

Saltmarsh

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CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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

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

PENSACOLA, FLORIDA

FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

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

(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)

PENSACOLA, FLORIDA

FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of the governmental activities and the entity-wide activities of West Florida Historic Preservation, Inc. d/b/a University of West Florida Historic Trust (“the Trust”), (a component unit of the University of West Florida), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Trust’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the entity-wide activities of the Trust as of June 30, 2024 and 2023, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and 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 Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2024, on our consideration of the Trust's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Trust's internal control over financial reporting and compliance.



Pensacola, Florida
September 3, 2024

**WEST FLORIDA HISTORIC PRESERVATION, INC.
D/B/A UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024 AND 2023**

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

Operational Highlights

- We will receive \$1,025,000 one-time funding in this year's state budget. The funds were awarded in the form of two grants, one for \$275,000 and the second for \$750,000. We were not allowed to proceed with spending the funds until we received the grant agreements. We received the agreement for the \$275,000 grant in January 2024 but didn't receive the agreement for the \$750,000 grant until June 2024. Upon completion of grant deliverables, we will receive grant payment.
- Our parking management agreement with Premium Parking has generated increased parking revenues 50% over the budgeted amount.
- Visitation decreased by 15%, long-term rental income was 22% over the budgeted amount, and ticket sales were 5% over the budgeted amount.
- We held our third annual Bootleg Ball fundraiser on January 25th at the Museum of Commerce. After all expenses were covered, we made \$5,026 and created a great deal of buzz which will help us with next year's event.
- In 2023, we received a \$45,000 special category grant for window and door restoration at the Dorr House. We completed these repairs this year.
- We completed restoration of the #12 locomotive.
- We completed the train covering at the Museum of Industry.
- We completed the exterior restoration of the Pensacola Museum of Art.
- We completed all code required upgrades to the site elevators.
- We received insurance payout for roof repairs and replacement of damaged floors due to water damage at the Pensacola Museum of Art.
- We published our inaugural edition of Historic Pensacola Magazine. Copies have been placed in local hotels and businesses to spread awareness of all the happenings at the Trust. This will help increase visibility and drive in new customers.
- We underwent a risk assessment audit by the UWF internal auditors. This audit helped us identify potential risks and take corrective actions to ensure that potential risks were negated.

**WEST FLORIDA HISTORIC PRESERVATION, INC.
D/B/A UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024 AND 2023**

Overview of the Financial Statements

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

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

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

Summary of Financial Condition

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

| | <u>2024</u> | <u>2023</u> | <u>2022</u> |
|--|---------------------|---------------------|---------------------|
| Total assets, excluding capital assets | \$ 3,020,015 | \$ 2,611,792 | \$ 2,212,801 |
| Capital assets | <u>4,096,545</u> | <u>3,792,264</u> | <u>3,809,884</u> |
| Total assets | <u>\$ 7,116,560</u> | <u>\$ 6,404,056</u> | <u>\$ 6,022,685</u> |
| Current liabilities | <u>\$ 233,736</u> | <u>\$ 133,659</u> | <u>\$ 124,921</u> |
| Invested in capital assets | 4,096,545 | 3,792,264 | 3,809,884 |
| Reserved | 215,816 | 210,449 | 213,489 |
| Designated | 38,798 | 38,790 | 38,782 |
| PMA designated | 33,966 | 33,966 | 33,966 |
| Undesignated | <u>2,497,699</u> | <u>2,194,928</u> | <u>1,801,643</u> |
| Total fund balance/net position | <u>6,882,824</u> | <u>6,270,397</u> | <u>5,897,764</u> |
| Total liabilities and net position | <u>\$ 7,116,560</u> | <u>\$ 6,404,056</u> | <u>\$ 6,022,685</u> |

A review of the Trust's Statements of Net Position at June 30, 2024, 2023, and 2022, shows that the Trust continues to maintain its financial position.

**WEST FLORIDA HISTORIC PRESERVATION, INC.
D/B/A UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024 AND 2023**

Summary of Financial Condition (Continued)

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

| | <u>2024</u> | <u>2023</u> | <u>2022</u> |
|--|-------------------|-------------------|---------------------|
| Program revenues | \$ 1,932,715 | \$ 1,414,917 | \$ 1,209,494 |
| General revenues | 337,906 | 223,988 | 190,951 |
| Total revenues | <u>2,270,621</u> | <u>1,638,905</u> | <u>1,400,445</u> |
| Historic Pensacola Village and museum activities | 67,968 | 68,660 | 73,892 |
| Historic preservation and education programs | 250,096 | 185,495 | 232,463 |
| Pensacola Museum of Art | 272,314 | 221,916 | 179,258 |
| Management and general | 864,400 | 529,278 | 695,262 |
| Depreciation | 203,416 | 260,923 | 327,359 |
| Total expenditures/expenses | <u>1,658,194</u> | <u>1,266,272</u> | <u>1,508,234</u> |
| Change in net position | <u>\$ 612,427</u> | <u>\$ 372,633</u> | <u>\$ (107,789)</u> |

The Statements of Revenues, Expenses, and Changes Net Position for the 2024 fiscal year indicate the Trust's continued operations. Fiscal year 2022 was at a net loss due to the effects of COVID-19.

Capital Assets

The Trust's investment in capital assets totaled \$4,096,545 (net of accumulated depreciation of \$3,364,286). Capital assets include land, buildings and improvements, and furniture, fixtures and equipment.

Economic Factors

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

Requests for Information

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

West Florida Historic Preservation, Inc.
d/b/a University of West Florida Historic Trust
Attn: Executive Director
P.O. Box 12866
Pensacola, FL 32591-2866

**WEST FLORIDA HISTORIC PRESERVATION, INC.
DBA UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
STATEMENTS OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEETS
JUNE 30, 2024 AND 2023**

| | 2024 | | | 2023 | | |
|--|---------------------|-------------------------|---------------------------------|---------------------|-------------------------|---------------------------------|
| | General Fund | Adjustments (Note 1) | Statement of Net Position | General Fund | Adjustments (Note 1) | Statement of Net Position |
| Assets: | | | | | | |
| Cash | \$ 399,990 | \$ - | \$ 399,990 | \$ 704,276 | \$ - | \$ 704,276 |
| Certificates of deposit | 138,798 | - | 138,798 | 179,739 | - | 179,739 |
| Due from UWF Foundation | 1,269,157 | - | 1,269,157 | 1,137,815 | - | 1,137,815 |
| Grants and local support receivable | 879,148 | - | 879,148 | 253,329 | - | 253,329 |
| Accrued interest receivable | 41 | - | 41 | 57 | - | 57 |
| Inventory | 67,763 | - | 67,763 | 73,463 | - | 73,463 |
| Prepaid assets | 15,070 | - | 15,070 | 13,065 | - | 13,065 |
| Historical properties, antiques and collections | 249,214 | - | 249,214 | 249,214 | - | 249,214 |
| Deposits | 834 | - | 834 | 834 | - | 834 |
| Capital assets - | | | | | | |
| Non-depreciable | - | 1,010,660 | 1,010,660 | - | 1,010,660 | 1,010,660 |
| Depreciable, net of accumulated depreciation | - | 3,085,885 | 3,085,885 | - | 2,781,604 | 2,781,604 |
| Total Assets | \$ 3,020,015 | \$ 4,096,545 | \$ 7,116,560 | \$ 2,611,792 | \$ 3,792,264 | \$ 6,404,056 |
| Liabilities: | | | | | | |
| Accounts payable | \$ 143,582 | \$ - | \$ 143,582 | \$ 37,571 | \$ - | \$ 37,571 |
| Deferred revenue | 90,154 | - | 90,154 | 91,572 | - | 91,572 |
| Due to AME Magnolia Cemetery | - | - | - | 4,516 | - | 4,516 |
| Total liabilities | <u>233,736</u> | <u>-</u> | <u>233,736</u> | <u>133,659</u> | <u>-</u> | <u>133,659</u> |
| Fund Balance/Net Position: | | | | | | |
| Invested in capital assets | - | 4,096,545 | 4,096,545 | - | 3,792,264 | 3,792,264 |
| Nonspendable | 332,881 | (332,881) | - | 336,576 | (336,576) | - |
| Restricted/reserved | 215,816 | - | 215,816 | 210,449 | - | 210,449 |
| Assigned/designated | 38,798 | - | 38,798 | 38,790 | - | 38,790 |
| PMA assigned/designated | 33,966 | - | 33,966 | 33,966 | - | 33,966 |
| Unassigned/undesignated | 2,164,818 | 332,881 | 2,497,699 | 1,858,352 | 336,576 | 2,194,928 |
| Total fund balance/net position | <u>2,786,279</u> | <u>4,096,545</u> | <u>6,882,824</u> | <u>2,478,133</u> | <u>3,792,264</u> | <u>6,270,397</u> |
| Total Liabilities and Fund Balance/Net Position | \$ 3,020,015 | \$ 4,096,545 | \$ 7,116,560 | \$ 2,611,792 | \$ 3,792,264 | \$ 6,404,056 |

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

**WEST FLORIDA HISTORIC PRESERVATION, INC.
DBA UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
STATEMENTS OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE/NET POSITION
YEARS ENDED JUNE 30, 2024 AND 2023**

| | 2024 | | | 2023 | | |
|---|---------------------|-------------------------|-------------------------------|---------------------|-------------------------|-------------------------------|
| | General Fund | Adjustments (Note 1) | Statement of Activities | General Fund | Adjustments (Note 1) | Statement of Activities |
| Program Revenues: | | | | | | |
| Grants and local support | \$ 1,024,234 | \$ - | \$ 1,024,234 | \$ 433,315 | \$ - | \$ 433,315 |
| Admissions, including tours, Pensacola Museum of Art and school programs | 495,214 | - | 495,214 | 527,704 | - | 527,704 |
| Rents and leases | 409,125 | - | 409,125 | 431,713 | - | 431,713 |
| Museum store income, net | 4,142 | - | 4,142 | 22,185 | - | 22,185 |
| Total program revenues | <u>1,932,715</u> | <u>-</u> | <u>1,932,715</u> | <u>1,414,917</u> | <u>-</u> | <u>1,414,917</u> |
| General Revenues: | | | | | | |
| Interest and dividends | 29,259 | - | 29,259 | 25,929 | - | 25,929 |
| Miscellaneous | 188,905 | - | 188,905 | 99,062 | - | 99,062 |
| Realized and unrealized gains | 119,742 | - | 119,742 | 98,997 | - | 98,997 |
| Total general revenues | <u>337,906</u> | <u>-</u> | <u>337,906</u> | <u>223,988</u> | <u>-</u> | <u>223,988</u> |
| Total revenues | <u>2,270,621</u> | <u>-</u> | <u>2,270,621</u> | <u>1,638,905</u> | <u>-</u> | <u>1,638,905</u> |
| Expenditures/Expenses: | | | | | | |
| Historic Pensacola Village and museum activities | 67,968 | - | 67,968 | 68,660 | - | 68,660 |
| Historic preservation and education programs | 250,096 | - | 250,096 | 185,495 | - | 185,495 |
| Pensacola Museum of Art | 272,314 | - | 272,314 | 221,916 | - | 221,916 |
| Management and general | 864,400 | - | 864,400 | 529,278 | - | 529,278 |
| Depreciation | - | 203,416 | 203,416 | - | 260,923 | 260,923 |
| Capital outlay | 507,697 | (507,697) | - | 243,303 | (243,303) | - |
| Total expenditures/expenses | <u>1,962,475</u> | <u>(304,281)</u> | <u>1,658,194</u> | <u>1,248,652</u> | <u>17,620</u> | <u>1,266,272</u> |
| Change in fund balance/net position | 308,146 | 304,281 | 612,427 | 390,253 | (17,620) | 372,633 |
| Fund Balance/Net Position, Beginning of Year | <u>2,478,133</u> | <u>3,792,264</u> | <u>6,270,397</u> | <u>2,087,880</u> | <u>3,809,884</u> | <u>5,897,764</u> |
| Fund Balance/Net Position, End of Year | <u>\$ 2,786,279</u> | <u>\$ 4,096,545</u> | <u>\$ 6,882,824</u> | <u>\$ 2,478,133</u> | <u>\$ 3,792,264</u> | <u>\$ 6,270,397</u> |

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

**WEST FLORIDA HISTORIC PRESERVATION, INC.
D/B/A UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose:

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

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

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

| | 2024 | 2023 |
|-------------------------|------------|------------|
| Telephone | \$ 11,386 | \$ 10,345 |
| Operating supplies | 20,008 | 10,889 |
| Office equipment rental | 464 | 5,657 |
| Electricity | 69,101 | 135,322 |
| Natural gas | 1,925 | 26,134 |
| Other utilities | 12,441 | 45,620 |
| Repairs and maintenance | 54,768 | 93,548 |
| Equipment | 847 | 17,861 |
| Contractual services | 9,126 | 30,831 |
| Professional services | 5,809 | 17,568 |
| Security | 12,699 | 34,728 |
| Insurance | 28,784 | 29,010 |
| Other | - | 1,545 |
| | \$ 227,358 | \$ 459,058 |
| Totals | | |

**WEST FLORIDA HISTORIC PRESERVATION, INC.
D/B/A UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Organization and Purpose (Continued):

Salaries of UWF employees who staff the Trust are paid directly by UWF. These in-kind salaries amounted to \$1,265,373 and \$1,171,949 for the years ended June 30, 2024 and 2023, respectively, and are not reflected in the books of the Trust. Additionally, UWF donates office space in the Bowden Building located at 120 Church Street in downtown Pensacola, Florida to the Trust. Management estimates the fair value of this donated office space to be \$280,000 and \$241,984 for the years ended June 30, 2024 and 2023, respectively.

In November 2013, the Trust entered into a Memorandum of Understanding (“MOU”) with the University of West Florida Foundation (“UWFF”), a direct service organization of UWF, where all membership income is handled and recorded by UWFF. Membership income held by UWFF amounted to \$57,656 and \$55,949 as of June 30, 2024 and 2023, respectively.

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

Pensacola Museum of Art:

On July 1, 2016, the assets of the Pensacola Museum of Art (“PMA”), an independent not-for-profit corporation, became part of UWF. On that date, UWFF was gifted a historic building, land, a fine arts collection, furniture and equipment, cash and cash equivalents, a permanent endowment, and other current assets from the dissolving entity totaling approximately \$4.2 million. UWFF transferred the historic building and land to UWF and the fine arts collection, furniture and equipment, and all other assets were transferred to the Trust, with the exception of the permanent endowment. The Trust maintains a management agreement with UWF covering the preservation of historic properties for UWF. UWFF will continue to steward the endowment for purposes of the PMA, now a division of the Trust. The new PMA division has a non-governing advisory board that reports to the Trust’s board of directors. Under the agreement, UWFF will handle all and record all unified membership income for the PMA. PMA unified membership income held by UWFF amounted to \$15,094 and \$19,054 as of June 30, 2024 and 2023, respectively.

WEST FLORIDA HISTORIC PRESERVATION, INC.
D/B/A UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

DeFuniak Springs Landmark:

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation:

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

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

Government-Wide Financial Statements:

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

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

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

**WEST FLORIDA HISTORIC PRESERVATION, INC.
D/B/A UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements (Continued):

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

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

Governmental Funds:

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

Use of Estimates:

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

Inventory:

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

**WEST FLORIDA HISTORIC PRESERVATION, INC.
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets:

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

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

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

Historical Properties, Antiques, and Collections:

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

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

Program Revenue:

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

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JUNE 30, 2024 AND 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes:

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

Donated Services, Materials, and Facilities:

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

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

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

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

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

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

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

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 2 - DEPOSITS AND INVESTMENTS

The Trust's deposits and investments consist of demand deposits and certificates of deposit. The carrying amount of the Trust's deposits and investments at June 30, 2024 and 2023 was \$537,403 and \$882,630, respectively, and the bank balance was \$555,806 and \$929,127, respectively. The Trust's cash balances held by financial institutions are insured by the Federal Deposit Insurance Corporation up to certain limits.

NOTE 3 - DUE FROM UWFF/UWF

In March 2013, the Trust entered into a MOU with UWFF, where the Trust may transfer current cash assets to UWFF to invest on the Trust's behalf. These funds are invested as a Quasi-Endowment with UWFF and are part of the overall investment pool subject to spending and investment policies of UWFF as agreed to in the MOU. The Trust's investment with UWFF amounted to \$1,269,157 and \$1,137,815 at June 30, 2024 and 2023, respectively.

NOTE 4 - CAPITAL ASSETS

Capital assets consist of the following:

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

**WEST FLORIDA HISTORIC PRESERVATION, INC.
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NOTES TO FINANCIAL STATEMENTS
June 30, 2024 AND 2023**

NOTE 4 - CAPITAL ASSETS (Continued)

| June 30, 2023: | Beginning Balance | Increases | Decreases | Ending Balance |
|-----------------------------------|----------------------|--------------------|-------------|---------------------|
| <u>Historic Pensacola Village</u> | | | | |
| Land | \$ 1,010,660 | \$ - | \$ - | \$ 1,010,660 |
| Buildings and improvements | 5,222,917 | 139,248 | - | 5,362,165 |
| Furniture, fixtures and equipment | 4,923 | - | - | 4,923 |
| <u>Barkley House</u> | | | | |
| Furniture, fixtures and equipment | 17,489 | - | - | 17,489 |
| <u>Pensacola Museum of Art</u> | | | | |
| Furniture, fixtures and equipment | 63,974 | 37,801 | - | 101,775 |
| <u>General and Administrative</u> | | | | |
| Furniture, fixtures and equipment | 427,546 | 22,253 | - | 449,799 |
| Construction in progress | - | 44,001 | - | 44,001 |
| | <u>6,747,509</u> | <u>243,303</u> | <u>-</u> | <u>6,990,812</u> |
| Less accumulated depreciation | <u>2,937,625</u> | <u>260,923</u> | <u>-</u> | <u>3,198,548</u> |
| | <u>\$ 3,809,884</u> | <u>\$ (17,620)</u> | <u>\$ -</u> | <u>\$ 3,792,264</u> |

Depreciation expense was \$203,416 and \$260,923 for the years ended June 30, 2024 and 2023, respectively.

NOTE 5 - DEFERRED REVENUE

Rental revenue is considered earned when the event has occurred or the performance of the services has been rendered. Amounts received by the Trust in advance of the date of the event or performance of services are recorded as deferred revenue until the event has occurred or services are rendered. Total deferred revenue amounted to \$90,154 and \$91,572 at June 30, 2024 and 2023, respectively.

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JUNE 30, 2024 AND 2023**

NOTE 6 - FUND BALANCE/NET POSITION

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

Nonspendable Fund Balance:

Nonspendable fund balance represents amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact. Nonspendable fund balances as of June 30, 2024 and 2023 are presented as follows:

| | 2024 | 2023 |
|---|------------|------------|
| Nonspendable - | | |
| Inventory | \$ 67,763 | \$ 73,463 |
| Prepaid assets and deposits | 15,904 | 13,899 |
| Historical properties, antiques and collections | 249,214 | 249,214 |
| | \$ 332,881 | \$ 336,576 |

Restricted Fund Balance / Reserved Net Position:

Restricted fund balance or reserved net position represent amounts that can be spent only for specific purposes required by law or other externally imposed conditions by grantors or creditors. Restricted fund balances/reserved net position as of June 30, 2024 and 2023 are presented as follows:

| | 2024 | 2023 |
|------------------------|------------|------------|
| Restricted - | | |
| Old Christ Church fund | \$ 141,004 | \$ 140,949 |
| Kranc Property | 57,500 | 57,500 |
| Cemetery Projects | 17,312 | 12,000 |
| | \$ 215,816 | \$ 210,449 |

**WEST FLORIDA HISTORIC PRESERVATION, INC.
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JUNE 30, 2024 AND 2023**

NOTE 6 - FUND BALANCE/NET POSITION (Continued)

Assigned Fund Balance / Designated Net Position:

Assigned fund balance or designated net position represent amounts that are designated by the Board of Directors, under authorization governed in the Trust's By-Laws, for a particular purpose but not spendable until a majority vote of approval by the Board of Directors. The assigned fund balance/designated net position of \$38,798 and \$38,790 as of June 30, 2024 and 2023, respectively, represents the remaining cash balance in the Veal Education Fund.

PMA assigned fund balance or designated net position represents amounts that are designated by the Board of Directors but are not spendable until a majority vote of approval. In 2017, the Pensacola Museum of Art received a BP claim and the Board of Directors approved to designate these funds for future purchases of artwork and collections to be held at the museum. The assigned fund balance/designated net position of \$33,966 as of June 30, 2024 and 2023, represents the remaining designated BP funds.

Use of Restricted Resources:

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

NOTE 7 - COMMITMENTS AND CONTINGENCIES

Dependency on Government Support:

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

UWF Agreement:

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

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JUNE 30, 2024 AND 2023**

NOTE 8 - RISK MANAGEMENT

The Trust is exposed to various levels of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Trust is insured for these risks. There were no insurance losses related to these risks in excess of insurance coverage in any of the three prior fiscal years. The Trust is not aware of any liabilities related to these risks as of June 30, 2024.

OTHER REPORT

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities and the entity-wide activities of West Florida Historic Preservation, Inc., d/b/a University of West Florida Historic Trust (“the Trust”), (a component unit of the University of West Florida), as of and for the year ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Trust’s basic financial statements, and have issued our report thereon dated September 3, 2024, 2024.

Internal Control Over Financial Reporting

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

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Pensacola, Florida
September 3, 2024