

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

FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

UNIVERSITY OF NORTH FLORIDA FOUNDATION, INC.
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
University of North Florida Foundation, Inc.:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and aggregate remaining fund information of the University of North Florida Foundation, Inc. (the "Foundation"), a direct support organization and component unit of the University of North Florida, as of and for the years ended June 30, 2024 and 2023, 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 accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the Foundation as of June 30, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and GAS, we:

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

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

Required Supplementary Information

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

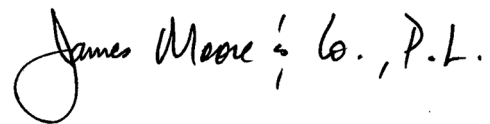
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Foundation's basic financial statements. The accompanying Schedule of Expenditures of State Financial Assistance for the year ended June 30, 2024, as required by Chapter 10.650, Rules of the Auditor General, State of Florida, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Expenditures of State Financial Assistance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 September 13, 2024, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

James Moore & Co., P.L.

Gainesville, Florida
September 13, 2024

UNIVERSITY OF NORTH FLORIDA FOUNDATION, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2024 AND 2023

Overview of the Financial Statements and Financial Analysis

University of North Florida Foundation, Inc. (the “Foundation”) presents financial statements as of and for the years ended June 30, 2024 and 2023. The Foundation exists for the sole purpose of providing financial support to students and programs of the University of North Florida (the “University”) and is a direct support organization and component unit of the University (a governmental agency).

The Foundation’s financial statements are presented on an accrual basis, including the recording of depreciation, which includes 1) assets and liabilities as current and non-current; 2) revenues and expenses as operating and non-operating; 3) the use of the direct method of statement of cash flows; 4) a management’s discussion and analysis (“MD&A”) of the financial results.

The MD&A focuses 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 statement report includes 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. Statements of Fiduciary Net Position
 - e. Statements of Changes in Fiduciary Net Position
 - f. Notes to the Financial Statements
2. Supplementary schedules
 - a. Schedule of Expenditures of State Financial Assistance

Financial Highlights

2024

- The Foundation had another strong fundraising year in 2024 achieving \$17.5 million in contributions and a record high unique gift count of 21,200.
- The Foundation had \$8.4 million restricted pledges receivable that have been discounted to present value, and adjusted for allowance for doubtful accounts, to a net balance of \$7.7 million, which is recorded on the Statement of Net Position.
- The 2024 annual *Foundation Board Drive* raised over \$278,000. Funds raised during this drive are unrestricted and used for the Foundation’s Board projects, Presidential Lecture Series, board operations and other board approved initiatives.
- *Student academic support*. In fiscal 2024 \$4.5 million was provided to 1,633 students in scholarships, fellowships, and study abroad programs.
- *First Generation Matching Grant Program* provided additional scholarship funding. Approved by the Florida Legislature, the program provides State matching funds for the gifts received by the Foundation for the program. In fiscal 2024, the Foundation received an allotment of \$211,178 in gifts with a State match of twice the amount. The total available for first generation scholarship funding was \$633,534. There were 335 students awarded scholarships from this program. The primary focus of this program is to provide scholarship opportunities to students who are the first-generation college students in their family. Other student criterion includes admittance of the University, attending at least six credit hours per semester at a state university and demonstrated financial need.

UNIVERSITY OF NORTH FLORIDA FOUNDATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024 AND 2023
(Continued)

- The endowment increase includes new endowed gifts of \$6.0 million and increased market value for the overall endowed portfolio. The non-endowed investments benefitted from an improved fixed income market and new non- endowed gifts of \$11.5 million.
- *Net Position increased* to \$219.4 million in fiscal 2024, an increase of approximately \$19.0 million or 9.5% over fiscal 2023. This increase includes operating revenue of \$30.7 million, operating expenses of \$17.8 million, and contributions to permanent endowments of \$6.0 million.

2023

- The Foundation had another strong fundraising year in 2023 achieving \$16.1 million in contributions and a record high unique gift count of 19,540.
- The Foundation had \$7.3 million restricted pledges receivable that have been discounted to present value, and adjusted for allowance for doubtful accounts, to a net balance of \$6.7 million, which is recorded on the Statement of Net Position.
- The 2023 annual *Foundation Board Drive* raised over \$296,000. Funds raised during this drive are unrestricted and used for the Foundation's Board projects, Presidential Lecture Series, board operations and other board approved initiatives.
- *Student academic support*. In fiscal 2023 \$4.3 million was provided to 1,636 students in scholarships, fellowships, and study abroad programs.
- *First Generation Matching Grant Program* provided additional scholarship funding. Approved by the Florida Legislature, the program provides State matching funds for the gifts received by the Foundation for the program. In fiscal 2023, the Foundation received an allotment of \$197,484 in gifts with a State match of twice the amount. The total available for first generation scholarship funding was \$592,450. There were 313 students awarded scholarships from this program. The primary focus of this program is to provide scholarship opportunities to students who are the first- generation college students in their family. Other student criterion includes admittance of the University, attending at least six credit hours per semester at a state university and demonstrated financial need.
- The endowment increase includes new endowed gifts of \$3.3 million and increased market value for the overall endowed portfolio. The non-endowed investments benefitted from an improved fixed income market and new non- endowed gifts of \$12.8 million.
- *Net Position increased* to \$200.4 million in fiscal 2023, an increase of approximately \$11.6 million or 6.2% over fiscal 2022. This increase includes operating revenue of \$26.2 million, operating expenses of \$17.9 million, and contributions to permanent endowments of \$3.3 million.

Statements of Net Position

The purpose of the Statement 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 Statement of Net Position, the reader will be able to determine the Foundation's ability to continue operations; how much it owes to vendors, and lending institutions; and to see a snapshot of the assets that are available to pay the expenditures of the Foundation.

UNIVERSITY OF NORTH FLORIDA FOUNDATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024 AND 2023
(Continued)

Condensed Summary of Net Position
(In thousands of dollars)

	<u>2024</u>	<u>2023</u>	<u>Increase (decrease)</u>	<u>Change</u>	<u>2022</u>	<u>Increase (decrease)</u>	<u>Change</u>
Assets							
Current assets	\$ 13,875	\$ 11,938	\$ 1,937	16.2%	\$ 14,515	\$ (2,577)	-17.8%
Noncurrent assets	205,772	189,433	16,339	8.6%	174,949	14,484	8.3%
Total assets	<u>\$219,647</u>	<u>\$201,371</u>	<u>\$ 18,276</u>	<u>9.1%</u>	<u>\$ 189,464</u>	<u>\$ 11,907</u>	<u>6.3%</u>
Liabilities:							
Current liabilities	\$ 248	\$ 973	\$ (725)	-74.5%	\$ 714	\$ 259	36.3%
Total liabilities	<u>248</u>	<u>973</u>	<u>(725)</u>	<u>-74.5%</u>	<u>714</u>	<u>259</u>	<u>36.3%</u>
Net position:							
Restricted:							
Restricted by donors – expendable	34,446	32,304	2,142	6.6%	30,997	1,307	4.2%
Permanent endowments – nonexpendable	147,999	134,215	13,784	10.3%	126,542	7,673	6.1%
Net investment in capital	30,230	30,230	-	0.0%	30,230	-	0.0%
Unrestricted	6,724	3,649	3,075	84.3%	981	2,668	272%
Total net position	<u>219,399</u>	<u>200,398</u>	<u>19,001</u>	<u>9.5%</u>	<u>188,750</u>	<u>11,648</u>	<u>6.2%</u>
Total liabilities and net position	<u>\$219,647</u>	<u>\$201,371</u>	<u>\$ 18,276</u>	<u>9.1%</u>	<u>\$ 189,464</u>	<u>\$ 11,907</u>	<u>6.3%</u>

The Statements of Net Position are presented as part of the basic financial statements. For fiscal year ended June 30, 2024, the total net position increased by \$19.0 million or 9.5%. This year's activity included the following:

Current Assets

2024

- *Current assets* totaled \$13.9 million, which is a increase of approximately \$1.9 million or 16.2%.
- *Cash and cash equivalents* (including restricted cash and cash equivalents previously residing in non-current assets) totaled \$9.4 million, representing 68.0% of the current asset balance.
- *Pledges receivable, current portion* totaled \$3.4 million, an increase of approximately \$488,000, or 16.5%.
- *Note receivable, current portion* totaled \$969,000, a decrease of \$515,000 or 34.7%. The TSI note receivable payment schedule was accelerated, additional principal payments began in July 2022.
- *Prepaid expenses* totaled approximately \$38,366, a decrease of \$27,234 or 41.5%. This decrease is mainly attributed to a decrease in deposits for events to be held in fiscal 2024 and for annual subscription services.

UNIVERSITY OF NORTH FLORIDA FOUNDATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024 AND 2023
(Continued)

2023

- *Current assets* totaled \$11.9 million, which is a decrease of approximately \$2.6 million or 17.8%.
- *Cash and cash equivalents* (including restricted cash and cash equivalents previously residing in non-current assets) totaled \$7.4 million, representing 62.3% of the current asset balance.
- *Pledges receivable, current portion* totaled \$2.9 million, an increase of approximately \$517,000, or 21.23%.
- *Note receivable, current portion* totaled \$1.5 million, an increase of \$93,000 or 6.7%. The TSI note receivable payment schedule was accelerated, additional principal payments began in July 2022.
- *Prepaid expenses* totaled approximately \$65,600, a decrease of \$22,000 or 25.0%. This decrease is mainly attributed to a decrease in deposits for events to be held in fiscal 2024 and for annual subscription services.

Non-current assets

2024

- *Non-current assets* totaled \$205.7 million, which is an increase of approximately \$16.3 million, or 8.6%.
- *Foundation investments* (excluding restricted cash equivalents now residing in current assets) totaled \$171.3 million, a net increase of approximately \$16.8 million or 10.9%.
- *Notes receivable.* Notes receivable balances with the UNF Training & Service Institute, Inc and the UNF Financing Corporation are due in fiscal year 2025; balances are classified as current assets for fiscal year 2024.
- *Pledges receivable.* The non-current portion totaled \$4.2 million, an increase of approximately \$526,000 or 14.1%.
- *Capital Assets.* Capital assets totaled \$30.2 million, equal to the same amount in the prior year.
- *Other assets* totaled \$3,280, approximately equal to the same amount in the prior year.

2023

- *Non-current assets* totaled \$189.4 million, which is an increase of approximately \$14.5 million, or 8.3%.
- *Foundation investments* (excluding restricted cash equivalents now residing in current assets) totaled \$154.5 million, a net increase of approximately \$15.6 million or 11.2%.
- *Notes receivable.* UNF Training & Service Institute, Inc. has a current line of credit for \$4.8 million at an interest rate of 4.5%, which is paid monthly. The funds were used to assist in the purchase of the ADT property in 2010. The terms of the loan require payment in full by the eleventh anniversary of the date of the advance. In August 2016, UNF Training & Service Institute, Inc. began paying down the principal. In FY21, the payment schedule was amended and accelerated, the note receivable is now scheduled to be paid in full in February 2025. At June 30, 2023, the non-current balance totaled \$900,206.

The UNF Financing Corporation, Inc. executed a \$1.2 million loan with the Foundation in December 2014 to assist with the renovation of the UNF East Park Warehouse building. The terms are 10 years at an interest rate of 3.0%. The non-current portion totaled \$68,923 at June 30, 2023.

UNIVERSITY OF NORTH FLORIDA FOUNDATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024 AND 2023
(Continued)

- *Pledges receivable.* The non-current portion totaled \$3.7 million, an increase of approximately \$356,000 or 10.6%.
- *Capital Assets.* Capital assets totaled \$30.2 million, equal to the same amount in the prior year.
- *Other assets* totaled \$3,006, equal to the same amount in the prior year.

Liabilities

2024

- *Current liabilities* totaled \$247,905, a decrease of approximately \$725,000. The current liabilities include accounts payable and accrued expenses, salaries payable, annuities payable, and notes payable. The net decrease is primarily due to the decrease in expense accruals at year-end.

2023

- *Current liabilities* totaled \$973,000, an increase of \$259,000. The current liabilities include accounts payable and accrued expenses, salaries payable, annuities payable, and notes payable. The net increase is primarily due to the increase in expense accruals at year-end.

Net Position

The net position at June 30, 2024, \$219.4 million, an increase of approximately \$19.0 million or 9.5%.

The net position section of the Statement of Net Position provides two classifications:

1. The restricted assets are listed in three categories:
 - a) the restricted by donor's category represents amounts which are available for spending in accordance with the donor's specified criteria.
 - b) the restricted for gift annuity represents the estimated net amount available for future payments by the Foundation; and
 - c) the permanent endowments category represents the Foundation's restricted nonexpendable funds, which are required to be held in perpetuity.
2. The unrestricted assets are the amounts available to the Foundation for any purpose in support of its mission.

Statements of Revenues, Expenses, and Changes in Net Position

The purpose of the Statement of Revenues, Expenses, and Changes in Net Position is to provide the details of the Foundation's operating and non-operating activities for the fiscal year. This includes the revenues (net of discounts and allowances) displayed by major source, expenses, and gains and losses received or incurred by the Foundation. For fiscal year 2024, the Statements of Revenues, Expenses, and Changes in Net Position reflect a \$19.0 million increase in net position or 9.5%.

UNIVERSITY OF NORTH FLORIDA FOUNDATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024 AND 2023
(Continued)

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

For the year ended June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>Increase (decrease)</u>	<u>Change</u>	<u>2022</u>	<u>Increase (decrease)</u>	<u>Change</u>
Operating revenue							
Contributions	\$ 11,539	\$ 12,763	\$ (1,224)	-9.6%	\$ 32,172	\$ (19,409)	-60.3%
Program	641	761	(120)	-15.8%	634	127	20.0%
Investment income (loss)	<u>18,520</u>	<u>12,639</u>	<u>5,881</u>	<u>46.5%</u>	<u>(13,402)</u>	<u>26,041</u>	<u>-194.3%</u>
Total operating revenues	30,700	26,163	4,537	17.3%	19,404	6,759	34.8%
Operating expenses	<u>17,766</u>	<u>17,943</u>	<u>(177)</u>	<u>-1.0%</u>	<u>16,024</u>	<u>1,919</u>	<u>12.0%</u>
Operating gain	<u>12,934</u>	<u>8,220</u>	<u>4,714</u>	<u>57.3%</u>	<u>3,380</u>	<u>4,840</u>	<u>143.2%</u>
Non-operating revenue (expenses):							
Interest income from notes	78	141	(63)	-44.7%	195	(54)	-27.7%
Contributions to permanent endowments	<u>5,989</u>	<u>3,287</u>	<u>2,702</u>	<u>82.2%</u>	<u>4,550</u>	<u>(1,263)</u>	<u>-27.8%</u>
Non-operating income (loss)	<u>6,067</u>	<u>3,428</u>	<u>2,639</u>	<u>77.0%</u>	<u>4,745</u>	<u>(1,317)</u>	<u>-27.8%</u>
Change in net position	19,001	11,648	7,353	63.1%	8,125	3,523	43.4%
Net position, beginning of year	<u>200,398</u>	<u>188,750</u>	<u>11,648</u>	<u>6.2%</u>	<u>180,625</u>	<u>8,125</u>	<u>4.5%</u>
Net position, end of year	<u>\$219,399</u>	<u>\$200,398</u>	<u>\$ 19,001</u>	<u>9.5%</u>	<u>\$ 188,750</u>	<u>\$ 11,648</u>	<u>6.2%</u>

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. workshops, lecture series, special events, etc.) to various customers and constituents of the Foundation.
- Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the Foundation. They are detailed by expenditure type, which include educational items, program and professional fees, scholarships, fellowships, study abroad, etc.
- Net operating gain represents the amount of operating revenue in excess of the year's operating expenses and does not include non-operating revenue (expenses).
- Non-operating revenue is received from sources for which no service is provided by the Foundation, e.g. investments.
- Additions to endowments represent contributions received for the permanent endowments.
- The change in net position is the result of the fiscal year's excess (deficiency) of revenues over expenses, which is also the difference in total net position on the Statements of Net Position.

The Statements of Revenues, Expenses and Changes in Net Position presented as part of the basic financial statements. For fiscal year 2024, the Foundation's change in net position before contributions to endowments was approximately \$13 million. The Statements' highlights are as follows:

UNIVERSITY OF NORTH FLORIDA FOUNDATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024 AND 2023
(Continued)

Operating Revenues

2024

- *Operating revenues* totaled \$30.7 million, an increase of approximately \$4.5 million or 17.3%. The increase was mainly attributed to an increase in investment market values.
- *The non-endowed contributions* totaled \$11.5 million, which is a decrease of approximately \$1.2 million. This decrease is mainly attributed to a large unrestricted planned gift donation in FY23. Contributions shown under Operating Revenues are exclusive of the contributions to permanent endowments.
- *Program revenues* totaled \$641,000, a decrease of approximately \$120,000 or 15.8%. The decrease is primarily attributed to less non-gift event revenue received in FY24.
- *Investment earnings* totaled a \$18.5 million net gain, which is an increase of approximately \$5.9 million. Investment earnings include interest and dividends and net appreciation (depreciation) in investments. The endowed funds are managed by Perella Weinberg Partners /Agility Comprehensive Solutions.

2023

- *Operating revenues* totaled \$26.2 million, an increase of approximately \$6.8 million or 34.8%. The increase was mainly attributed to an increase in investment market values.
- *The non-endowed contributions* totaled \$12.8 million, which is a decrease of approximately \$19.4 million. This decrease is mainly attributed to the \$21 million land donation in FY22. Contributions shown under Operating Revenues are exclusive of the contributions to permanent endowments.
- *Program revenues* totaled \$761,000, an increase of approximately \$127,000 or 20.0%. The increase is primarily attributed to more non-gift event revenue received in FY23.
- *Investment earnings* totaled a \$12.6 million net gain, which is an increase of approximately \$26.0 million. Investment earnings include interest and dividends and net appreciation (depreciation) in investments. The endowed funds are managed by Perella Weinberg Partners /Agility Comprehensive Solutions.

Operating Expenses

2024

Operating expenses totaled \$17.8 million, which is a decrease of approximately \$177,000 or 1.0%. The following details several expense categories:

- *Education Programs* totaled \$4.8 million, a decrease of approximately \$1.7 million.
- *Scholarships, Fellowships and Study Abroad.* The Foundation disbursed \$4.5 million to the University for educational support to students. This is an increase of approximately \$202,000, or 4.7%. The amounts disbursed by category:

	Amount
Scholarships	\$ 3,631,289
Fellowships	257,133
Study Abroad	419,491
First Generation	211,178
	\$ 4,519,091

UNIVERSITY OF NORTH FLORIDA FOUNDATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024 AND 2023
(Continued)

- *Program fees* totaled \$5.8 million, an increase of approximately \$1.2 million or 25.2%. The increase is primarily due to the amount paid to University departments for operating expenses and payroll charges.
- *Professional Fees* totaled \$234,000, a decrease of approximately \$165,000 or 41.3%. The decrease represents the expenses associated with independent contractor payments.
- *General and administrative expenses* totaled \$2.4 million, an increase of approximately \$364,000 or 17.9%. The increase is primarily due to salary charges in the unrestricted fund.

2023

Operating expenses totaled \$17.9 million, which is an increase of approximately \$1.9 million or 12.0%. The following details several expense categories:

- *Education Programs* totaled \$6.6 million, an increase of approximately \$1.5 million.
- *Scholarships, Fellowships and Study Abroad.* The Foundation disbursed \$4.3 million to the University for educational support to students. This is an increase of approximately \$200,00, or 4.9%. The amounts disbursed by category:

	<u>Amount</u>
Scholarships	\$ 3,689,848
Fellowships	285,149
Study Abroad	144,356
First Generation	197,484
	<u>\$ 4,316,837</u>

- *Program fees* totaled \$4.6 million, an increase of approximately \$923,000 or 25.0%. The net increase is primarily due to the amount paid to University departments for their services.
- *Professional Fees* totaled \$399,000, an increase of approximately \$122,000 or 44.2%. The increase represents the expenses associated with the consultants, auditors, training, and workshop facilitator fees.
- *General and administrative expenses* totaled \$2.0 million, a decrease of approximately \$186,000 or 8.4%. These expenses are unrestricted operational expenses.

Additions to Endowments

2024

- *Permanent Endowments.* The Foundation received \$6.0 million in donor contributions to its permanent endowments. Of the \$6.0 million, \$1.7 million were contributions received from 20 new permanent endowments.

2023

- *Permanent Endowments.* The Foundation received \$3.3 million in donor contributions to its permanent endowments. Of the \$3.3 million, \$369,000 was contributions received in for 23 new permanent endowments.

UNIVERSITY OF NORTH FLORIDA FOUNDATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024 AND 2023
(Continued)

Statements of Cash Flows

The Statements of Cash Flows show the cash provided and used for operating, capital and related financing activities and investing activities.

- Operating activities include funds received (i.e. from private donors, student rentals, parking fees, matching programs, etc.) and payments (i.e. for programs, employee services, and suppliers for goods and services) made for Foundation operations.
- Capital and related financing activities include funds received from donor annuities and contributions to permanent endowments; and funds used to pay annuity payables and a note payable.
- Investing activities represent funds used to purchase investments and loan funds to a related party; and funds received from proceeds of investment sales, interest and dividends.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Foundation, specifically MOCA. Fiduciary funds are not reflected in the Foundation's basic business-type entity financial statements because resources of those funds are not available to support the Foundation's own programs.

Economic Outlook

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 results of operations during this fiscal year.

Management believes the Foundation's overall financial position is strong. With detailed monitoring of each account, the Foundation has sufficient funds to cover its obligations.

Requests for Information

This financial report is designed to provide a general overview of the Foundation's finances for all those with an interest therein. Questions concerning any of the information provided in this report or requests for additional information may be addressed to:

Olga Igolnikov, Assistant Vice President of Advancement Operations
Alumni Hall, 1 UNF Drive
Jacksonville, FL 32224-2648
(904) 620-5250

UNIVERSITY OF NORTH FLORIDA FOUNDATION, INC.
STATEMENTS OF NET POSITION
JUNE 30, 2024 AND 2023

	2024	2023
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 9,430,096	\$ 7,438,336
Prepaid expenses	38,366	65,600
Notes receivable	969,125	1,484,382
Pledges receivable, net	3,437,415	2,949,778
Total current assets	13,875,002	11,938,096
Noncurrent assets		
Investments	171,294,151	154,511,451
Notes receivable	-	969,129
Pledges receivable, net	4,244,940	3,719,261
Capital assets not being depreciated	30,230,000	30,230,000
Other assets	3,280	3,006
Total noncurrent assets	205,772,371	189,432,847
Total assets	\$ 219,647,373	\$ 201,370,943
<u>LIABILITIES</u>		
Current liabilities		
Accounts payable and accrued expenses	\$ 190,244	\$ 898,555
Salaries payable - due to UNF	57,661	74,024
Total current liabilities	247,905	972,579
Total liabilities	\$ 247,905	\$ 972,579
<u>NET POSITION</u>		
Net position		
Restricted		
Restricted by donors - expendable	\$ 34,446,396	\$ 32,304,285
Permanent endowments - nonexpendable	147,998,670	134,214,886
Net investment in capital assets	30,230,000	30,230,000
Unrestricted	6,724,402	3,649,193
Total net position	\$ 219,399,468	\$ 200,398,364

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

UNIVERSITY OF NORTH FLORIDA FOUNDATION, INC.
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
Operating revenues		
Contributions	\$ 11,539,001	\$ 12,763,249
Other operating revenue	640,599	760,659
Investment income	18,519,984	12,639,386
Total operating revenues	30,699,584	26,163,294
Operating expenses		
Program services:		
Education programs	4,820,658	6,565,032
Scholarships, fellowships and study abroad	4,519,091	4,316,837
Program fees	5,790,850	4,625,241
Professional fees	233,796	398,609
	15,364,395	15,905,719
Other expenses:		
General and administrative expenses	2,401,351	2,037,479
Total operating expenses	17,765,746	17,943,198
Operating income	12,933,838	8,220,096
Non-operating income		
Interest income from notes receivable	78,455	141,061
Contributions to permanent endowments	5,988,811	3,287,466
Total non-operating income	6,067,266	3,428,527
Change in net position	19,001,104	11,648,623
Net position , beginning of year	200,398,364	188,749,741
Net position , end of year	\$ 219,399,468	\$ 200,398,364

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

UNIVERSITY OF NORTH FLORIDA FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
Cash flows from operating activities		
Received from private donors	\$ 10,525,685	\$ 11,890,161
Received from other sources	640,599	760,659
Payments to the University for programs	(15,364,395)	(15,905,719)
Payments to employees for services	(1,728,782)	(1,181,428)
Payments to suppliers for goods and services	(1,370,283)	(575,365)
Net cash used in operating activities	(7,297,176)	(5,011,692)
Cash flows from noncapital and related financing activities		
Contributions to permanent endowments	5,988,811	3,287,466
Cash flows from investing activities		
Purchases of investments	(28,493,706)	(31,093,307)
Interest, dividends, and management fees, net	(296,917)	(477,953)
Proceeds from sales of investments	30,527,907	28,598,609
Interest received on related party notes receivable	78,455	141,061
Repayments of related party notes receivable	1,484,386	1,391,712
Net cash provided by (used in) investing activities	3,300,125	(1,439,878)
Net increase (decrease) in cash and cash equivalents	1,991,760	(3,164,104)
Cash and cash equivalents, beginning of year	7,438,336	10,602,440
Cash and cash equivalents, end of year	\$ 9,430,096	\$ 7,438,336
Reconciliation of operating income to net cash used in operating activities		
Operating income	\$ 12,933,838	\$ 8,220,096
Adjustments to reconcile operating income to net cash used in operating activities:		
Change in allowance and discount of pledges receivable	(125,812)	(161,023)
Investment (income) losses	(18,519,984)	(12,639,386)
Changes in assets and liabilities:		
Prepaid expenses	27,234	21,870
Pledges receivable	(887,504)	(712,065)
Other assets	(274)	-
Accounts payable and accrued expenses	(724,674)	258,816
Net cash used in operating activities	\$ (7,297,176)	\$ (5,011,692)

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

UNIVERSITY OF NORTH FLORIDA FOUNDATION, INC.
STATEMENTS OF FIDUCIARY NET POSITION
JUNE 30, 2024 AND 2023

		Custodial Funds	
		2024	2023
<u>ASSETS</u>			
Current assets			
Investments at fair value		\$ 9,154,884	\$ 8,658,194
Total assets		\$ 9,154,884	\$ 8,658,194
<u>NET POSITION</u>			
Net position			
Restricted - permanent endowments		\$ 9,154,884	\$ 8,658,194
Total net position		\$ 9,154,884	\$ 8,658,194

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

**UNIVERSITY OF NORTH FLORIDA FOUNDATION, INC.
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	Custodial Funds	
	2024	2023
Additions		
Investment earnings	\$ 969,521	\$ 614,199
Contributions	-	1,500,000
Total additions	969,521	2,114,199
Deductions		
Administrative expense	166,275	144,037
Spending distribution	306,556	293,487
Total deductions	472,831	437,524
Net increase in fiduciary net position	496,690	1,676,675
Net position, beginning of year	8,658,194	6,981,519
Net position, end of year	\$ 9,154,884	\$ 8,658,194

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

UNIVERSITY OF NORTH FLORIDA FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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

The following is a summary of the more significant accounting policies of the University of North Florida Foundation, Inc. (the Foundation), which affect significant elements of the accompanying basic financial statements.

(a) **Reporting entity**—The Foundation is a not-for-profit entity organized to provide financial support to the students and programs of the University of North Florida (the “University”). It is a direct support organization (“DSO”) and proprietary fund component unit of the University.

(b) **Basis of accounting**—The financial statements of the Foundation have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting.

For financial reporting purposes, the Foundation is considered a special-purpose government engaged only in business-type activities. Accordingly, the Foundation prepares its financial statements using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for proprietary funds, which is similar to those for private business enterprises. Accordingly, revenues are recorded when earned and expenses are recorded when incurred.

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

- *Net investment in capital assets* consist of capital assets, net of accumulated depreciation, reduced by outstanding balances of any debt that is attributable to those assets.
- *Restricted net position* represents net position that is restricted by constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through enabling legislation.

Nonexpendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Expendable restricted net position includes resources in which the Foundation is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

- *Unrestricted net position* represents funds that are available without restriction for carrying out the Foundation’s objectives.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the Foundation’s policy is to first apply the expense toward restricted resources, and then toward unrestricted resources.

In addition to the business type activities noted above, the Foundation accounts for assets that it holds in a fiduciary capacity that it invests and manages for the Museum of Contemporary Arts Jacksonville (MOCA), which accumulates resources and makes annual distributions to MOCA. These funds are accounted for as custodial funds.

UNIVERSITY OF NORTH FLORIDA FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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

(c) **Cash and cash equivalents**—For purposes of the statement of cash flows, the Foundation considers cash on hand, cash on deposit, and investments with original maturities of ninety days or less to be cash and cash equivalents.

(d) **Investments**—Investments are stated at fair value, based primarily on quoted market prices with the exception of the alternative investments (hedge, private equity and other fund investments) which are based on external valuation sources. To the extent investments are held in co-mingled funds, the recorded amount is based on an allocation of the fair value based on the underlying securities of the fund. The Foundation intends to hold its investments for the long term. However, the needs of the Foundation may require the sale of a portion of these assets on a short-term basis, subject to the approval of the Investment Committee.

(e) **Notes receivable**—The notes receivable are stated at the amount the Foundation expects to collect from the outstanding balances. An allowance for uncollectible amounts is estimated and recorded based on management’s judgment of the collectability of the notes receivable in future years. At June 30, 2024 and 2023, the Foundation considered the full balance of the notes receivable to be collectible. Accordingly, there was no allowance for doubtful accounts.

(f) **In-kind contributions**—Donated educational materials, equipment, books and other non-cash contributions are recorded at their estimated fair values, if determinable, at the date of the donations. Nominal values are recorded if fair values are not determinable.

Administrative and fiscal services, office space and other miscellaneous support services are provided to the Foundation by the University at no cost. No value has been assigned to these services in the accompanying statement of revenues, expenses, and changes in net position, since there is no objective basis for determining the value.

(g) **Pledges receivable**—All non-endowed pledges that have met all the eligibility requirements that are verifiable, probable and measurable are recorded at their estimated realizable value on a discounted basis. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using a risk adjusted discount rate applicable to the month in which the promises are received. Amortization of the discounts is included in the contribution revenue. The Foundation uses the allowance method to determine uncollectible receivables. The allowance for uncollectible pledges is based on historical collection rates estimated at 3% of receivables.

(h) **Income taxes**—The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code; accordingly, the accompanying financial statements do not reflect a provision or liability for federal and state income taxes. The Foundation has determined that it does not have any material uncertain tax positions as of June 30, 2024 and 2023.

(i) **Operating income**—Operating revenues and expenses represent ongoing activities of the Foundation as well as ongoing activities that are in support of the University’s programs. Operating activities relate to the Foundation’s principal function, which is to solicit, receive, hold, invest and administer charitable contributions for the benefit of the University. Nonoperating revenues include certain revenue sources that provide additional funding not included in operating revenues, including endowment contributions.

UNIVERSITY OF NORTH FLORIDA FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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

(j) **Revenue recognition**—Revenues are reported as increases in unrestricted net position unless use of the related assets is limited by donor-imposed restrictions. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as restricted expendable or restricted nonexpendable support that increases these net position classes. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net position unless their use is restricted by explicit donor stipulations or by law.

In the normal course of business, the Foundation accepts financial assets from donors on behalf of specified beneficiaries to which it is financially interrelated and recognizes the fair value of assets received as contributions. Contributions, including unconditional promises to give, are recognized as revenues in the period received and are recorded at their estimated fair value on the date of contribution. Contributions of cash, investment securities or pledges receivable are recognized at fair value when all eligibility requirements have been met and are reported as increases in net position, with the exception of pledges to the endowment which are recognized when funds are received. Property and equipment donated to the Foundation are recorded at their estimated value at the dates of donation. Donated services are not recognized by the Foundation. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

(k) **Vacation and sick leave accrual**—Employees earn the right to be compensated during absences for annual leave (“vacation”) and sick leave pursuant to Section 6C-5.305 of the Florida Administrative Code. Employees earn annual and sick leave based on their years of service. For annual leave, a maximum of 352 hours can be carried forward from one year to the next or paid upon termination for administrative and professional (“A&P”) employees and 240 hours can be carried forward from one year to the next or paid upon termination for University support personnel services (“USPS”) employees. Employees who have completed at least ten years of service are eligible to receive payment for one fourth of their accrued sick leave hours, upon termination, not to exceed 480 hours. Vacation pay and sick leave payments are expensed in the period earned by the employee. Effective July 1, 2018 compensated absences are maintained by the University and no longer held on the Foundation books.

(l) **Use of estimates**—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

(m) **Capital assets**—All real property (buildings and land) is capitalized. Property and equipment purchased or donated with an original cost of \$5,000 or more are recorded at cost. Capital assets are depreciated using the straight-line method of depreciation over the estimated useful lives of the assets.

UNIVERSITY OF NORTH FLORIDA FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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

(n) **Recently issued accounting pronouncements**— The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for subsequent fiscal years that have not yet been implemented. The Foundation has not currently determined what, if any, impact implementation of the following will have on the Foundation’s financial statements.

GASB issued Statement No. 101, *Compensated Absences*, in June 2022. GASB Statement No. 101 amends the existing guidance related to the calculation and disclosures surrounding the liability for compensated absences. The provisions in GASB 101 are effective for fiscal years beginning after December 15, 2023.

GASB issued Statement No. 102, *Certain Risk Disclosures*, in December 2023. The objective of GASB 102 is to provide users of governmental financial statements with essential information about risks related to an entity’s vulnerabilities due to certain concentrations or constraints. The provisions in GASB 103 are effective for fiscal years beginning after June 15, 2024.

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

(o) **Reclassifications**— Certain amounts in the prior year financials have been reclassified to conform to the current year presentation. These reclassifications had no effect on total net position.

(2) **Cash, Cash Equivalents and Investments:**

Investment decisions are made subject to guidelines established by the Foundation’s Investment Committee and approved by the Board. All deposits and investments are held at the financial institutions in the name of the Foundation.

(a) **Cash and cash equivalents**—As of June 30, 2024, and 2023, cash included bank demand accounts, money market funds, and “2a7-like” investment pools subject to immediate withdrawal and consisted of the following:

	2024	2023
Cash on deposit	\$ 7,909	\$ 20,225
Money market funds	311,444	1,112,372
FL CLASS	9,110,743	6,305,739
	\$ 9,430,096	\$ 7,438,336

UNIVERSITY OF NORTH FLORIDA FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

(2) **Cash, Cash Equivalents and Investments:** (Continued)

Custodial credit risk – deposits. Custodial credit risk for deposits is the risk that, in the event of a depository financial institution’s failure, the Foundation’s deposits may not be returned to it. The Foundation periodically maintains cash balances in excess of the Federal Deposit Insurance Corporation (FDIC) limit.

FL CLASS is rated by S&P Global Ratings. The current rating is ‘AAAm.’

Interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Foundation’s policy for managing its exposure to fair value loss occurring from interest rate risk is through maintaining diversification of its investments and investment maturities so as to minimize the impact of downturns in the market as stated above. The dollar weighted average days to maturity (WAM) of FLCLASS at June 30, 2024 is 26 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of FLCLASS at June 30, 2024 is 81 days.

(b) **Investments**—Investments are recorded at fair value and consist of government and agency mortgage-backed securities, corporate bonds, mutual funds, and alternative investments which include hedge funds, private equity funds, global equities and fixed income funds, absolute return fund, and real assets funds.

The Foundation’s investment policy states equity securities will be broadly diversified (e.g. country, economic sector, industry, etc.) to minimize the impact during sudden and severe market downturns, as equity markets have historically displayed a high degree of such correlation during these periods.

The role of the alternative investment funds described above is to reduce the overall volatility of the equity fund performance. Fixed income securities will be diversified among different sectors of the fixed income market. With the exception of obligations of the U.S. Government and its agencies, no purchase will be made that will cause more than 5% of the fixed income fund to be invested in the securities of any one issuer.

The estimated fair values of investments (which include the Foundation’s investments and fiduciary investments) were based on valuations provided by external investment managers at June 30, and consisted of the following:

<u>Investment Type</u>	<u>2024</u>	<u>2023</u>
Global equities	\$ 91,946,749	\$ 82,838,510
Private equity funds	33,909,857	30,372,442
Real asset funds	19,572,041	18,895,081
Global fixed income funds	11,539,452	9,411,533
Absolute Return and Hedge Funds	10,349,740	9,321,395
U.S. Government bonds and agency securities	8,755,518	8,700,132
Fixed income - corporate bonds	4,375,678	3,630,552
	<u>\$ 180,449,035</u>	<u>\$ 163,169,645</u>

UNIVERSITY OF NORTH FLORIDA FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

(2) **Cash, Cash Equivalents and Investments:** (Continued)

Credit risk. Credit risk was the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2024 and 2023, the quality ratings of the Foundation's investments are as follows:

Investment Type	Fair Value	2024 Quality Rating				
		A	AA	AAA	BBB	Unrated
Global equities	\$ 91,946,749	\$ -	\$ -	\$ -	\$ -	\$ 91,946,749
Private equity funds	33,909,857	-	-	-	-	33,909,857
Real asset funds	19,572,041	-	-	-	-	19,572,041
Global fixed income funds	11,539,452	-	-	-	-	11,539,452
Absolute return and hedge funds	10,349,740	-	-	-	-	10,349,740
U. S. Government bonds and agency securities	8,755,518	181,434	425,837	7,738,607	-	409,640
Fixed Income - corporate bonds	4,375,678	3,279,581	597,063	62,865	188,640	247,529
	<u>\$180,449,035</u>	<u>\$ 3,461,015</u>	<u>\$ 1,022,900</u>	<u>\$ 7,801,472</u>	<u>188,640</u>	<u>\$ 167,975,008</u>

Investment Type	Fair Value	2023 Quality Rating			
		A	AA	AAA	Unrated
Global equities	\$ 82,838,510	\$ -	\$ -	\$ -	\$ 82,838,510
Private equity funds	30,372,442	-	-	-	30,372,442
Real asset funds	18,895,081	-	-	-	18,895,081
Global fixed income funds	9,321,395	-	-	-	9,321,395
Absolute return and hedge funds	9,411,533	-	-	-	9,411,533
U. S. Government bonds and agency securities	8,700,132	-	-	8,700,132	-
Fixed Income - corporate bonds	3,630,552	2,776,928	662,509	191,115	-
	<u>\$ 163,169,645</u>	<u>\$ 2,776,928</u>	<u>\$ 662,509</u>	<u>\$ 8,891,247</u>	<u>\$ 150,838,961</u>

Money market funds are presented in cash and cash equivalents on the Foundation's Statements of Net Position.

UNIVERSITY OF NORTH FLORIDA FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

(2) **Cash, Cash Equivalents and Investments:** (Continued)

Interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Foundation’s policy for managing its exposure to fair value loss occurring from interest rate risk is through maintaining diversification of its investments and investment maturities so as to minimize the impact of downturns in the market as stated above. As of June 30, 2024 and 2023, the Foundation’s investments and money market funds had the following maturities:

	2024 Investment Maturities (in Years)		
	Fair Value	Less than 1	1 – 5
Money market funds	\$ 9,422,187	\$ 9,422,187	\$ -
U.S. Government Bonds and Agency Securities	8,755,518	2,609,878	6,145,640
Fixed income - corporate bonds	4,375,678	982,450	3,393,228
	<u>\$ 22,553,383</u>	<u>\$ 13,014,515</u>	<u>\$ 9,538,868</u>
	2023 Investment Maturities (in Years)		
	Fair Value	Less than 1	1 – 5
U.S. Government Bonds and Agency Securities	\$ 8,700,132	\$ 2,405,060	\$ 6,295,072
Money market funds	7,418,111	7,418,111	-
Fixed income - corporate bonds	3,630,552	1,279,516	2,351,036
	<u>\$ 19,748,795</u>	<u>\$ 11,102,687</u>	<u>\$ 8,646,108</u>

Concentration Risk. The Foundation’s portfolio includes alternative investment funds (“Funds”) as of June 30, 2024 and 2023, respectively. The Funds’ investments are subject to various risk factors including market, credit, and currency risk. The Funds’ investments are made in the United States and internationally and thus have concentrations in such regions. The Funds’ investments are also subject to the risk associated with investing in private equity securities. The investments in private equity securities are generally illiquid, and there can be no assurance that the fund will be able to realize the value of such investments in a timely manner.

The Funds have invested, for purposes of capital appreciation, in various underlying funds that vary by size, industry and geographical concentration. Investment performance of an industry sector in which the Funds have a concentration of investments may have a significant impact on the performance of the Funds.

The Funds participate in assets and securities of non-U.S. issuers. Investments of this type may be subject to significant price fluctuations and above-average risk. Investments in non-U.S. securities involve certain factors not typically associated with investing in U.S. securities, including risks relating to currency exchange matters, differences between the and non-U.S. securities markets, certain economic and political risks, and the possible imposition of non-U.S. taxes on income and gains recognized with respect to such securities.

UNIVERSITY OF NORTH FLORIDA FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

(2) **Cash, Cash Equivalents and Investments:** (Continued)

Investment income. The following summarizes net investment income for the years ended June 30, 2024 and 2023:

	2024	2023
Net unrealized and realized gains	\$ 18,816,901	\$ 13,117,339
Investment management fees	(792,808)	(850,858)
Interest and dividends	495,891	372,905
	\$ 18,519,984	\$ 12,639,386

Endowment fees. In accordance with the policies of the Foundation’s Board, the Foundation received \$2,017,424 and \$1,832,672 in investment management fees from the permanently endowed accounts during the years ended June 30, 2024 and 2023, respectively. These fees are to be utilized for unrestricted purposes. The investment management fees are calculated as 1.41% and 1.01% of the respective fair value of the endowed investments for the years ended June 30, 2024 and 2023, respectively, and deducted quarterly from the total return of the pooled and non-pooled endowment funds. The fees assessed by the Foundation are for expenses related to the operation of the Foundation such as management of the endowment, audit and accounting functions, development and alumni related activities, as they relate to the operations and fund-raising, gift receipting, acknowledging, and recognition of donors.

Endowment deficiencies. The aggregate amount of deficiencies for all donor-restricted endowment funds for which the fair value of the assets was less than the level required by donor stipulations was \$466,004 and \$1,840,626 as of June 30, 2024 and 2023, respectively.

(3) **Fair Value Measurements:**

The Foundation has provided additional information about fair value measurements which is based on the assumptions that market participants would use when pricing an asset or liability. A fair value hierarchy was established that prioritizes the information used to develop these assumptions. 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). The three levels of the fair value hierarchy are as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that an entity has the ability to access at the measurement date;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active; and

Level 3 – Inputs that are unobservable, about which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Inputs broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. The Foundation uses the market approach valuation technique to value its investments.

UNIVERSITY OF NORTH FLORIDA FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

The asset 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 measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the unobservable inputs.

(3) **Fair Value Measurements:** (Continued)

There have been no changes in the methodologies used during the years ended June 30, 2024 and 2023. Following is a description of the valuation methodologies use for assets measured at fair value.

The fair value of U.S. government bonds and agency securities, corporate bonds, and mutual funds are based on quoted prices in active markets.

The investments presented as hedge funds, absolute return funds, global equities funds, global fixed income funds, and real assets funds are generally open-end funds as they typically offer subscription and redemption options to investors. The frequency of such subscriptions or redemptions is dictated by such funds governing documents. The amount of liquidity provided to investors in a particular fund is generally consistent with the liquidity and risk associated with the underlying portfolio (i.e., the more liquid the investments in the portfolio, the greater the liquidity provided the investors). Liquidity of individual hedge funds varies based on various factors and may include “gates,” “holdbacks” and “side pockets” imposed by the manager of the hedge fund, as well as redemption fees which may also apply. These investments are generally illiquid in whole or in part. These funds are generally measured at fair value using net asset value (“NAV”) as a practical expedient.

Most private equity funds are structured as closed-end, commitment-based investment funds where the entity commits a specified amount of capital upon inception of the fund (i.e., committed capital) which is then drawn down over a specified period of the fund’s life. Such funds generally do not provide redemption options for investors, and subsequent to final closing, do not permit subscriptions by new or existing investors. Accordingly, the entity generally holds interests in such funds for which there is no active market. These funds are generally measured at fair value using NAV as a practical expedient.

The following tables present the assets carried on the statements of net position by level within the valuation hierarchy as of June 30, 2024 and 2023.

	Assets at Fair Value as of June 30, 2024			
	Level 1	Level 2	Level 3	Total
U.S. government bonds and agency securities	\$ -	\$ 8,755,518	\$ -	\$ 8,755,518
Fixed income – Corporate bonds	-	4,375,678	-	4,375,678
Global equities	1,420,595	-	-	1,420,595
Global fixed income funds	65,835	-	-	65,835
Total	\$ 1,486,430	\$ 13,131,196	\$ -	14,617,626
Investments measured at NAV (a)				165,831,409
Investments at fair value (b)				\$ 180,449,035

UNIVERSITY OF NORTH FLORIDA FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

(3) **Fair Value Measurements:** (Continued)

	Assets at Fair Value as of June 30, 2023			
	Level 1	Level 2	Level 3	Total
U.S. government bonds and agency securities	\$ -	\$ 8,700,132	\$ -	\$ 8,700,132
Fixed income – Corporate bonds	-	3,630,552	-	3,630,552
Global equities	731,903	-	-	731,903
Global fixed income funds	60,876	-	-	60,876
Total	\$ 792,779	\$ 12,330,684	\$ -	13,123,463
Investments measured at NAV (a)				150,046,182
Investments at fair value (b)				\$ 163,169,645

- (a) *its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the Statement of Net Position.*
- (b) *Included within the disclosures of fair value above are amounts totaling \$9,154,884 and \$8,658,194 for the years ended June 30, 2024 and 2023, respectively, which are held by the Foundation as a term endowment on behalf of the Museum of Contemporary Arts Jacksonville. The balance of these funds are reflected within the Statement of Fiduciary Net Position.*

The following table summarizes investments for which fair value is measured using the NAV per share practical expedient as of June 30, 2024 and 2023.

	Fair Value at June 30, 2024	Fair Value at June 30, 2023	Unfunded Commitments	Withdrawal Frequency	Redemption Notice Period
Global equities	\$ 90,526,154	\$ 82,106,607	None	Monthly, Quarterly, Semi-Annually, Annually	30 to 90 days
Private equity funds	33,909,857	30,372,442	\$ 18,682,997	None	None
Real asset funds	19,572,041	18,895,081	\$ 10,652,656	Quarterly	60 days
Global fixed income funds	11,473,617	9,260,519	None	Daily, Bi-Monthly, Monthly, Quarterly	5 – 60 days
Absolute return and hedge funds	10,349,740	9,411,533	None	Monthly, Quarterly, Semi-Annually, Annually	45 to 105 days

Investment Manager Subscription Agreements

The Foundation is a party to various subscription agreements with hedge fund managers. Due to the illiquid nature of the investments in these types of funds, there is redemption, notification requirements before an account can be closed, and proceeds paid to the Foundation. The stated redemption notice on the majority of funds is approximately 90 days, however, the Foundation has annually been permitted to withdraw cash to meet its operational needs.

UNIVERSITY OF NORTH FLORIDA FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

(3) **Fair Value Measurements:** (Continued)

The Foundation is also a party to various subscription agreements with private equity managers which provide for capital contributions as requested by the funds. At June 30, 2024, the Foundation has future funding commitments to the following funds:

Morgan Creek Partners I	\$ 337,500
Morgan Creek Partners II	270,000
Morgan Creek Partners III	540,000
Morgan Creek Partners IV	30,000
Agility Private Capital II	495,566
Agility Private Capital III	140,374
Agility Private Capital IV	2,259,198
Agility Private Capital V	735,692
Agility Private Capital VI	2,242,624
Agility Second Opportunity I	257,912
Agility Private Capital VII	5,404,994
Agility Private Capital VIII	5,969,137
Total Private Capital	<u>\$ 18,682,997</u>

Agility - Private Real Assets I	\$ 249,991
Agility - Private Real Assets II	1,426,368
Agility - Private Real Assets III	663,640
Agility - Private Real Assets IV	3,336,425
Agility - Private Real Assets V	4,976,232
Total Real Assets	<u>\$ 10,652,656</u>

(4) **Notes Receivable:**

(a) **UNF Training & Service Institute, Inc.**—The Foundation entered into a Memorandum of Understanding (“MOU”) in May 2010 between the UNF Foundation, Inc., UNF Training & Services Institute, Inc. (“TSI”) and UNF TSI Investments, LLC (“LLC”) to purchase the ADT property. The MOU includes a) loan funding to the LLC in an amount not to exceed \$4,800,000; b) terms for the loan: a maturity date of May 2025, interest rate of 4.5% per annum, and monthly principal and interest payments of \$112,629; c) no additional encumbrance or loan to any party a security interest in or otherwise pledge, collateralize or encumber the ADT Property; and d) no TSI funding of capital projects for as long as any portion of the loan or interest thereon remains unpaid, TSI will not advance, loan or contribute to UNF or a UNF-related entity any sum for the purpose of funding a UNF capital project.

At June 30, 2024 and 2023, the loan totaled \$900,206 and \$2,249,812, respectively.

UNIVERSITY OF NORTH FLORIDA FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

(4) **Notes Receivable:** (Continued)

(b) **UNF Financing Corporation, Inc.**—In December 2014, the Foundation executed a \$1,200,000 agreement with the UNF Financing Corporation, Inc. for the purpose of renovations to the East Park Warehouse. The loan terms include a maturity date of April 2025, interest rate of 3.00% and quarterly principal and interest payments of \$34,849.

As of June 30, 2024, total notes receivable of \$969,125 are current and will mature during the fiscal year ending on June 30, 2025.

(5) **Capital Assets:**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 30,230,000	\$ -	\$ -	\$ 30,230,000

Capital asset activity for the year ended June 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 30,230,000	\$ -	\$ -	\$ 30,230,000

There was no depreciation expense for the years ended June 30, 2024 and 2023.

(6) **Pledges Receivable:**

Pledge receivables are recorded in the Statements of Net Position for restricted accounts at net realizable value. The Foundation has recorded pledges receivable as the present value of future expected payments at June 30, 2024 as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 3,543,727
2026	2,028,417
2027	1,350,870
2028	798,445
2029	683,504
Subtotal pledges	8,404,963
Less: Allowance for bad debts	(485,009)
Less: Present value discounts	(237,599)
Total pledges receivable, net	7,682,355
Less: Current portion of pledges receivable	(3,437,415)
Long-term portion of pledges receivable	<u>\$ 4,244,940</u>

UNIVERSITY OF NORTH FLORIDA FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

(6) Pledges Receivable: (Continued)

At June 30, 2024, the discount rate was 5.4% and the allowance of doubtful accounts was estimated at 3% of outstanding pledges.

Effective July 1, 2011, the State of Florida match under the Trust Fund for Major Gifts is temporarily suspended by the Legislature for donations received for this program on or after June 30, 2011. The program may be restarted after \$200 million of the backlog for programs have been matched. The State of Florida did not provide funds for this program during the fiscal year; therefore, these pledges are not recognized. The ultimate collection of these funds is dependent upon future appropriations for this program by the State of Florida Legislature. Pledges receivables not recognized in the Statements of Net Position were \$14,208,442 and \$14,223,167 at June 30, 2024 and 2023, respectively.

(7) Related Party Transactions:

The Foundation makes contributions to the University for equipment purchases. The University maintains title to all such equipment purchases with the Foundation having use of all equipment without further charges. Contributions to the University for equipment purchases were \$1,066,584 and \$3,165,259 for the years ended June 30, 2024 and 2023, respectively.

The Foundation reimburses the University of North Florida Training and Services Institute, Inc. (the "Institute") for certain Foundation operating costs that are paid by the Institute. These amounts totaled \$4,375 and \$316,571 for the years ended June 30, 2024 and 2023, respectively.

The Foundation reimburses the University for certain Foundation related operating costs that are paid by the University. The Foundation has amounts payable to the University of \$135,342 and \$906,382 at June 30, 2024 and 2023, respectively.

(8) Retirement Benefits:

The Foundation's employees are employed by the University. The Foundation does not administer a separate retirement plan for its employees; however, pursuant to law, all salaried employees are members of retirement plans of the State of Florida. The retirement plans accounting and funding policies, actuarial present value of accumulated plan benefits, net assets available for benefits and other related matters are the responsibility of the Florida State Department of Administration, Division of Retirement. Other postemployment benefits (OPEB), primarily subsidized premiums for health insurance, are provided by the University. The complete disclosures for the retirement plan and OPEB can be located in the audited financial statements of the University. Payments made to the University for contributions on behalf of the Foundation's employees were \$220,107 and \$173,691 for the years ended June 30, 2024 and 2023, respectively.

UNIVERSITY OF NORTH FLORIDA FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

(9) Restricted Net Position:

At June 30, 2024 and 2023, the restricted nonexpendable endowments net position consisted of endowment funds. Investment earnings earned by endowment funds are available for spending based on the Foundation's spending policy. The spending rate is determined by the Foundation's Board at its annual meeting. The spending rate for the years ending June 30, 2024 and 2023 was 4% to support donor-designated scholarships and programs and administrative fees. The spendable earnings are recorded as increases to the restricted expendable net position.

At June 30, 2024 and 2023, the restricted expendable net position includes undistributed earnings related to endowment funds, which represents gifts that are subject to donor-imposed restrictions, either for a specific purpose or subject to the passage of time. Restricted expendable amounts also include earnings on permanently restricted endowments that have not yet been appropriated for expenditure. All excess earnings and spending appropriations not distributed will remain as part of the endowment fund to hedge against inflation and other threats to loss of purchasing power.

The Foundation follows the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) and its own governing documents. FUPMIFA requires the Foundation to prudently manage its funds. In the absence of donor restrictions, the net appreciation on a donor-restricted endowment fund is spendable under FUPMIFA. The majority of the Foundation's donors have placed restrictions on the use of the investment income or net appreciation resulting from the donor-restricted endowment funds.

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

To the Board of Directors,
University of North Florida Foundation, Inc.:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the business-type activities and aggregate remaining fund information of University of North Florida Foundation, Inc. - Audit (the "Foundation") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated September 13, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 Foundation'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.

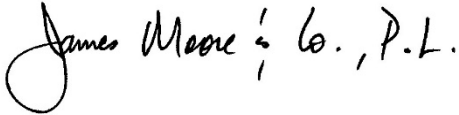
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Gainesville, Florida
September 13, 2024

SUPPLEMENTAL INFORMATION

UNIVERSITY OF NORTH FLORIDA FOUNDATION, INC.
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended June 30, 2024

CSFA No. 48.074

Agency: State of Florida Department of Education and Commissioner of Education

Program: University Major Gift Challenge Grant Program

Account Number	Account Name	State Expenditures Total
7001	Andrew Robinson Scholarship Endowment	\$ 13,000
7002	Lovee and Hy Kliman Family Scholars Endowment	7,855
7003	Captain Blanchart Maritime Endowed Scholarship	106,636
7004	Wells Fargo Bank Scholarship Endowment	4,500
7005	Herman & Virginia Terry Scholars Endowment	176,938
7009	Mayor Jake Godbold Endowed Scholarship	3,583
7017	Presidential Endowed Scholarship	24,167
7018	Eminent Scholar Char in American Music	39,342
7020	Danciger Scholarship Endowment	3,000
7021	Madison-Mullis Endowment	7,407
7027	Richard deRaimes Kip Professor of International Business	10,227
7028-7032	de R. Kip Endowment	131,787
7048	de R. Kip Professorship in Financial Services	-
7049	Eminent Scholar Chair in Wholesaling	38,966
7050	Eminent Scholar Chair in Transportation	49,182
7051	AT&T Scholarship Endowment	7,500
7052	Alumni Association Scholarship Endowment	7,000
7054	Hercules Scholarship Endowment - COAS	-
7055	Hercules Scholarship Endowment - COCSE	1,824
7057	Fred and Rose Cobb Endowment Scholarship	9,063
7059	Martinez Family Scholarship Endowment	19,503
7060	Eminent Scholar Chair in Education	-
7063	R Ernest & D Ferrell Endowed Scholarship	12,000
7064	Elizabeth Larsen Music Scholarship	18,031
7065	John E Mathews Endowment	-
7067	Marcus E Drewa Distinguished Professorship Endowment	29,611
7068	Jacksonville Kennel Club Scholarship Endowment	4,125
7069	William Sheffield Real Estate Professorship Endowment	-
7071	Delores Kesler Scholarship Endowment	68,750
7072	Pre-Law: Brown, Terrell, Hogan et al	-
7073	Pre-Law: Coker Visiting Professorship	-
7074	Pre-Law: RP & KR Liles Lecture	-
7075	Pre-Law: Child Advocacy Program	-
7076-7079	Hicks and Gray Scholars Endowment	478,587
7080	Fidelity National Financial - Ann & David Hicks Scholarship	1,500
7081	Florida Book Depository Endowed Graduate Fellows	6,000
7083	Coggin Professorship Endowment	-
7084	Coggin Endowment Scholarship	7,643
7085	Adam W. Herbert Scholarship Endowment	12,000
7086	E & I Zekaria Scholarship Endowment	3,000
7088	Bank of America Information Technology Endowed Professorship	-
7089	Bank of America Endowed Scholarship	7,500
7090	Jacksonville Jaguars Foundation Endowed Scholarship	33,212
7093-7098	Brooks Health Endowment Scholarships, Professorships	118,781
7099	Gerson Yessin Distinguished Endowed Professorship	4,830
7104	David A Stein Business Ethics Scholarship Endowment	64,409
7105	Donna L Harper Endowment Professor Business Admin	4,844

The accompanying notes to the schedule of expenditures of state financial assistance are an integral part of this schedule.

UNIVERSITY OF NORTH FLORIDA FOUNDATION, INC.
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended June 30, 2024

CSFA No. 48.074

Agency: State of Florida Department of Education and Commissioner of Education

Program: University Major Gift Challenge Grant Program

Account Number	Account Name	State Expenditures Total
7106-7107	M & H Scheidel Scholarship Endowment	\$ 131,462
7108-7109	Jody & Layton Smith Professorship and Osprey Financial Group	38,474
7110	Jody & Layton Smith Scholarship Endowment	10,500
7111	Pat H Foster Graduate Nurse Fellowship Endowment	4,500
7114	University Scholars Endowment	9,000
7115	Memorial Hospital Jacksonville Auxiliary Endowment Scholarship	9,000
7116	St. Joe Company Endowed Scholarship	2,968
7117	Dixon, Hughes, Goodman LLP Endowed Accounting Scholarship	5,000
7118	Weaver Family Foundation Business Endowment Scholarship	90,001
7120	CSX Transportation Scholarship Endowment	2,500
7122	Lazzara Family Scholarship Endowment	10,070
7123	Elkins Constructors Endowment Scholarship	4,500
7124	Fidelity National Financial Distinguished Professorship in CIS	68,000
7125	The Haskell Company Endowed Scholarship	5,400
7129	Let Us Play Scholarship Endowment	6,000
7130	Bill & Angie Halimandaris Endowed Scholarship	-
7131	Dr. Reza Vaghefi Endowed Scholarship	1,500
7132	David A. Smith & PSS World Medical Inc., Endowed Scholar	2,750
7134	Ann C. Hicks Endowed Merit Scholarship	18,000
7137	Compass Bank Endowed Scholarship in International Business	5,000
7138	Baptist Health MSN Endowed Fellowships	3,125
7140	James Van Vleck Endowed Scholarship	1,900
7141	Dannehl & Kevin Twomey Endowed Scholarship	5,700
7142-7143	Blue Cross Blue Shield - Florida Ethics Center, Public Policy Professorship, Scholarships, Fellowships	112,110
7144	Stellar Group Scholarship Endowment	5,000
7146-7151	Coggin Scholarships, Fellowships, Professorships	250,323
7152	Mayor John A. Delaney Endowed Scholarship	5,000
7153	James Van Vleck Endowed Leadership & Ethics	7,397
7154	Pajcic Scholars Program Endowment	10,307
7155	Katherine H. Lovett Endowed Scholarship	58,000
7157	Mark E. Workman Endowed Professorship	24,002
7159	Thomas F & Eleanor H Aretz Endowed Nursing Scholarship	14,000
7167 - 7168	Crawford Early Literacy Faculty Fellow Corpus/Early Childhood Research Prof	63,085
7179	Women & Girls Health Research Professorship Endowment	19,481
7180	Terry Presidential Professorship Endowment	21,530
7182	Pre-Law Scholarship Endowment	2,438
7184	Paul Mucciolo MD Pre-Medical Scholarship	1,667
7186	Panides-Doughty Memorial Endowed Scholarship	5,000
7187	Debra Doughty-Jason Panides Endowed Memorial Scholarship	3,000
7188	Betty Lawson Endowed Physical Therapy Fellowship	6,000
7191	James Kufeldt Memorial Endowed Scholarship	5,000
7195	Gate Petroleum Company Entrepreneurial Endowed Scholarship	1,000
7199	Sam E Mousa Endowed Merit Scholarship	7,500
7205	Linda Carter & Tom H Slade III Endowed Prof of Entrepreneurial Studies	-
7207	James Van Vleck Promising Future Endowed Scholarship	2,748
7213	The Wachovia Foundation Endowed Scholarship	12,746

The accompanying notes to the schedule of expenditures of state financial assistance are an integral part of this schedule.

UNIVERSITY OF NORTH FLORIDA FOUNDATION, INC.
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended June 30, 2024

CSFA No. 48.074

Agency: State of Florida Department of Education and Commissioner of Education
Program: University Major Gift Challenge Grant Program

Account Number	Account Name	State Expenditures Total
7217	Blue Cross Blue Shield Endowed Nursing Professorship	\$ 33,759
7222	Brooks College of Health Physical Therapy Professorship 1	29,293
7223	Brooks College of Health Physical Therapy Professorship 2	29,024
7224	Brooks College of Health Physical Therapy Professor 3	112,423
7225	Brooks College of Health Physical Therapy Professor 4	35,106
7226	Brooks College of Health Nursing Professorship 1	-
7227	Brooks College of Health Nursing Professorship 2	-
7228	Pamela S Chally Distinguished Professorship	19,810
7229	Taylor Engineering Endowed Professorship	42,840
7232	Charles M & Doris B Nevasier Endowed Nursing Scholarship	15,000
7242	River Branch Foundation Endowment	11,272
7246	Thad M Moseley, MD Endowed Scholarship	15,833
7247	Donald Loop Spanish Scholarship Endowment	6,875
Total State Expenditures		<u>\$ 2,960,222</u>

CSFA No. 76.034

Agency: Florida Department of Highway Safety and Motor Vehicles
Program: University of North Florida License Plate Project

Account Number	Account Name	State Expenditures Total
0368	Collegiate License Plate Transfer	\$ 30,671
0369	Collegiate License Plate Administration	10,000
0875	Collegiate License Plate - Academic Enhancement Fund	-
Total State Expenditures		<u>\$ 40,671</u>

The accompanying notes to the schedule of expenditures of state financial assistance are an integral part of this schedule.

UNIVERSITY OF NORTH FLORIDA FOUNDATION, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2024

(1) **Basis of Presentation:**

The accompanying Schedule of Expenditures of State Financial Assistance (the “Schedule”) presents the activity of the state award program of the University of North Florida Foundation, Inc. (the “Foundation”) for the year ended June 30, 2024.

(2) **Summary of Significant Accounting Policies:**

The accompanying Schedule is presented on the accrual basis of accounting. The information in the Schedule is presented in accordance with the requirements of Chapter 10.650, Rules of the Auditor General of the State of Florida.

The University Major Gifts Program has been temporarily suspended by the State of Florida, and no funding was received from the state in the form of matching funds during the year ended June 30, 2024. The expenditures under the University Major Gifts Program in the accompanying schedule of expenditures of state financial assistance represent expenditures of earnings on endowments that have received state matching funds or have been submitted for matching. These expenditures include amounts spent from earnings on both the state match portion and the private donor portions of the endowments.

(3) **Scope of Audit to the State Single Audit Act:**

All state grant operations of the Foundation are included in the scope of the Florida Single Audit Act. The Florida Single Audit Act was performed in accordance with the provisions of the Department of Financial Services’ State Projects Compliance Supplement. Compliance testing of all requirements, as described in the State Projects Compliance Supplement, was performed for the grant program noted in the accompanying Schedule.

(4) **Subrecipients:**

During the year ended June 30, 2024, the Foundation provided no state assistance to subrecipients.

(5) **Contingency:**

The grant revenue amount received is subject to audit and adjustment. If any expenditure is disallowed by the grantor agency as a result of such an audit, any claim for the reimbursement to the grantor agency would become a liability of the Foundation. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable state laws and regulations.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY CHAPTER 10.650,
RULES OF THE AUDITOR GENERAL**

To the Board of Directors,
University of North Florida Foundation, Inc.:

Report on Compliance for Each Major State Project

Opinion on Each Major State Project

We have audited the University of North Florida Foundation, Inc.'s (the Foundation) compliance with the types of compliance requirements described in the Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the Foundation's major state projects for the year ended June 30, 2024. The Foundation's major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Foundation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended June 30, 2024.

Basis for Opinion on Each Major State Project

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, Government Auditing Standards, and Chapter 10.650, Rules of the Auditor General we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Foundation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Foundation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over compliance. Accordingly, no such opinion is expressed.

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

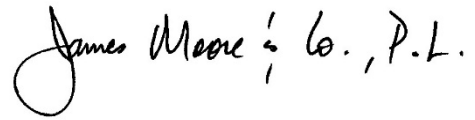
Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses, or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and results of that testing based on the requirements of Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

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

Gainesville, Florida
September 13, 2024

