SOUTH FLORIDA STATE COLLEGE FOUNDATION, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
South Florida State College Foundation, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of South Florida State College Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of South Florida State College Foundation, Inc. as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of South Florida State College Foundation, Inc. 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 South Florida State College Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of South Florida State College Foundation, Inc.'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 South Florida State College Foundation, Inc.'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.

Report on Summarized Comparative Information

We have previously audited the South Florida State College Foundation, Inc.'s 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 13, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2026, on our consideration of South Florida State College 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 South Florida State College Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering South Florida State College Foundation's internal control over financial reporting and compliance.

Wicks, Brown, Williams & Co., CPA's LLP
Sebring, Florida

May 5, 2026

SOUTH FLORIDA STATE COLLEGE FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025
WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2024

ASSETS

	2025	2024
Assets:		
Cash and cash equivalents	$ 736,543	$ 1,274,151
Investments	3,431,451	2,763,294
Accounts receivable	61,053	30,027
Prepaid expenses	11,455	7,495
Land, buildings, and equipment, net	722,652	755,093
Restricted assets:		
Cash and cash equivalents restricted for investment in endowment	282,251	537,422
Investments	21,309,325	19,260,709
Other investments	3,172	3,583
Accounts receivable	380	360
Total Assets	$ 26,558,282	$ 24,632,134

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable	$ 172,663	$ 379,019
Sales tax payable	35	153
Security deposits payable	18,250	20,413
Unearned revenue	41,454	364,666
Refundable advances	886,667	816,667
Total Liabilities	1,119,069	1,580,918
Net Assets:		
Without donor restrictions	3,971,721	3,366,846
With donor restrictions	21,467,492	19,684,370
Total Net Assets	25,439,213	23,051,216
Total Liabilities and Net Assets	$ 26,558,282	$ 24,632,134

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

SOUTH FLORIDA STATE COLLEGE FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total	2024
Support and Revenue:				
Public contributions and grants	$ 327,832	$ 1,009,643	$ 1,337,475	$ 1,476,852
Donated services	240,138	-	240,138	230,654
Rental income	376,364	-	376,364	412,467
Miscellaneous	10,444	-	10,444	10,063
Investment income	503,323	2,616,895	3,120,218	3,115,972
Net assets released from restrictions:				
Restrictions satisfied by payments	1,843,416	(1,843,416)	-	-
Total Support and Revenue	3,301,517	1,783,122	5,084,639	5,246,008
Expenses:				
Program Services:				
Jacaranda Dorm	130,229	-	130,229	97,844
Property rentals	110,069	-	110,069	123,200
Take Stock in Children	222,878	-	222,878	190,445
Scholarships and grants	1,865,633	-	1,865,633	2,018,945
Total Program Expenses	2,328,809	-	2,328,809	2,430,434
Fundraising	117,679	-	117,679	119,323
Management and general	250,154	-	250,154	289,528
Total Expenses	2,696,642	-	2,696,642	2,839,285
Loss on sale of properties	-	-	-	49,328
Total Loss	-	-	-	49,328
Total Expenses and Loss	2,696,642	-	2,696,642	2,888,613
Change in Net Assets	604,875	1,783,122	2,387,997	2,357,395
Net Assets at beginning of year	3,366,846	19,684,370	23,051,216	20,693,821
Net Assets at end of year	$ 3,971,721	$ 21,467,492	$ 25,439,213	$ 23,051,216

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

SOUTH FLORIDA STATE COLLEGE FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services			
	Jacaranda Dorm	Property Rentals	Take Stock in Children	Scholarships and Grants
Freight and postage	$ -	$ -	$ 64	$ 59
Printing	-	-	58	-
Rentals	-	-	502	-
Other services	-	4,477	182,619	17,432
Other services - custodial	15,000	15,000	-	-
Education, office, department materials	1,354	993	2,417	10,664
Food and food products	109	-	3,288	3,443
Travel	-	-	6,780	628
Professional fees	-	-	-	64,148
Bank service fees	45	-	91	4,273
Advertising	-	-	1,000	-
Scholarships and waivers	-	-	-	1,056,811
Grants to college	-	-	-	286,530
Grants to college employees	-	-	-	13,548
Telecommunications	1,963	18,125	-	-
Internet service	5,055	4,965	-	-
Repairs and maintenance	8,124	5,200	-	89,071
Utilities	42,478	42,477	-	-
Maintenance and construction material	-	30	-	46,336
Minor equipment	41,453	-	-	13,007
Other expenses	-	-	-	172,394
Service contracts	-	-	-	3,570
Insurance	-	-	-	-
Taxes	-	9,364	-	-
Administrative allowance	1,890	1,890	7,560	18,901
Contributed services	4,539	4,539	18,155	45,388
Depreciation	8,219	3,009	344	19,430
Total Functional Expenses	$ 130,229	$ 110,069	$ 222,878	$ 1,865,633

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

Supporting Services				
Fundraising	Management and General	Total Expense	2024	
$ 449	$ 697	$ 1,269	$ 2,106	
1,524	6,740	8,322	5,482	
-	792	1,294	1,531	
8,389	19,718	232,635	247,411	
-	-	30,000	30,000	
2,031	4,493	21,952	29,102	
6,218	5,104	18,162	17,337	
5	3,898	11,311	14,254	
-	30,221	94,369	171,454	
-	136	4,545	7,832	
2,098	2,137	5,235	5,932	
-	-	1,056,811	1,296,219	
-	-	286,530	66,819	
-	980	14,528	11,248	
-	-	20,088	21,208	
-	-	10,020	7,883	
-	-	102,395	270,844	
-	-	84,955	81,183	
-	-	46,366	5,772	
-	-	54,460	21,006	
-	17,000	189,394	135,431	
-	-	3,570	3,569	
-	16,488	16,488	14,559	
-	-	9,364	7,834	
28,442	41,317	100,000	100,000	
68,300	99,217	240,138	230,654	
223	1,216	32,441	32,615	
$ 117,679	$ 250,154	$2,696,642	$2,839,285	

SOUTH FLORIDA STATE COLLEGE FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024

	2025	2024
Cash Flows from Operating Activities:		
Cash received from contributors and grants	$ 987,730	$ 1,780,771
Cash received from property rental	376,364	412,467
Cash received from miscellaneous income	10,444	10,063
Cash received from interest and dividends	356,933	403,960
Cash payments to suppliers for goods and services	(710,458)	(903,787)
Cash payments for employee compensation and related expenses	(195,683)	(181,011)
Cash payments for scholarships and grants	(1,865,633)	(1,374,285)
Net Cash Provided (Used) by Operating Activities	(1,040,303)	148,178
Cash Flows from Investing Activities:		
Purchases of assets restricted for investment in endowment, net	255,171	(79,849)
Sale of property	-	407,913
Purchase of securities	(35,043,398)	(8,559,260)
Sale of securities	35,225,435	8,429,198
Net Cash Provided by Investing Activities	437,208	198,002
Cash Flows from Financing Activities:		
Collections of contributions permanently restricted	65,487	56,615
Net Cash Provided by Financing Activities	65,487	56,615
Net Increase (Decrease) in Cash	(537,608)	402,795
Cash and cash equivalents at beginning of year	1,274,151	871,356
Cash and cash equivalents at end of year	$ 736,543	$ 1,274,151

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

SOUTH FLORIDA STATE COLLEGE FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

Reconciliation of Change in Net Assets to Net Cash Provided (Used) by Operating Activities:

	2025	2024
Change in Net Assets	$ 2,387,997	$ 2,357,395
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	32,441	32,615
Permanently restricted contributions	(65,507)	(56,660)
Loss on sale of property	-	49,328
Net realized/unrealized (gains) and losses on investments	(2,899,379)	(2,849,934)
Change in assets and liabilities:		
(Increase) Decrease in accounts receivable	(31,026)	4,210
(Increase) Decrease in prepaid expenses	(3,961)	2,249
Increase (Decrease) in accounts payable	(206,356)	251,073
Increase (Decrease) in sales tax payable	(118)	20
Increase (Decrease) in security deposits payable	(2,163)	1,513
Increase (Decrease) in unearned revenue	(322,231)	286,369
Increase (Decrease) in refundable advance	70,000	70,000
Net Cash Provided (Used) by Operating Activities	$ (1,040,303)	$ 148,178

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

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

NATURE OF ORGANIZATION:

The South Florida State College Foundation, Inc. (the "Foundation") was established in 1984 as a Florida nonprofit corporation. The purpose of the Foundation is to assist South Florida State College (the "College") in the delivery of educational services to the citizens of Highlands, Hardee, and DeSoto counties. The Foundation is predominantly supported by public contributions but also collects rent from the rental of dorm rooms and other property rentals.

SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting: The financial statements of the South Florida State College Foundation, Inc. have been prepared in conformity with accounting principles generally accepted in the United States of America, and accordingly, are prepared on the accrual basis of accounting and reflect all significant receivables, payables, and other liabilities.

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

- **Without donor restrictions** – Net assets available for use in general operations and not subject to donor or grantor restrictions, including, if applicable, net assets that have been designated by the Board of Directors for expenditure on specific purposes or projects.

- **With donor restrictions** – Net assets subject to restrictions imposed by donors or grantors. Some donor-imposed restrictions are temporary in nature; such as those that will be met by the passage of time and/or actions of the Foundation. Other donor-imposed restrictions are perpetual in nature, where by the donor stipulates that resources be maintained in perpetuity. The Foundation is permitted to use or expend part or all of the income and gains derived from the donations that are maintained in perpetuity, restricted only by the donors' wishes. Expirations of donor restrictions recognized on net assets (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time-period has elapsed) are reported as reclassifications from net assets with donor restrictions to net assets without donor restrictions. Donor restrictions on gifts to acquire long-lived assets are considered met in the period in which the assets are acquired or placed in service.

The statement of activities presents the changes in net assets of the Foundation for the two fund types, highlighting revenues and expenses categorized by program service classifications.

Cash and Cash Equivalents: Cash and cash equivalents include all unrestricted monies in banks and highly liquid investments with maturity dates of three months or less when purchased, including money market funds. Cash and cash equivalents restricted for long-term purposes or received with donor-imposed restrictions limiting their use to long term purposes are not considered cash and cash equivalents for purposes of the statement of cash flows.

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Investments: The Foundation invests in various types of investment securities, which are stated at fair value. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the accompanying financial statements.

The Foundation uses various valuation techniques in determining fair value. Accounting Standards Codification (ASC) Section 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Foundation. Unobservable inputs are inputs that reflect the Foundation's assumptions about estimates utilized by market participants in pricing the asset or liability, based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- **Level 1** – Valuations are based on quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access. Valuation adjustments are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation does not entail a significant degree of judgment.

- **Level 2** – Valuations are based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.

- **Level 3** – Valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

Net realized and unrealized gains/losses are recorded as revenue or expense and included in the Statement of Activities as investment income. Investment expenses are included in the investment income (loss) line item on the Statement of Activities. Unrestricted and restricted assets are pooled together for investment purposes in order to maximize investment return.

Accounts Receivable: The balances of accounts receivable as of the beginning and end of the year are $30,027 and $61,053, respectively. The balances of restricted accounts receivable as of the beginning and end of the year are $360 and $380, respectively. At December 31, 2025, all receivables are considered fully collectible and within one year.

Prepaid Expenses: Prepaid expenses consist of advanced payments that will benefit a future period.

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Property and Equipment: The Foundation capitalizes expenditures in excess of $75,000 for building improvements and $5,000 for equipment with an estimated useful life of one year or more. Purchased property and equipment are carried at cost. Donated property and equipment are recorded at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which are as follows:

Buildings and improvements	10 to 40 years
Equipment, furniture, and fixtures	5 to 10 years

Revenue Recognition: The Foundation's primary sources of revenue are public contributions, grants, scholarship contributions, special events, rents, and investment income.

Contributions represent a nonreciprocal transfer and do not represent the sale of goods or services. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as increases to net assets "with donor restrictions" in the statement of activities. When a restriction expires or is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Endowment returns are credited to the net assets with donor restrictions fund where they are available for expenditure in accordance with grantor provisions and the Foundation's spending policy. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Advance payments on conditional promises to give are recorded as refundable advances in the statement of financial position until the conditions are met. Non-cash donations are recorded at fair value at the date of donation.

The Foundation accounts for federal, state, and local grants or contracts as exchange transactions. Revenue is recognized as an increase in the Statement of Activities as stipulated performance is executed, or as expenditures are incurred in accordance with applicable agreements under expenditure reimbursement contracts. A receivable is recorded to the extent contract revenue exceeds payment received. Advances in excess of costs incurred are recorded as unearned revenue and recognized as revenue when the related expense is incurred.

Endowment Management: FASB *Accounting Standards Codification 958-205, Endowments of Not-for-Profit Organizations,* provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). FASB *Accounting Standards Codification 958-205* also improves disclosures about an organization's endowment fund (both donor restricted endowment funds and board designated endowment funds) whether or not the organization is subject to UPMIFA. The State of Florida has signed into law the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA).

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

The Foundation is governed subject to the *Governing Documents for the Foundation*. The Board of Directors, on the advice of legal counsel, has determined that the majority of the Foundation's contributions are subject to the terms of the *Governing Documents*. Certain contributions are received subject to other gift instruments, or are subject to specific agreements with the Foundation.

Under the terms of the *Governing Documents*, the Board of Directors has the ability to distribute as much of the corpus of any trust or separate gift, devise, bequest, or fund as the board in its sole discretion shall determine unless donor restricted. As a result of the ability to distribute corpus, all contributions not classified as net assets with donor restrictions are classified as net assets without donor restrictions for financial statement purposes. Net assets with donor restrictions represent the fair value of the original gift as of the gift date and the original value of subsequent gifts to donor-restricted endowment funds.

Return Objectives and Risk Parameters. The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include assets that are donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s). Under this policy approved by the Foundation Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the spending policy while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time to provide an average rate of return of approximately 6 - 8 percent annually. Actual returns in any given year may vary from this amount.

Spendable portions of endowments are recorded in the net assets without donor restrictions while the non-spendable portions of endowments are recorded in the net assets with donor restrictions funds. Spendable portions of endowments are invested and are subject to market risk. In the event that the market value of any endowment becomes less than its historic dollar value, spending is halted until such time as the market value exceeds the historic dollar value.

Strategies Employed for Achieving Objectives. To satisfy its long-term rate of return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy. The Foundation has a policy of appropriating for distribution each year 4 percent of its endowment fund's average fair value over the prior 12 quarters through the calendar year end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long-term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 2 percent annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Donated Services: Donated services are recognized as contributions in accordance with FASB *Accounting Standards Codification 958-605-25-16, Revenue Recognition – Contributed Services.* One of the following criteria must be satisfied in order to record donated services: the donated services must create or enhance nonfinancial assets of the Foundation, or the donated services must require specialized skills that the Foundation would otherwise need to purchase and be performed by individuals possessing those skills.

The Foundation recorded $240,138 of donated services during the fiscal year for the value of payroll and benefit costs for the Foundation and accounting support staff paid for by the College.

Income Taxes: South Florida State College Foundation, Inc. is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code, and is other than a private foundation.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses: The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Directly identifiable expenses are charged to program and supporting services. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation. Certain categories of expenses are attributable to both program services and supporting services. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, which is allocated on a square-footage basis, as well as administrative allowance and contributed services, which are allocated based on estimates of time and effort.

Subsequent Events: Subsequent events have been evaluated through May 5, 2026, the date on which the financial statements were available to be issued.

NOTE 2 – CASH AND CASH EQUIVALENTS:

For the purposes of balance sheet classification, the cash and cash equivalents consist of the following:

	2025 Unrestricted	2025 Restricted	2025 Total	2024 Total
Cash and certificates of deposit	$ 599,695	$ 229,809	$ 829,504	$1,161,791
Money market funds and short term investments	136,848	52,442	189,290	649,782
Total	$ 736,543	$ 282,251	$ 1,018,794	$1,811,573

NOTE 3 – INVESTMENTS:

The following schedule summarizes the investment income and its classification in the Statement of Activities for the year ended December 31, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	$ 58,268	$ 298,665	$ 356,933
Net realized/unrealized gain	463,429	2,435,950	2,899,379
Investment management fees	(18,374)	(117,720)	(136,094)
Total investment gain	$ 503,323	$ 2,616,895	$ 3,120,218

The following schedule summarizes the investment income and its classification in the Statement of Activities for the year ended December 31, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	$ 61,906	$ 342,053	$ 403,959
Net realized/unrealized gain	417,543	2,432,391	2,849,934
Investment management fees	(14,615)	(123,306)	(137,921)
Total investment gain	$ 464,834	$ 2,651,138	$ 3,115,972

NOTE 3 – INVESTMENTS: (continued)

The investments are grouped in the Statement of Financial Position as follows:

	2025	2024
Investments	$ 3,431,451	$ 2,763,294
Restricted investments	21,309,325	19,260,709
	$ 24,740,776	$ 22,024,003

The Foundation's investments consist of the following at December 31, which are recorded at fair value, which is based on quoted prices in active markets:

	2025	2024
Money market funds	$ 189,290	$ 649,782
Corporate bond funds	7,652,415	4,700,493
US government securities	400,016	1,603,290
Common stocks	16,688,345	9,253,785
Domestic mutual funds	-	4,728,250
International mutual funds	-	1,738,185
	24,930,066	22,673,785
Money market funds, reclassified as cash and cash equivalents on Statement of Financial Position	(189,290)	(649,782)
Total Investments	$ 24,740,776	$ 22,024,003

The Foundation's other investments consist of the following at December 31:

	2025 Without Donor Restrictions	2025 With Donor Restrictions	2025 Total	2024 Total
Cash value of life insurance policy	$ -	$ 3,172	$ 3,172	$ 3,583

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS:

The carrying amounts of cash and cash equivalents, accounts receivable, prepaid expenses, accounts payable, and other payables approximate fair value because of the short maturity of those financial instruments.

The following investments are measured at fair value on a recurring basis based on the following input levels at December 31, 2025:

	Level 1	Level 2	Level 3	Total
Corporate bond funds	$ 7,652,415	$ -	$ -	$ 7,652,415
US government securities	400,016	-	-	400,016
Common stocks	16,688,345	-	-	16,688,345
Domestic mutual funds	-	-	-	-
International mutual funds	-	-	-	-
Other investments	-	-	3,172	3,172
	$24,740,776	$ -	$ 3,172	$24,743,948

The following investments are measured at fair value on a recurring basis based on the following input levels at December 31, 2024:

	Level 1	Level 2	Level 3	Total
Corporate bond funds	$ 4,700,493	$ -	$ -	$ 4,700,493
US government securities	1,603,290	-	-	1,603,290
Common stocks	9,253,785	-	-	9,253,785
Domestic mutual funds	4,728,250	-	-	4,728,250
International mutual funds	1,738,185	-	-	1,738,185
Other investments	-	-	3,583	3,583
	$22,024,003	$ -	$ 3,583	$22,027,586

Fair value of the Foundation's corporate bonds, common stocks, and mutual funds are valued at the last reported sale price on the last business day of the fiscal year. Quotations are obtained from the national security exchanges. The change in the Foundation's level 3 assets for the year ended December 31, 2025, was a decrease of $411, attributable to a decrease in the value of a life insurance policy, which is included in the investment income (loss) with donor restrictions on the Statement of Activities.

NOTE 5 – ENDOWMENT ACTIVITY:

The Foundation's endowment assets are comprised solely of donor-restricted contributions.

Endowment returns are credited to the net assets with donor restrictions fund in accordance with donor restrictions. Expenditures in compliance with donor restrictions are made from the restricted portion of endowments.

The following summarized the changes in endowment assets for the year ended December 31, 2025:

Donor-restricted endowment net assets, beginning of year	$ 14,584,731
Investment income	
Interest and dividends	232,352
Net realized/unrealized losses	1,898,439
Total investment gain	2,130,791
Contributions to perpetual endowment	65,507
Amounts appropriated for expenditure	(972,678)
Change in endowment net assets	1,223,620
Donor-restricted endowment net assets, end of year	$ 15,808,351

The following summarizes the changes in endowment assets for the year ended December 31, 2024:

Donor-restricted endowment net assets, beginning of year	$ 13,213,619
Investment income	
Interest and dividends	267,525
Net realized/unrealized losses	1,914,386
Total investment gain	2,181,911
Contributions to perpetual endowment	56,660
Amounts appropriated for expenditure	(867,459)
Change in endowment net assets	1,371,112
Donor-restricted endowment net assets, end of year	$ 14,584,731

NOTE 6 - LAND, BUILDINGS, AND EQUIPMENT:

The following is a summary of land, buildings, and equipment at December 31:

	2025	2024
Land	$ 277,720	$ 277,720
Buildings and improvements	1,221,201	1,221,201
Equipment, furniture, and fixtures	560,464	560,464
Total	2,059,385	2,059,385
Less: Accumulated depreciation	(1,336,733)	(1,304,292)
Land, buildings, and equipment - net	$ 722,652	$ 755,093

Depreciation expense for the years ended December 31, 2025 and 2024, amounted to $32,441 and $32,615, respectively.

NOTE 7 – REFUNDABLE ADVANCES:

During 2015, a local business pledged $4.2 million to the Foundation in return for naming rights on the SFSC Theatre for Performing Arts, a building that is owned by the College, for a 30-year period. The pledge is payable beginning November 15, 2015, in 20 annual installments of $210,000. Per the agreement, there is a "pro-rata refund clause". The Foundation considers this pledge a conditional pledge and will recognize contribution revenue as time restrictions expire. In years 1 through 20, the amount of pro-rata refund is $70,000 times the actual number of annual payments made at the time of termination. In years 21 through 30, the amount of the pro-rata refund is $140,000 times the number of years left under the agreement at the time of termination. At December 31, 2025, the total payments received on the pledge were $2,310,000, of which $1,423,333 has been recognized as revenue and $886,667 is recorded as refundable advances on the Statement of Financial Position. During the year ended December 31, 2025, the Foundation recognized $140,000 as unrestricted contribution revenue.

NOTE 8 – CONCENTRATIONS OF CREDIT RISK:

The Foundation's primary checking account is held in a bank qualified as a public depository under Florida law. All deposits are insured by Federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool required by Chapter 280, Florida Statutes. The Foundation at December 31, 2025 had no deposits that were not insured.

NOTE 9 - RELATED PARTY TRANSACTIONS:

South Florida State College:
The Foundation leases various properties to the College under an annual renewable lease. The College is responsible for maintenance at each location as well as insurance on property, materials, and supplies held at each location. The cost of utilities is shared between the Foundation and the College on a mutually agreed upon pro-rata basis. The details of the leasing arrangements between the Foundation and the College are disclosed in Note 10.

The following is a summary of the amounts paid or reimbursed by the Foundation to the College during the fiscal year ended December 31:

	2025	2024
Scholarships and waivers	$ 536,952	$ 295,010
Grants to college	87,727	67,931
Utilities	83,455	93,168
Payroll and related expenses	233,506	179,220
General and administrative	849,725	833,693
Total	$ 1,791,365	$ 1,469,022

The Foundation's accounts payable balance at December 31, 2025 includes $164,549 that is owed the College.

NOTE 10 – RENT INCOME / LEASE AGREEMENTS:

The Foundation owns various properties in Highlands County, Florida that it leases to the College and others. These lease agreements are renewable annually upon mutual consent of both parties.

The following is a schedule of properties leased to the College and others during the fiscal year ended December 31, 2025:

Tenant	Property	Lease Income	Cost of Property	Accumulated Depreciation
College	Hotel Jacaranda – Avon Park, FL	$ 84,528		
Others	Hotel Jacaranda – Dorm rentals	226,971		
Others	Hotel Jacaranda – Other rentals	64,865		
		$ 376,364	$ 1,481,202	$ 776,270

NOTE 10 – RENT INCOME / LEASE AGREEMENTS: (continued)

The following is a schedule of properties leased to the College and others during the fiscal year ended December 31, 2024:

Tenant	Property	Lease Income	Cost of Property	Accumulated Depreciation
College	Hotel Jacaranda – Avon Park, FL	$ 84,528		
Others	Hotel Jacaranda – Dorm rentals	270,462		
Others	Hotel Jacaranda – Other rentals	57,477		
		$ 412,467	$ 1,481,202	$ 745,740

NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS:

As of December 31, net assets with donor restrictions are available for the following purposes:

	2025	2024
Scholarship programs	$ 14,330,198	$ 12,612,583
Investment in perpetuity	7,137,294	7,071,787
Total net assets with donor restrictions	$ 21,467,492	$ 19,684,370

NOTE 12 – STATE EXPENDITURES:

The Foundation is a discretely presented component unit of South Florida State College. South Florida State College is a component unit of the State of Florida. State expenditures of $123,625 were spent under the Take Stock in Children Program (167-96445-7Q001).

NOTE 13 – LIQUIDITY AND AVAILABILITY:

The Foundation's financial assets available within one year of the balance sheet date for general expenditure are as follows:

	2025	2024
Cash and cash equivalents	$ 736,543	$1,274,151
Investments	3,431,451	2,763,294
Accounts receivable	61,053	30,027
	$4,229,047	$4,067,472

The Foundation's financial assets have been reduced by amounts not available for general use because of donor-imposed restrictions within one year of the balance sheet date and amounts set aside for long-term investing in endowments.

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J. Richard Brown, C.P.A. (1940 - 1997)
W. Bruce Stratton, C.P.A., (1955-2023)
Cheryl M. Williams, C.P.A., P.A.
C. Mark Cox, C.P.A., P.A.
John W. Davis, C.P.A., P.A.
Charles P. Cox, C.P.A., P.A.

Corey J. Dixon, C.P.A.
Jennifer A.Corbitt, C.P.A.

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 of
South Florida State College 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 South Florida State College Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 5, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered South Florida State College Foundation, Inc.'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 South Florida State College Foundation, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of South Florida College Foundation, Inc.'s internal control.

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

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

Board of Directors (continued)

Report on Compliance and Other Matters

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

Purpose of this Report

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

Wicks, Brown, Williams & Co., CPA's LLP
Sebring, Florida

May 5, 2026