463	-	19,096	1,300	150,082	221,259
Faith	606,070	721,561	-	66,855	32,500	606,070	755,916
Fifth Third	100,000	121,794	-	11,337	5,500	100,000	127,631
Golden Apple	150,000	244,898	-	22,939	3,600	150,000	264,237
Grainick	387,500	454,529	-	42,108	20,600	387,500	476,037
Hilliard	150,000	187,547	-	17,345	8,400	150,000	196,492
Honors	221,363	325,941	330	29,477	14,500	221,693	341,248
Howard	700,000	841,089	-	77,842	38,100	700,000	880,831
Johnson	225,034	261,303	-	24,208	11,800	225,034	273,711
Kelly	4,580,886	5,586,776	-	518,999	252,600	4,580,886	5,853,175
Keys	150,000	179,741	-	16,610	8,200	150,000	188,151
Kleman	200,000	238,250	-	22,072	10,800	200,000	249,522
Kuss	173,334	209,635	-	19,611	4,700	173,334	224,546
Lester	58,750	68,316	-	6,167	3,100	58,750	71,383
Liebert #1	227,159	297,465	-	26,956	13,300	227,159	311,121
Liebert #2	90,911	109,322	-	10,127	5,000	90,911	114,449
Lucas	4,008,052	4,851,856	-	441,444	215,500	4,008,052	5,077,800
Lutgert	150,000	245,041	-	22,663	10,700	150,000	257,004
Lutgert College Of Business	853,992	1,066,866	-	99,372	27,090	853,992	1,139,148
Manchester	4,001,000	4,612,793	-	429,008	208,600	4,001,000	4,833,201
Manhattan	240,000	296,600	-	27,371	13,400	240,000	310,571
Meftah	1,035,500	1,072,730	-	99,885	35,900	1,035,500	1,136,715
Moorings Park	176,724	213,737	-	19,928	9,700	176,724	223,965
Nason	100,000	120,235	-	11,137	5,500	100,000	125,872
Northern Trust	150,000	242,265	-	22,411	10,600	150,000	254,076
O'Bannon	216,588	268,040	-	24,211	12,000	216,588	280,251
Oulton	368,611	448,383	-	41,749	20,300	368,611	469,832
Perry	242,350	282,740	-	26,198	12,700	242,350	296,238
Rockin' Christmas	100,400	119,820	-	11,102	5,400	100,400	125,522
Rogaski	150,000	176,812	-	16,382	8,000	150,000	185,194
Schoen Foundation	855,276	942,992	100,000	98,621	35,835	955,276	1,105,778
Siebert	317,411	373,331	-	34,587	16,900	317,411	391,018
Slocum	105,000	126,154	-	11,762	5,800	105,000	132,116
Stranahan	209,545	288,778	-	26,800	13,100	209,545	302,478
Sulick	150,050	183,449	-	16,995	8,300	150,050	192,144
SWFL Wine & Food	150,000	180,161	-	16,693	8,100	150,000	188,754
Tier Electric	100,000	115,314	-	10,749	5,200	100,000	120,863
Vitelli	1,273,006	1,451,604	-	134,376	65,400	1,273,006	1,520,580
von Arx	250,000	358,560	-	31,524	15,900	250,000	374,184
W. Thomas Howard	188,249	315,923	-	29,219	13,600	188,249	331,542
Wells Fargo	150,000	174,822	-	16,197	7,900	150,000	183,119
Williams	100,000	125,144	-	11,591	5,700	100,000	131,035
Zepcevski	250,000	306,042	-	28,352	13,900	250,000	320,494
	\$ 37,327,708	\$ 45,062,455	\$ 102,330	\$ 4,165,272	\$ 1,941,677	\$ 37,430,038	\$ 47,388,380

FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.
MAJOR GIFTS PROGRAM – SCHEDULES OF RECEIPTS, EXPENDITURES, AND
ENDOWMENT BALANCES

YEAR ENDED JUNE 30, 2022

Name of Major Gift	Beginning Corpus July 1, 2021	Beginning Balance July 1, 2021	Cash		Expenditures	Ending Corpus June 30, 2022	Ending Balance June 30, 2022
			Contributions/ State Match Received	Investment Gains (Losses)			
Abernathy Kiwanis	\$ 100,000	\$ 138,670	\$ -	\$ (18,685)	\$ 4,700	\$ 100,000	\$ 115,285
Alico	1,362,550	1,980,859	-	(268,876)	50,269	1,362,550	1,661,714
ASQ Aviation	100,000	176,100	-	(23,442)	6,000	100,000	146,658
BB&T	600,000	871,031	-	(116,009)	29,300	600,000	725,722
BCCDLM	226,000	316,094	-	(42,608)	10,800	226,000	262,686
Belcher/Oliff	167,639	237,252	1,000	(32,102)	8,000	168,639	198,150
Benson	260,911	389,143	-	(52,603)	13,200	260,911	323,340
Blue Shield of Florida	150,000	211,735	-	(28,512)	7,200	150,000	176,023
Bower Music Fund	558,940	848,089	-	(113,905)	22,900	558,940	711,284
Bower Music/Art Excellence	5,028,703	7,035,628	-	(936,463)	240,100	5,028,703	5,859,065
Campbell	175,000	251,970	-	(33,967)	8,600	175,000	209,403
Cobb	225,000	326,685	-	(43,697)	13,500	225,000	269,488
Collier	382,000	654,333	-	(88,166)	22,200	382,000	543,967
Conner #2	2,707,000	3,757,390	-	(506,603)	127,600	2,707,000	3,123,187
Conservancy	1,006,079	1,521,057	-	(204,317)	51,000	1,006,079	1,265,740
Edith Potter Deats	214,043	536,798	-	(74,073)	3,801	214,043	458,924
Embassy	150,082	236,952	-	(32,789)	700	150,082	203,463
Faith	606,070	866,993	-	(116,932)	28,500	606,070	721,561
Fifth Third	100,000	146,602	-	(19,807)	5,000	100,000	121,795
Golden Apple	150,000	289,609	-	(39,912)	4,800	150,000	244,897
Gralnick	387,500	546,817	-	(73,689)	18,600	387,500	454,528
Hilliard	150,000	225,558	-	(30,410)	7,600	150,000	187,548
Honors	220,973	390,743	390	(52,092)	13,100	221,363	325,941
Howard	700,000	1,011,713	-	(136,324)	34,300	700,000	841,089
Johnson	225,034	314,357	-	(42,354)	10,700	225,034	261,303
Kelly	4,580,886	6,720,970	-	(906,194)	228,000	4,580,886	5,586,776
Keys	150,000	216,287	-	(29,146)	7,400	150,000	179,741
Kleman	200,000	286,650	-	(38,600)	9,800	200,000	238,250
Kuss	173,334	252,079	-	(33,944)	8,500	173,334	209,635
Lester	58,750	82,095	-	(10,979)	2,800	58,750	68,316
Liebert #1	227,159	357,622	-	(48,057)	12,100	227,159	297,465
Liebert #2	90,911	131,540	-	(17,718)	4,500	90,911	109,322
Lucas	4,008,052	5,822,759	-	(775,603)	195,300	4,008,052	4,851,856
Lutgert	150,000	285,524	-	(39,484)	1,000	150,000	245,040
Lutgert College Of Business	853,992	1,282,446	-	(172,481)	43,100	853,992	1,066,865
Manchester	4,001,000	5,549,218	-	(748,225)	188,200	4,001,000	4,612,793
Manhattan	240,000	356,774	-	(48,073)	12,100	240,000	296,601
Meftah	1,035,500	1,272,733	-	(173,804)	26,200	1,035,500	1,072,729
Moorings Park	176,724	257,189	-	(34,652)	8,800	176,724	213,737
Nason	100,000	144,623	-	(19,488)	4,900	100,000	120,235
Northern Trust	150,000	282,107	-	(39,042)	800	150,000	242,265
O'Bannon	216,588	321,683	-	(42,847)	10,800	216,588	268,036
Oulton	368,611	539,486	-	(72,703)	18,400	368,611	448,383
Perry	242,350	336,958	-	(45,818)	8,400	242,350	282,740
Rockin' Christmas	100,400	144,140	-	(19,421)	4,900	100,400	119,819
Rogaski	150,000	212,771	-	(28,658)	7,300	150,000	176,813
Schoen Foundation	755,276	1,032,901	100,000	(156,310)	33,600	855,276	942,991
Siebert	317,411	447,127	-	(60,495)	13,300	317,411	373,332
Slocum	105,000	151,324	-	(20,469)	4,700	105,000	126,155
Stranahan	209,545	347,409	-	(46,831)	11,800	209,545	288,778
Sulick	150,050	220,685	-	(29,735)	7,500	150,050	183,450
SWFL Wine & Food	150,000	214,842	-	(29,207)	5,475	150,000	180,160
Tier Electric	100,000	138,704	-	(18,690)	4,700	100,000	115,314
Vitelli	1,273,006	1,745,743	-	(235,438)	58,700	1,273,006	1,451,605
von Arx	250,000	430,899	-	(57,940)	14,400	250,000	358,559
W. Thomas Howard	188,249	368,029	-	(50,906)	1,200	188,249	315,923
Wells Fargo	150,000	210,359	-	(28,337)	7,200	150,000	174,822
Williams	100,000	150,630	-	(20,286)	5,200	100,000	125,144
Zepcevski	250,000	368,170	-	(49,626)	12,500	250,000	306,044
	\$ 37,226,318	\$ 53,964,654	\$ 101,390	\$ (7,277,544)	\$ 1,726,045	\$ 37,327,708	\$ 45,062,455

FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.
SCHEDULES OF NET POSITION BY ACCOUNT TYPE

YEAR ENDED JUNE 30, 2023

	Unrestricted	Restricted	Endowment	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 11,191,963	\$ 32,098,543	\$ 1,126,268	\$ 44,416,774
Investments	2,036,726	-	-	2,036,726
Prepaid expenses	48,215	-	-	48,215
Pledges receivable	-	2,211,626	-	2,211,626
Interfund loans receivable	276,724	(276,724)	-	-
Total Current Assets	13,553,628	34,033,445	1,126,268	48,713,341
Noncurrent Assets:				
Restricted investments	-	8,949,723	120,189,933	129,139,656
Pledges receivable, net of current portion	-	3,279,467	-	3,279,467
Surrender value of insurance policy	-	383,670	-	383,670
Land held for investments	207,900	-	-	207,900
Capital assets, net	87,670	3,887,500	-	3,975,170
Total Noncurrent Assets	295,570	16,500,360	120,189,933	136,985,863
Total Assets	13,849,198	50,533,805	121,316,201	185,699,204
LIABILITIES				
Current Liabilities:				
Accounts payable	64,387	174,633	-	239,020
Gift annuities payable	-	122,147	-	122,147
Total Current Liabilities	64,387	296,780	-	361,167
Noncurrent Liabilities:				
Gift annuities payable, net of current portion	-	561,043	-	561,043
Total Noncurrent Liabilities	-	561,043	-	561,043
Total Liabilities	64,387	857,823	-	922,210
DEFERRED INFLOWS OF RESOURCES				
Gift annuities	-	1,457,312	-	1,457,312
NET POSITION				
Net investment in capital assets	87,670	-	-	87,670
Restricted:				
Expendable	-	48,218,670	25,687,511	73,906,181
Nonexpendable endowments	-	-	95,628,690	95,628,690
Unrestricted	13,697,141	-	-	13,697,141
Total Net Position	\$ 13,784,811	\$ 48,218,670	\$ 121,316,201	\$ 183,319,682

FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.
SCHEDULES OF NET POSITION BY ACCOUNT TYPE

YEAR ENDED JUNE 30, 2022

	Unrestricted	Restricted	Endowment	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 10,348,542	\$ 21,194,317	\$ 1,161,319	\$ 32,704,178
Investments	1,210,896	-	-	1,210,896
Accounts receivable	1,850	-	-	1,850
Prepaid expenses	49,896	18,232	-	68,128
Pledges receivable	-	1,238,312	-	1,238,312
Interfund loans receivable	777,000	(777,000)	-	-
Total Current Assets	12,388,184	21,673,861	1,161,319	35,223,364
Noncurrent Assets:				
Restricted investments	-	7,101,072	110,675,669	117,776,741
Prepaid expenses, net of current portion	-	26,147	-	26,147
Pledges receivable, net of current portion	-	2,916,245	-	2,916,245
Surrender value of insurance policy	-	325,462	-	325,462
Land held for investments	207,900	-	-	207,900
Land holdings	-	8,242,500	-	8,242,500
Total Noncurrent Assets	207,900	18,611,426	110,675,669	129,494,995
Total Assets	12,596,084	40,285,287	111,836,988	164,718,359
LIABILITIES				
Current Liabilities:				
Accounts payable	60,412	308,765	-	369,177
University support payable	-	35,525	-	35,525
Unearned revenue	32,000	-	-	32,000
Gift annuities payable	-	120,487	-	120,487
Total Current Liabilities	92,412	464,777	-	557,189
Noncurrent Liabilities:				
Gift annuities payable, net of current portion	-	557,877	-	557,877
Total Noncurrent Liabilities	-	557,877	-	557,877
Total Liabilities	92,412	1,022,654	-	1,115,066
DEFERRED INFLOWS OF RESOURCES				
Gift annuities	-	1,373,073	-	1,373,073
NET POSITION				
Restricted:				
Expendable	-	37,889,560	19,813,423	57,702,983
Nonexpendable endowments	-	-	92,023,565	92,023,565
Unrestricted	12,503,672	-	-	12,503,672
Total Net Position	\$ 12,503,672	\$ 37,889,560	\$ 111,836,988	\$ 162,230,220

FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BY
ACCOUNT TYPE

YEAR ENDED JUNE 30, 2023

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total</u>
Operating Revenues:				
Contributions	\$ 480,904	\$ 21,859,803	\$ -	\$ 22,340,707
Other income	874,298	2,407,409	-	3,281,707
Total Operating Revenues	<u>1,355,202</u>	<u>24,267,212</u>	<u>-</u>	<u>25,622,414</u>
Operating Expenses:				
Amortization	24,336	-	-	24,336
Program fees	194,170	4,530,378	-	4,724,548
Scholarships	21,000	5,856,459	-	5,877,459
University support	1,596,439	8,370,919	-	9,967,358
General and administrative expenses	1,536,133	-	-	1,536,133
Total Operating Expenses	<u>3,372,078</u>	<u>18,757,756</u>	<u>-</u>	<u>22,129,834</u>
Operating Income (Loss)	<u>(2,016,876)</u>	<u>5,509,456</u>	<u>-</u>	<u>3,492,580</u>
Nonoperating Revenues:				
Interest earnings	682,326	81,389	-	763,715
Gain on sale of land holdings	623,065	-	-	623,065
Investment gains	113,444	701,619	12,281,288	13,096,351
Total Nonoperating Revenues	<u>1,418,835</u>	<u>783,008</u>	<u>12,281,288</u>	<u>14,483,131</u>
Income (loss) before endowment contributions	(598,041)	6,292,464	12,281,288	17,975,711
Endowment Contributions:				
Contributions to endowments	-	-	3,113,751	3,113,751
Change in net position	(598,041)	6,292,464	15,395,039	21,089,462
Transfers	1,879,180	4,036,646	(5,915,826)	-
Net position, beginning of year	<u>12,503,672</u>	<u>37,889,560</u>	<u>111,836,988</u>	<u>162,230,220</u>
Net position, end of year	<u>\$ 13,784,811</u>	<u>\$ 48,218,670</u>	<u>\$ 121,316,201</u>	<u>\$ 183,319,682</u>

FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BY
ACCOUNT TYPE

YEAR ENDED JUNE 30, 2022

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total</u>
Operating Revenues:				
Contributions	\$ 614,517	\$ 18,126,571	\$ -	\$ 18,741,088
Other income	689,745	2,419,462	-	3,109,207
Total Operating Revenues	<u>1,304,262</u>	<u>20,546,033</u>	<u>-</u>	<u>21,850,295</u>
Operating Expenses:				
Program Services:				
Program fees	125,102	4,877,961	-	5,003,063
Scholarships	6,250	5,647,546	-	5,653,796
University support	413,192	7,518,320	-	7,931,512
General and administrative expenses	2,173,063	-	-	2,173,063
	<u>2,717,607</u>	<u>18,043,827</u>	<u>-</u>	<u>20,761,434</u>
Total Operating Expenses	<u>2,717,607</u>	<u>18,043,827</u>	<u>-</u>	<u>20,761,434</u>
Operating Income (Loss)	<u>(1,413,345)</u>	<u>2,502,206</u>	<u>-</u>	<u>1,088,861</u>
Nonoperating Revenues (Expenses):				
Interest earnings	81,462	4,234	-	85,696
Investment (losses)	(299,564)	(744,465)	(16,089,381)	(17,133,410)
Total Nonoperating Revenues (Expenses)	<u>(218,102)</u>	<u>(740,231)</u>	<u>(16,089,381)</u>	<u>(17,047,714)</u>
Income (loss) before endowment contributions	(1,631,447)	1,761,975	(16,089,381)	(15,958,853)
Endowment Contributions:				
Contributions to endowments	-	-	3,900,707	3,900,707
Change in net position	(1,631,447)	1,761,975	(12,188,674)	(12,058,146)
Transfers	1,904,380	3,378,992	(5,283,372)	-
Net position, beginning of year	12,230,739	32,748,593	129,309,034	174,288,366
Net position, end of year	<u>\$ 12,503,672</u>	<u>\$ 37,889,560</u>	<u>\$ 111,836,988</u>	<u>\$ 162,230,220</u>

Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Florida Gulf Coast University Foundation, Inc.
Fort Myers, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Florida Gulf Coast University Foundation, Inc. (the “Foundation”) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Foundation’s basic financial statements, and have issued our report thereon dated October 27, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Cherry Bekaert LLP

Tampa, Florida
October 27, 2023