FLORIDA GULF COAST UNIVERSITY
FINANCING CORPORATION

BASIC FINANCIAL STATEMENTS
TOGETHER WITH REPORTS OF
INDEPENDENT AUDITOR

YEAR ENDED
JUNE 30, 2026

TABLE OF CONTENTS

	Page(s)
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-12
Basic Financial Statements	
Statement of Net Position	13
Statement of Revenues, Expenses and Changes in Net Position	14
Statement of Cash Flows	15
Notes to the Financial Statements	16-34
Additional Reports of Independent Auditor	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance With Government Auditing Standards	35-36
Independent Auditor's Report to Management	37-38
Management's Response to the Independent Auditor's Report To Management	Exhibit

HSC/Tuscan
& Company, PA
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Florida Gulf Coast University Financing Corporation
10501 FGCU Boulevard South
Fort Myers, Florida 33965-6565

Opinion
We have audited the accompanying basic financial statements of Florida Gulf Coast University Financing Corporation (the "Financing Corporation") (a Florida not-for-profit corporation) a direct support organization and component unit of Florida Gulf Coast University (the "University"), as of June 30, 2026, and for the year then ended, as listed in the Table of Contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the net position of Florida Gulf Coast University Financing Corporation as of June 30, 2026, and the changes in its net position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Matter of Emphasis
During the year ended June 30, 2026, the Financing Corporation implemented GASB Statement No. 103 "Financial Reporting Model Improvements" as further described in Note 1. The net position was not required to be restated as of July 1, 2025.

During the year ended June 30, 2026, the Financing Corporation implemented GASB Statement No. 104 "Disclosure of Certain Capital Assets" as further described in Note 1. The net position was not required to be restated as of July 1, 2025.

Basis for Opinion
We conducted our audit 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 of America. 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 Florida Gulf Coast University Financing Corporation 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 opinion.

Management's Responsibilities for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Financing Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the supplementary information - management's discussion and analysis on pages 4-12 be presented to supplement the basic financial statements. Such information, 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.

Other Information

The Exhibit - Management's Response to Independent Auditor's Report to Management, is not a required part of the financial statements but is required by Government Auditing Standards. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued a report dated August 24, 2026, on our consideration of Florida Gulf Coast University Financing Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grants and other matters. The purpose of that report is 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 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 Florida Gulf Coast University Financing Corporation's internal control over financial reporting and compliance.

HSC/ Tuscan & Company, P.A.

HSC/TUSCAN & COMPANY, PA
Fort Myers, Florida
August 24, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis (MD&A) provides an overview of the financial position and activities of the Financing Corporation for the fiscal year ended June 30, 2026 and should be read in conjunction with the financial statements and notes thereto. The MD&A, and financial statements and notes thereto, are the responsibility of Financing Corporation's management. The MD&A contains financial activity of the Financing Corporation for the fiscal years ended June 30, 2026, and June 30, 2025.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" and GASB Statement No. 35, "Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities," as amended by GASB Statements No. 37 and 38. The Financing Corporation is considered a Business Type Activity (BTA) under the provision and reporting model of GASB Statements No. 34 and No. 35. Beginning in fiscal years after June 15, 2025, this discussion and analysis is also being prepared in accordance with GASB Statement No. 103 "Financial Reporting Model Improvements".

The Financing Corporation's financial report consists of three basic financial statements: the statement of net position, the statement of revenues, expenses and changes in net position, and the statement of cash flows.

The Statement of Net Position: presents information about the assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position of the Financing Corporation as of the fiscal year end. This statement provides a snapshot of the Financing Corporation's overall financial condition and ability to meet ongoing obligations.

Statement of Revenues, Expenses and Changes in Net Position: presents the results of operations for the fiscal year. The statement provides information about how net position changed during the year as a result of operating and nonoperating activities and other financial events.

Statement of Cash Flows: provides information regarding the sources and uses of cash during the fiscal year and assists readers in evaluating the Financing Corporation's ability to meet financial obligations and fund future operations.

The accompanying notes to the financial statements provide additional detail and explanations necessary for a full understanding of the information presented in the basic financial statements.

OVERALL FINANCIAL SUMMARY

The Statement of Net Position

The statement of net position reflects the assets, deferred outflows of resources, liabilities and deferred inflows of resources of the Financing Corporation, using the accrual basis of accounting, and presents the financial position of the Financing Corporation at a specified time. Assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equals net position, which is one indicator of the Financing Corporation's current financial condition. The changes in net position that occur over time indicate improvement or deterioration in the Financing Corporation's financial condition.

The following summarizes the Financing Corporation's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30:

Condensed Statement of Net Position at June 30

(In Thousands)

	2026	2025
Assets		
Current Assets	$ 32,221	$ 25,768
Noncurrent Assets	162,770	149,929
Total Assets	194,991	175,697
Deferred Outflows	10	11
Liabilities		
Current Liabilities	14,701	11,511
Noncurrent Liabilities	143,211	128,338
Total Liabilities	157,912	139,849
Deferred Inflows	423	460
Net Position		
Restricted	11,577	2,914
Unrestricted	25,089	32,485
Total Net Position	$ 36,666	$ 35,399

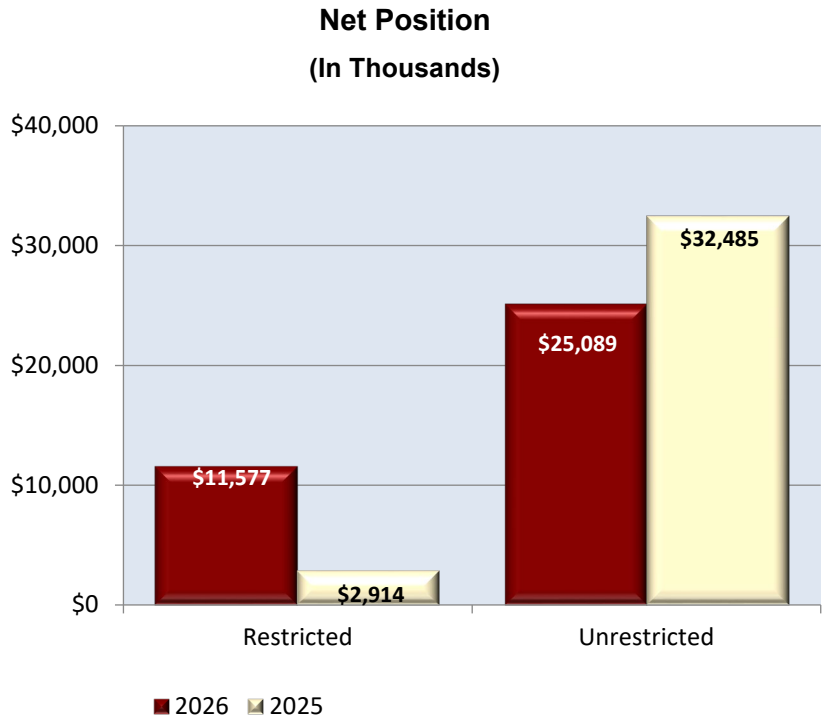
As of June 30, 2026, the Financing Corporation's net position totaled $36.7 million, an increase of $1.3 million, or 3.6 percent, from the prior year. This growth was primarily the result of investment earnings and increased rental revenues attributable to rate adjustments.

During fiscal year 2026, the Financing Corporation issued approximately $23.6 million of Capital Improvement Revenue Bonds, Series 2025A (Employee Housing Project) (the "Series 2025A Bonds") to finance the employee housing project, fund capitalized interest, and pay costs of issuance. Because the bond proceeds were offset by a corresponding increase in bonds payable, the issuance did not directly affect net position. However, it contributed to increases in assets of $19.3 million, or 11.0 percent, and liabilities of $18.1 million, or 12.9 percent. At June 30, 2026, approximately $11.3 million of bond proceeds

remained unspent and restricted for the project, partially offset by $2.3 million of accrued project costs due to the University.

The decrease in unrestricted net position during fiscal year 2026 was primarily attributable to the timing of expenditures related to the Series 2025A bond financing. At June 30, 2026, a significant portion of the bond proceeds had not yet been spent on the employee housing project and therefore remained reported as restricted assets, while the related debt obligation was fully reflected in liabilities, reported in unrestricted net position. As bond proceeds are used to reimburse the University for employee housing project costs, this temporary effect is expected to be eliminated. Absent this timing-related effect, unrestricted net position would have slightly increased by $1.3 million during the fiscal year. The Financing Corporation continues to experience sound financial condition and health.

The Financing Corporation's comparative total net position by category for the fiscal years ended June 30, 2026 and June 30, 2025, is shown in the following graph:



The Statement of Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses and changes in net position presents the Financing Corporation's revenue and expense activity, categorized as operating and nonoperating. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid.

The following summarizes the Financing Corporation's activity for the 2025-26 and 2024-25 fiscal years:

Condensed Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Years

(In Thousands)

	2025-26	2024-25
Operating Revenues	$ 19,926	$ 19,100
Less, Operating Expenses	12,883	12,948
Operating Income	7,043	6,152
Less, Net Nonoperating Expenses	5,776	7,347
Net Increase (Decrease) In Net Position	1,267	(1,195)
Net Position, Beginning of Year	35,399	36,594
Net Position, End of Year	$ 36,666	$ 35,399

Operating revenues grew by $0.8 million, or 4.3 percent, to $19.9 million from an increase in rental income received from the University. This was primarily due to housing rate increases and growth in parking revenues. Operating income increased by $0.9 million, or 14.5 percent, to $7.0 million as operating revenue growth outpaced changes in operating expenses which remained relatively stable compared to the prior year. Net non-operating expenses decreased by $1.6 million, or 21.4 percent, primarily due to reduced funding requirements for capital improvement projects as large initiatives reached completion in the previous fiscal year and fewer capital project costs were incurred during fiscal year 2026.

Statement of Cash Flows

The Statement of Cash Flows provides information about the Financing Corporation's financial results by reporting the major sources and uses of cash and cash equivalents. This Statement will assist in evaluating the Financing Corporation's ability to generate net cash flows, its ability to meet its financial obligations as they come due, and its need for external financing.

Cash flows from operating activities show the net cash provided by the operating activities of the Financing Corporation. The major sources of funds included in operating activities are student residences and parking facilities net rental income received from the University less interest paid on debt.

Cash flows from non-capital financing activities show the net cash provided to and from the University.

The largest outflow of cash in the capital and related financing activities represent annual debt service principal bond payments on the outstanding bonds and loans payable. Cash flows from the capital financing activities include all plant funds and related long-term debt activities.

Cash flows from the investing activities show the net source and use of cash as related to purchasing or selling investments and earning income on those investments.

DETAILED FINANCIAL ANALYSIS

The following analysis provides a deeper look at the Financing Corporation's financial results for the fiscal year ended June 30, 2026. It highlights significant changes in revenues and expenses. The analysis explains the primary operational factors driving those changes.

Assets

Total assets increased by $19.3 million, or 11.0 percent, during the fiscal year. The increase was primarily driven by the issuance of the Series 2025A Bonds to finance the employee housing project. As a result, the Financing Corporation reported approximately $11.3 million in unspent bond proceeds and a $15.0 million receivable from the University under the terms of the Operating Agreement. Cash, investments and accrued interest receivable increased by approximately $1.3 million, primarily due to interest earnings on investment portfolio holdings. These increases were partially offset by the scheduled amortization of the direct financing lease with the University, which decreased by approximately $8.3 million during the year.

Investment in the direct financing lease recognizes a capital lease between the Financing Corporation and the University for land leased from the University. The University leased back the land, buildings and improvements from the Financing Corporation to manage and operate student residences and parking garages. The student housing and parking systems continue to be well maintained and in good condition. The oldest residential facility was placed into service in 1998, while the first parking garage was placed into service in 2007.

Liabilities

Total liabilities increased by $18.1 million, or 12.9 percent, during fiscal year 2025-26. The increase was primarily attributable to the issuance of the Series 2025A Bonds totaling $23.6 million, the proceeds of which were used to finance the employee housing project, fund capitalized interest and pay issuance costs. In addition, amounts due to the University increased by approximately $2.8 million, primarily related to employee housing project expenditures outstanding at June 30, 2026. These increases were partially offset by the scheduled principal payments on long-term debt and bond premium amortization of approximately $8.3 million.

Operating Revenues

Operating revenues represent rental income received from the University. For fiscal year 2025-26, operating revenues increased by approximately $0.8 million, or 4.3 percent, compared to the prior year. The increase was primarily attributable to the implementation of rental rate increases for student residences effective Fall 2024. The rate increase was part of a four-year schedule of annual 5 percent increases approved by the Financing Corporation Board of Directors and the University Board of Trustees during the fiscal year ended June 30, 2024. As of June 30, 2026, two of the approved rate increases remain to be implemented.

Operating Expenses

Operating expenses primarily represent expenses paid for debt service on outstanding bonds payable. The following summarizes operating expenses by natural classification for the 2025-26 and 2024-25 fiscal years:

Operating Expenses
For the Fiscal Years
(In Thousands)

	2025-26	2024-25
Debt Service	$ 5,126	$ 5,556
Financing Lease Amortizaton	8,347	8,022
Bond Premium Amortization, Net	(917)	(917)
Contractual Expenses	28	26
Insurance	296	259
Other Expenses	3	2
Total Operating Expenses	$ 12,883	$ 12,948

Operating expenses remained relatively consistent with the prior fiscal year. Total operating expenses for fiscal year 2025-26 decreased by approximately $0.1 million, or 0.5 percent, compared to fiscal year 2024-25. The decrease was primarily attributable to lower interest expense on outstanding debt, including reductions of approximately $0.3 million in fixed-rate interest and $0.1 million in variable-rate interest. These decreases were partially offset by a $0.3 million increase in scheduled principal payments on outstanding debt.

Other Nonoperating Revenues and Expenses

Nonoperating revenues and expenses are for goods and services not provided by the Financing Corporation. An example of nonoperating revenues and expenses would be investment income and transfers to the University.

The following summarizes the Financing Corporation's other nonoperating revenues and expenses for the 2025-26 and 2024-25 fiscal years:

Other Nonoperating Revenues and Expenses
For the Fiscal Years
(In Thousands)

	2025-26	2024-25
Investment Income	$ 1,382	$ 1,631
Letter of Credit Extension	-	(8)
Transfers to University - SoVi Boardwalk	(256)	(497)
Transfers to University	(6,902)	(8,473)
Total	$ (5,776)	$ (7,347)

Nonoperating revenues and expenses decreased by a net $1.6 million, or 21.4 percent, during fiscal year 2025-26. Nonoperating expenses decreased by approximately $1.8 million, primarily due to a reduction

in transfers to the University resulting from the substantial completion of the SoVi Boardwalk and IT infrastructure project during fiscal year 2024-25 and lower funding requirements for capital improvement projects. This decrease was partially offset by a $0.2 million decline in nonoperating revenues attributable to lower investment yields, which reduced interest income earned on Financing Corporation investments.

Significant Capital Asset and Long-Term Financing Activity

Capital Asset Activity

The Corporation does not report capital assets. All capital assets are transferred to the University pursuant to a Master Operating Lease Agreement. As such, the Corporation has no net investment in capital assets.

Long-Term Financing Activity

As of June 30, 2026, the Corporation had $151.1 million in total outstanding long-term financing arrangements, consisting primarily of capital improvement debt payable.

Long-term financing arrangements increased by $15.3 million, or 11.3%, compared to the prior fiscal year. The increase was primarily attributable to the issuance of $23.6 million of Capital Improvement Revenue Bonds, Series 2025A, to finance the construction and equipping of the University’s employee housing project, fund capitalized interest and pay issuance costs. The increase was partially offset by approximately $8.3 million in scheduled principal payments and bond premium amortization.

The employee housing project consists of 74 residential rental units for University employees, with initial occupancy anticipated in January 2027. As of June 30, 2026, approximately $8.9 million of project funds remained available to reimburse the University for employee housing project costs. The employee housing facilities will be operated separately from the University's student housing system and managed by a third-party property management firm.

Additional information about the Financing Corporation’s long-term financing activity is presented in the notes to financial statements.

Currently Known Facts, Decisions, or Conditions

Each year, the Financing Corporation evaluates economic factors, such as changes in market conditions and regulatory environments, that may impact its financing strategy and ability to fund future projects. The Financing Corporation continually explores alternative funding sources and opportunities to minimize borrowing costs and maintain financial flexibility.

The Financing Corporation’s financial outlook for the future continues to be positive. The level of variable rate (11.4%) versus fixed rate (88.6%) continues to be an important factor in financial planning and risk management. The predominance of fixed-rate debt provides stability and predictability in debt service costs, while the variable-rate component offers the potential to benefit from favorable market interest rate conditions. Management continues to monitor interest rate trends and market conditions and evaluates refunding opportunities when such transactions are expected to generate economic savings and otherwise support the Financing Corporation's financial objectives.

Another significant factor affecting the Financing Corporation's financial position is the University's ability to recruit and retain students who reside in the student housing facilities. Net rental income received by the Financing Corporation is derived from the net operating revenues of the student housing system and is therefore dependent on occupancy levels and the continued demand for on-campus housing. Accordingly, occupancy trends are an important indicator of the Financing Corporation's long-term financial performance. The student housing facilities' fall occupancy rates for the most recent five years are presented below.

Enrolled Fiscal Year	Enrolled Students	Housing Capacity	Living in Housing*	Occupancy
2021-22	15,892	4,788	4,753	99.27%
2022-23	16,004	4,788	4,808	100.42%
2023-24	16,212	4,788	4,807	100.40%
2024-25	16,633	4,788	4,778	99.79%
2025-26	16,803	4,788	4,816	100.52%

* Includes Staff and Other

The following table summarizes the student housing facilities available to students and the historical and projected average rental rates per student, per semester, by academic year. Rental rates are established each year by the Financing Corporation Board of Directors and approved by the University Board of Trustees. As part of a long-term financial strategy to support the housing system and its related debt obligations, the Boards approved a five percent annual increase in housing rates for four consecutive academic years beginning in fall 2024.

Academic Year	North Lake Village		South Lake Village		West Lake Village		West Lake Village
	Low	High	Low	High	Low	High	12 Month Agreement
2021-22	$ 2,395	$ 2,933	$ 3,063	$ 3,383	$ 2,700	$ 2,800	$ 7,200
2022-23	$ 2,395	$ 2,933	$ 3,063	$ 3,383	$ 2,700	$ 2,800	$ 7,200
2023-24	$ 2,395	$ 2,933	$ 3,063	$ 3,383	$ 2,700	$ 2,800	$ 7,200
2024-25	$ 2,531	$ 3,095	$ 3,232	$ 3,568	$ 2,851	$ 2,956	$ 7,720
2025-26	$ 2,642	$ 3,235	$ 3,378	$ 3,731	$ 2,978	$ 3,089	$ 8,104

Another significant factor in the Financing Corporation’s economic position relates to its ability to provide adequate parking facilities. Limited future surface parking will be available as the University’s core campus matures. Outlined below are the parking permit statistics for the parking facilities and the final fall counts for enrolled students and faculty and staff data.

Academic Year	Enrolled Students*	Faculty & Staff **
2021-22	15,892	1,501
2022-23	16,004	1,506
2023-24	16,212	1,549
2024-25	16,633	1,648
2025-26	16,803	1,730

* Fall Term

** Full-time faculty and staff

The following table lists the types of parking charges for parking facilities available to students, faculty and staff and the related historical rates on a per person, per term/year, basis for each fiscal year.

Academic Year	2021-22	2022-23	2023-24	2024-25	2025-26
Annual Permit Fee	$ 118	$ 118	$ 118	$ 118	$ 124
Term Permit Fee	$ 60	$ 60	$ 60	$ 60	N/A
Reserved Annual Permit Fee	$ 535	$ 535	$ 535	$ 535	$ 562
Parking Fee*	$ 2.75	$ 2.75	$ 2.75	$ 2.75	$ 2.75
Transportation Access Fee**	$ 5.95	$ 5.95	$ 5.95	$ 5.95	$ 5.95

* Parking Fee paid by students on a per credit hour basis and includes sales tax.
** Transportation Access Fee paid by students on a per credit hour basis.

The Financing Corporation is aware of the following developments that will have an impact on the Financing Corporation's finances in the future and incorporated into the 2027 fiscal year budget:

- As of June 30, 2026, two approved housing rate increases remain to be implemented and are expected to increase future operating revenues.
- Construction of the employee housing project was ongoing at June 30, 2026. The project will be part of a new employee housing system. All 74 units are expected to be filled by summer 2027.

Unit Type	Bedrooms & Bathrooms	Number of Units	Rent Low	Rent High
Cottage -1-story	1x1	4	$1,660	$1,660
Cottage - 2-story	1x1.5	14	$1,625	$1,855
Cottage - 2-story	2x2.5	38	$1,995	$2,175
Townhouse - 2-story, 1 car garage	2x2	12	$2,150	$2,250

- Debt Service requirements associated with the Series 2025A Bonds will commence in June 2027.
- Management is currently evaluating the feasibility of a new student residence building to support future housing needs of the University. Planning activities and related financial analyses are underway to assess project scope, funding requirements and economic viability. Although no final financing commitment has been made, the Financing Corporation anticipates that, if approved, the project could be financed through a future bond issuance as early as fall 2027.

Florida Gulf Coast University Financing Corporation
Statement of Net Position
June 30, 2026

ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 249,284
Investment with State Treasury - Unspent Bond Proceeds	10,374,388
Investment with State Treasury - SPIA	525,857
Investment in Florida PRIME	15,620,700
Investment in United States Securities	5,209,872
Interest Receivable (includes $45,205 restricted)	240,839
Total Current Assets:	32,220,940
Noncurrent Assets:	
Cash and Cash Equivalents - Restricted	400,804
Cash and Cash Equivalents - Unspent Bond Proceeds	917,002
Investment in Direct Financing Lease	128,944,100
Due from University	15,023,409
Investment with SPIA - Debt Reserve Restricted	524,406
Investment with Florida PRIME - Restricted	2,000,000
Investment in United States Securities	14,960,728
Total Noncurrent Assets:	162,770,449
Total Assets	194,991,389
DEFERRED OUTFLOWS OF RESOURCES	
Bond Debt Refunding	10,011
LIABILITIES	
Current Liabilities	
Interest Payable	1,925,791
Due to University	4,896,084
Loans Payable - Current Portion	600,000
Bonds Payable - Current Portion	7,280,000
Total Current Liabilities:	14,701,875
Noncurrent Liabilities:	
Loans Payable	5,600,000
Bonds Payable, Net	137,611,037
Total Noncurrent Liabilities:	143,211,037
Total Liabilities	157,912,912
DEFERRED INFLOWS OF RESOURCES	
Bond Debt Refunding	422,770
NET POSITION	
Restricted	11,577,119
Unrestricted	25,088,599
Total Net Position	$ 36,665,718

Florida Gulf Coast University Financing Corporation
Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2026

REVENUES	
Operating Revenues:	
Net Rental Income Received from University	$ 19,926,043
Total Operating Revenues	19,926,043
EXPENSES	
Operating Expenses:	
Debt Service	5,125,902
Financing Lease Amortization	8,346,696
Bond Premium Amortization, Net	(917,328)
Contractual Expenses	27,650
Insurance	296,251
Other Expenses	3,451
Total Operating Expenses	12,882,622
Operating Income	7,043,421
NON-OPERATING REVENUES (EXPENSES)	
Investment Income	1,381,833
Transfer Out to University - SoVi Boardwalk	(256,365)
Transfer Out to University	(6,901,978)
Total Net Non-Operating Expenses	(5,776,510)
Increase in Net Position	1,266,911
Net Position, June 30, 2025	35,398,807
Net Position, June 30, 2026	$ 36,665,718

Florida Gulf Coast University Financing Corporation
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2026

CASH FLOWS FROM OPERATING ACTIVITIES	
Net Rental Income Received from University	$ 19,926,043
Interest Paid on Debt	(5,277,710)
Payments to Suppliers of Goods and Services	(327,352)
Net Cash Provided by Operating Activities	14,320,981
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfer out to University - SoVi Boardwalk	(256,365)
Transfer out to University	(6,699,365)
Net Cash Used by Non-Capital Financing Activities	(6,955,730)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from Issuance of 2025A Bonds, Net	23,671,215
Interest Earned on 2025A Project Funds	275,690
Payments for 2025A Project	(12,655,515)
Bond/Loan Principal Payments	(7,445,000)
Net Cash Provided by Capital and Related Financing Activities	3,846,390
CASH FLOWS FROM INVESTING ACTIVITIES	
Cash from Investments, Net	(12,522,356)
Interest Earned	1,423,411
Net Cash Used by Investing Activities	(11,098,945)
Net Increase in Cash and Cash Equivalents	112,696
Cash and Cash Equivalents, Beginning of Year	537,392
Cash and Cash Equivalents, End of Year	$ 650,088

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	$ 7,043,421
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Amortization of Bond Premium/Discount, Net	(917,328)
Amortization of Direct Financing Lease	8,346,696
Amortization of Bond Deferred Outflow on Refunding	9,769
Amortization of Bond Deferred Inflow on Refunding	(30,551)
Change in Interest Payables	(131,026)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 14,320,981

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Nature of Organization. On April 10, 2003, the Florida Gulf Coast University Board of Trustees approved the creation of the Florida Gulf Coast University Financing Corporation (Financing Corporation) as a direct support organization (State of Florida Auditor General Rule 10.700) and component unit of the Florida Gulf Coast University (University). The Financing Corporation was incorporated on April 11, 2003, as a Florida not-for-profit corporation under the provisions of Chapter 617, as a direct support organization of the University as defined by Florida Statutes Chapter 1004.28. Operations of the Financing Corporation began July 1, 2003. The Financing Corporation was established to receive, hold, invest, and administer property and to make expenditures to or for the exclusive benefit of (i) the University or (ii) a research and development park or research and development authority affiliated with the University and organized under Part V of Chapter 159 of Florida Statutes. Operating revenues and expenses generally include only fiscal transactions directly related to these activities. Included in non-operating revenues is investment income. The Financing Corporation also has the authority to issue bonds and other forms of indebtedness upon the approval of the University's Board of Trustees and Florida Board of Governors, as well as to enter into agreements to finance, design, construct, lease, purchase, and/or operate facilities necessary and desirable to serve the needs of the University.

The Financing Corporation's primary activities include contracting for the design and construction of student housing, parking facilities, and other capital projects, as well as issuing debt to finance those projects when appropriate. The Financing Corporation oversees and generally accounts for project construction and, upon completion, transfers the related facilities to the University under a Master Operating Lease. Under the Master Operating Lease, the University operates the student housing and parking facilities and makes lease payments to the Financing Corporation from the net operating revenues of the respective systems. Lease payments are required to be sufficient to cover annual debt service and other related obligations as specified in the Master Operating Lease. These payments are used by the Financing Corporation to satisfy its outstanding debt obligations.

The employee housing system is governed separately under an Operating Agreement between the Financing Corporation and the University. Under this agreement, the University is responsible for the construction, ownership, and oversight of the employee housing system, including its operation and maintenance through contracted service providers, while the Financing Corporation issues and administers the related debt. Net revenues generated by the employee housing system are pledged by the University and remitted to the Financing Corporation to fund debt service and other obligations associated with the related bonds.

The governing body of the Financing Corporation is its Board of Directors (Board). The Board is composed of at least five (5) voting Directors. The Financing Corporation is managed, supervised

and controlled by its Board, subject to applicable law and the powers and duties reserved to the Florida Gulf Coast University Board of Trustees and the President of Florida Gulf Coast University.

Reporting Entity. Based on the application of the criteria described in the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 and 2600 for determining component units, the Financing Corporation is included within the financial statements of the University as a blended component unit entity for the fiscal year ended June 30, 2026. Through the application of these standards, no entities were required to be or are reported as component units of the Financing Corporation. After an annual audit of the Financing Corporation's financial statements is conducted by an independent certified public accountant and accepted by the Board, the annual report is submitted to the State of Florida Auditor General and the Florida Gulf Coast University Board of Trustees for review.

Basis of Presentation. The Financing Corporation's accounting policies conform to accounting principles generally accepted in the United States of America applicable to public colleges and universities as prescribed by the Governmental Accounting Standards Board ("GASB"). The Financing Corporation applies the reporting standards established by GASB for public colleges and universities, including GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, as amended; GASB Statement No. 35, Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities, as amended; GASB Statement No. 37, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus, as amended; GASB Statement No. 38, Certain Financial Statement Note Disclosures; and GASB Statement No. 103, Financial Reporting Model Improvements. The Financing Corporation adopted GASB Statement No. 103 for the fiscal year ended June 30, 2026. Adoption of this Statement did not materially affect the Corporation's financial statements and no restatement of prior-period financials statements were required. The implementation primarily affected the presentation and content requirements of Management's Discussion and Analysis.

During the fiscal year ended June 30, 2026 the Financing Corporation implemented GASB Statement No. 104, Disclosure of Certain Capital Assets, which clarifies and expands disclosure requirements for certain capital assets. The adoption of this statement did not result in any changes to the Financing Corporation's reporting practices as it holds no capital assets.

The Financing Corporation is considered a special-purpose government engaged only in business-type activities and, accordingly, follows the proprietary fund reporting model prescribed by GASB. The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. The Financing Corporation also adheres to the recommendations of the National Association of College and University Business Officers (NACUBO). NACUBO's recommendations are prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board (FASB) and the GASB.

Under the GASB reporting model, a special-purpose government entity engaged only in business-type activities is to present entity-wide reporting including the following:

- Management's Discussion and Analysis
- Basic Financial Statements:
  - Statement of Net Position
  - Statement of Revenues, Expenses, and Changes in Net Position
  - Statement of Cash Flows
- Notes to Financial Statements

GASB Statements No. 34 and No. 35 established reporting standards for the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows using the direct method. GASB 34 and 35 requires the classification of net position into three components – net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

> **Net investment in Capital Assets** consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt attributable to those assets. At June 30, 2026, the Financing Corporation had no net investment in capital assets.
>
> **Restricted Net Position** consists of assets that have constraints placed upon their uses through external constraints imposed by donors, creditors (such as through debt covenants) or through laws, regulations or constraints imposed by law through constitutional provisions or enabling legislation, reduced by any liabilities to be paid from these assets. At June 30, 2026, restricted net position consists primarily of unspent bond proceeds and debt reserve funds required to be maintained under the provisions of the Financing Corporation's bond indentures and related debt agreements.
>
> **Unrestricted Net Position** consists of net assets that do not meet the definition of "Restricted" or "Net Investment in Capital Assets'.

No budget versus actual statement is presented, as the Financing Corporation is not required to adopt a legal budget.

Measurement Focus and Basis of Accounting. Basis of accounting refers to when revenues, expenses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources, are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position of the Financing Corporation are presented 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.

The Statement of Net Position is presented in a classified format to distinguish between current and long-term assets and liabilities. The Statement of Revenues, Expenses, and Changes in Net Position is presented by major sources. The Statement of Cash Flows is presented using the direct method and complies with GASB Statement No. 9 “Reporting Cash Flow for Proprietary and Non-expendable Trust Funds and Governmental Entities that Use Proprietary Fund Accounting.” The Financing Corporation follows GASB Statement No. 62, which incorporates FASB Statements and interpretations, unless those pronouncements conflict with GASB pronouncements.

Restricted Assets. Restricted assets are cash and investment reserves required by the applicable debt covenants, and unspent bond proceeds. When both restricted and unrestricted resources are available for use, it is the Financing Corporation’s policy to apply first to the restricted resources followed by the use of the unrestricted resources.

Direct Financing Lease. Direct Financing Lease (Master Operating Lease) is recorded by the Financing Corporation at the capitalized amount of the previously completed Student Residences and Parking Facilities, which approximates the net present value of the Master Operating Lease.

Due From University. Due from University represents amounts expended from bond proceeds issued by the Financing Corporation to finance the University’s construction of the Employee Housing System in accordance with the Operating Agreement. The balance approximates the net present value of amounts due under the Operating Agreement.

Capital Assets. Capital assets are capitalized at cost or at fair market value at the time of contribution. The Financing Corporation has a capitalization threshold of $5,000 for all movable equipment items and a $100,000 threshold for building renovations and improvements. Depreciation is computed utilizing the straight-line method over the estimated useful lives of the respective assets ranging from five (5) to fifty (50) years. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of those assets. All capital assets are intended to be transferred to the University when placed in service and therefore, not depreciated by the Financing Corporation.

Bond Premiums and Discounts. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount.

Deferred Outflow/Inflow of Resources. The unrestricted net position balance includes the effect of recognizing deferred outflows and inflows of resources resulting from the refunding of debt. The balance is recognized as a component of interest expense beginning in the year the debt was extinguished and will further decrease or increase unrestricted net position over a 20-year repayment period of the new debt.

Cash Flows. The Financing Corporation considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents, as well as its operating cash account balances and unspent bond proceeds. The Statement of Cash Flows is presented

using the direct method and is in compliance with GASB Statement No. 9, “Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting”.

Income Taxes. The Financing Corporation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and is organized exclusively for scientific, educational, and charitable purposes. The Financing Corporation is not classified as a private foundation within the meaning of Section 509(a) of the Code but is a Corporation described under Section 509(a)(3).

The Internal Revenue Code provides for taxation of unrelated business income under certain circumstances. The Financing Corporation reports no unrelated business taxable income however, such status is subject to final determination upon examination of the related tax returns by the appropriate taxing authorities. The informational returns (Form 990) for the prior three (3) fiscal years are open and subject to possible examination.

The Financial Accounting Standards Board has issued guidance on accounting for uncertainty in income taxes and the Financing Corporation has adopted this guidance. The Financing Corporation has evaluated its tax positions and any estimates utilized in its tax returns and concluded that it has taken no uncertain tax positions that require adjustments to the financial statements to comply with the provisions of this guidance. Interest and penalties associated with uncertain tax positions will be recognized in income tax expense, if required.

Concentration of Credit. Throughout the year, the Financing Corporation has cash balances on deposit with financial institutions in excess of FDIC insurance limits of $250,000. Such amounts in excess of FDIC limits are not insured. Investments are fully collateralized but not insured. Management does not believe the Financing Corporation is exposed to undue credit risk. The Financing Corporation has incurred no losses due to exposure to credit risk.

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 reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events. Subsequent events have been evaluated through August 24, 2026, which is the date the financial statements were available to be issued.

2. Cash and Cash Equivalents

The amounts reported as cash and cash equivalents consist of unrestricted and restricted cash in demand accounts. Cash in demand accounts is held in banks qualified in accordance with the provisions of Chapter 280, Florida Statutes as a public depository. Deposits are fully collateralized by a mutual collateral pool as provided by Florida Statutes Chapter 280 but are not insured in excess of the $250,000 FDIC limits. Cash and cash equivalents that are externally restricted to

make debt service payments, maintain sinking or reserve funds, and to purchase or construct capital or other restricted assets are classified as restricted.

At June 30, 2026, the Financing Corporation reported restricted cash equivalents totaling $1,317,806. Of this balance, $385,947 is held by the lender and owner of the 2005B Loan as a debt service reserve requirement. According to the First Amendment to the Loan Agreement dated as of March 1, 2015 and the Amended and Restated Trust Indenture dated as of July 1, 2013, the Financing Corporation was required to deposit a contribution equal to the 2005B maximum annual debt service requirement. The required debt service reserve amount, including interest, is required to be disclosed as Restricted Cash and Net Position. The remaining restricted balance of $931,859 is held by the Financing Corporation bond trustee. A portion of this balance, in the amount of $917,002 is restricted for use towards the 2025A project. The remaining balance of $14,857 is restricted for use towards interest and principal payments on outstanding bonds.

At June 30, 2026, the total carrying amount of the Financing Corporation's deposits were $1,567,090 and the bank balances totaled $1,572,027. Of the bank balances, $500,484 was insured by Federal Depository Insurance with the remainder of $1,071,543 collateralized under the Florida Public Deposits Program.

3. Investments

As of June 30, 2026, the Financing Corporation does not have a formal investment policy. Pursuant to Florida Statute 215.47, the Financing Corporation invests in qualified public depositories, direct obligations of the United States Treasury, State Board of Administration (SBA) and the State Treasury Special Purpose Investment Account (SPIA) investment pool. As of June 30, 2026, the Financing Corporation had the following held in investments:

Investments	Amount
SPIA	1,050,263
SPIA - 2025A Bond Proceeds	10,374,388
US Securities	20,170,600
Florida PRIME (SBA)	17,620,700
	49,215,951

Of the reported total investment amount, $36,317,157 is unrestricted. On July 1, 2014, the Financing Corporation Board of Director's internally designated cash to be held as a reserve in an amount equivalent to the maximum annual debt service for bonds where a Debt Service Reserve Account is not required. At June 30, 2026, the internally designated funds held as a reserve to provide additional security and cash liquidity totaled $10,486,838. On March 11, 2020, the Financing Corporation's Board of Director's internally designated $1.5 million of unrestricted cash and net assets to be held as a reserve for future housing repair and maintenance. Of this amount, approximately $805,350 was used during the year ended June 30, 2024, for roof replacements in North Lake Village. As of June 30, 2026, the internally designated funds set aside as a reserve for future housing repair and maintenance was nearly $694,650. Internally

designated funds are invested in the Florida PRIME Investment pool and included in Unrestricted Net Position.

External Investment Pools. The Financing Corporation reported investments at book value, which is fair value, totaling $11,424,651 at June 30, 2026, in the State Treasury Special Purpose Investment Account (SPIA) investment pool, representing ownership of a share of the pool, not the underlying securities. These investment pools operate under investment guidelines established in Section 215.47, Florida Statutes. The State Treasury has taken the position that participants in the pool should disclose information related to interest risk, credit risk and fair value factor. SPIA carried a credit rating of AA-f by Standard and Poor's and had an effective duration of 3.43 years at June 30, 2026. SPIA is not exposed to foreign currency risk. The Pool's unaudited fair value factor is 1.0043. The Financing Corporation relies on policies developed by the State Treasury for managing interest rate or credit risk for this investment pool. Disclosures for the State Treasury investment pool are included in the notes to the financial statements of the State's Annual Comprehensive Financial Report. In accordance with GASB Statement No. 40, the investments held by the Financing Corporation are not risk categorized as the investments are managed through the State Treasury in accordance with the provisions of Section 17.61, Florida Statutes, and are not evidenced by specific, identifiable investment securities.

Of the reported SPIA investment amount, $10,374,388 are bond proceeds from issuing the Series 2025A Bonds and is restricted for use towards the employee housing project. The remaining balance of $524,406 is held in a restricted debt reserve account for the Series 2005A bonds and $525,857 held in a SPIA account.

At June 30, 2026, the Financing Corporation reported investments totaling $17,620,700 in the Florida PRIME investment pool administered by the SBA pursuant to Section 218.405, Florida Statutes. The Financing Corporation's investments in the Florida PRIME investment pool, which the SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. The Florida PRIME investment pool carried a credit rating of AAAm by Standard & Poor's and had weighted average days to maturity (WAM) of 53 days as of June 30, 2026. The Florida PRIME investment pool had a weighted average life (WAL) of 83 days at June 30, 2026. PRIME was not exposed to foreign currency risk and did not participate in securities lending. PRIME meets all criteria required by GASB 79.

Included in Florida PRIME investments is $2.0 million that is restricted in accordance with liquidity covenants contained in the Series 2008A and Series 2009A Bond Reimbursement Agreements and related parity bond issues. The Master Capital Projects Operating Lease requires compliance with obligations under the related financing documents, thereby maintaining this restriction.

Other Investments. In addition to external investment pools, the Financing Corporation invested in obligations of the United States Government with maturities of two years or less. Obligations of

the United States Government or obligations explicitly guaranteed by the United States Government are not considered to have credit risk and do not require disclosure of credit quality.

Financing Corporation US Treasury Securities

		Investment Maturities (In Years)			
Investment Type	Fair Value	Less than 1 Year	1 to 5 Years	5 to 10 Years	Over 10 Years
US Securities	$ 20,170,600	$ 5,209,872	$ 14,960,728	$ -	$ -
Total	**$ 20,170,600**	**$ 5,209,872**	**$ 14,960,728**	**$ -**	**$ -**

4. Fair Value Measurements

The Financing Corporation investments are reported at book value, which is fair value using the cost approach to valuation in the accompanying Statement of Net Position at June 30, 2026 as follows:

		Fair Value Measurements at Reporting Date Using:		
Description	Carrying Value	Quoted Prices in Active Markets For Identical Assets Level (1)	Quoted Prices in Active Markets For Similar Assets Level (2)	Significant Unobservable Inputs Level (3)
Assets				
Investments - SPIA	$ 1,050,263	$ 1,050,263	$ -	$ -
Investments - SPIA - 2025A Bond Proceeds	10,374,388	10,374,388		
Investments - US Securities	20,170,600	20,170,600		
Investments - PRIME (SBA)	17,620,700	17,620,700		
Total Assets	$ 49,215,951	$ 49,215,951	$ -	$ -

Investments – SPIA are cash investments that are held by the State (of Florida) Treasury Special Purpose Investment Account and are readily available. Investments – US Securities have maturity of two years or less. Investments – PRIME (SBA) are cash investments that are held by the Florida State Small Business Administration and are readily available.

Financial Instruments not Measured at Fair Value. Financial instruments not measured at fair value include cash and cash equivalents, receivables, accounts payable, and accrued expenses. The carrying amounts of these items approximates fair value due to the short-term nature of the financial instruments.

Fair Value Measurements. FASB ASC 820-10-50-1 through 820-10-50-8 (formerly Financial Accounting Standards Board Statement No. 157, “Fair Value Measurements”) established a fair

value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level (1) inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level (2) inputs consist of observable inputs or unobservable inputs that are corroborated by market data, and Level (3) inputs have the lowest priority. The Financing Corporation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Financing Corporation measures fair value using Level (1) inputs because they generally provide the most reliable evidence of fair value.

Effective for the year ended June 30, 2016, the GASB issued GASB Statement No. 72 “Fair Value Measurement Application”. This statement requires new disclosures of (a) transfers in and out of Levels 1 and 2 to include reasons for the transfers as well, and (b) reconciliation for fair value measurements using significant, unobservable inputs. Level 3 should be presented separately on a gross basis, rather than as one net number. This update also provided amendments that clarify existing disclosures such as the level of disaggregation for each class of assets and liabilities as well as disclosures about inputs and valuation techniques. Investments are reported at book value which is fair value; the adoption of this update has no impact on the financial statements.

Level (1) Fair Value Measurements

The fair value of investments is based on quoted market prices in an active market for identical assets.

Level (2) Fair Value Measurements

Observable inputs or unobservable inputs that are corroborated by market data.

Level (3) Fair Value Measurements

Unobservable inputs that are not corroborated by market data.

5. Investment in Direct Financing Lease

As a condition of the financing arrangement, the Financing Corporation entered into a Master Ground Lease Agreement with the University. The University leases the respective project land on its campus to the Financing Corporation with a rental fee of $1.00 per year. The property covered by the Master Ground Lease together with improvements (re: student residences and parking facilities) thereon is leased back by the University to manage and operate through the Master Operating Lease (Direct Financing Lease). The payments on the Master Operating Lease are equal to net operating revenues, as defined, but not less than the annual debt service requirements of the related bond and loan debt. The Master Operating Lease shall terminate on the date on which all bonds, loans, and obligations under any related financing documents are paid in full. The Financing Corporation records these lease agreements as a receivable. The Financing Corporation amortizes the direct financing lease by the amount of respective bonded debt, including associated premiums and discounts, and loan principal paid over the term of the

debt. For the year ended June 30, 2026, the investment in direct financing lease was amortized in the amounts of $7,516,533 for student residences, and $845,795 for parking facilities.

At June 30, 2026, the Financing Corporation's Investment in Direct Financing Lease was $128,944,100 and consists of the following completed student residences and parking facilities:

Student Residence	Fiscal Year of Completion	Amount
Phase I	1998	$ 6,904,962
Phase II	2000	7,000,000
Phase III	2001	8,095,037
Phase IV	2002	7,591,506
Phase V	2003	6,973,593
Phase VI	2004	10,675,796
Phase VII	2005	8,399,116
Phase VIII	2008	25,604,702
Phase IX	2010	22,000,000
Phase X	2012	29,755,368
Phase XI	2011	15,867,531
Phase XII	2013	27,357,283
South Village Pool	2014	1,824,433
Phase XIII	2015	27,798,729
		205,848,056
Less: Direct Financing Lease Amortization		(90,806,978)
Total Student Residences		$ 115,041,078

Parking Garage Facilities	Fiscal Year of Completion	Amount
Phase I	2007	$ 7,008,293
Phase II	2008	10,186,821
Phase III	2009	8,000,000
		25,195,114
Less: Direct Financing Lease Amortization		(11,292,092)
Total Parking Facilities		$ 13,903,022
Total Investment in Direct Financing Lease, Net		$ 128,944,100

6. Due from University

Due from University represents amounts advanced from bond proceeds issued by the Financing Corporation to finance the construction of the University's Employee Housing System. Under the Operating Agreement, the University Board has pledged the net revenues generated from the operation of the Employee Housing System, including residential rental revenues and certain support payments, to make payments sufficient to satisfy debt service and related obligations on the bonds. The receivable approximates the net present value of amounts due under the

Operating Agreement. As of June 30, 2026, the Financing Corporations Due from University totaled $15,023,409.

Employee Housing System	Amount
2025A Bond Proceeds, Net	$ 23,671,215
2025A Interest earned on Proceeds	275,690
2025A Unspent Bond Proceeds *	(11,291,390)
2025A Current Year Accruals	2,369,216
2025A Bond Premium Amortization	(1,322)
Total Due from University	$ 15,023,409

** Includes $917,002 in Noncurrent Cash and Cash Equivalents*

7. Deferred Outflow of Resources

The unrestricted net position balance includes the effect of recognizing a deferred outflow of resources in the total amount of $10,011 at June 30, 2026, originating from the refunding of the Capital Improvement Revenue Bond Series 2011A by issuing the Series 2020A Bonds during the year ended June 30, 2021.

During the year ended June 30, 2026, the Financing Corporation recognized amortization of the deferred outflow in the amount of $715. The following is a summary of the Financing Corporation's deferred outflow activity for the year ended June 30, 2026:

	Beginning Balance	Increase	(Decrease)	Ending Balance
Deferred Outflow				
Bond Debt Refunding	$ 10,726	$ -	$ (715)	$ 10,011
	$ 10,726	$ -	$ (715)	$ 10,011

8. Long Term Liabilities

Bonds and loans payable activity for the year ended June 30, 2026 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Bonds Payable:					
Series 2008A	$ 12,095,000	$ -	$ (760,000)	$ 11,335,000	$ 790,000
Series 2009A	4,805,000	-	(265,000)	4,540,000	275,000
Series 2017A	32,270,000	-	(2,640,000)	29,630,000	2,775,000
Series 2017B	5,420,000	-	(360,000)	5,060,000	375,000
Series 2019A	25,945,000	-	(1,320,000)	24,625,000	1,390,000
Series 2020A	16,995,000	-	(795,000)	16,200,000	845,000
Series 2022A	19,310,000	-	(805,000)	18,505,000	830,000
Series 2025A	-	23,575,000	-	23,575,000	-
Loan Payable:					
2005A Loan	3,800,000	-	(300,000)	3,500,000	300,000
2005B Loan	2,900,000	-	(200,000)	2,700,000	300,000
Total	123,540,000	23,575,000	(7,445,000)	139,670,000	7,880,000
Add:					
Bond Discounts and Premium	12,243,472	96,215	(918,650)	11,421,037	-
Total	$ 135,783,472	$ 23,671,215	$ (8,363,650)	$ 151,091,037	$ 7,880,000

Loans Payable. On July 1, 2013, the Financing Corporation entered into a Loan Agreement dated July 1, 2013 (2005A) in the amount of $6,800,000 and a Loan Agreement dated July 1, 2013 (2005B) in the amount of $5,100,000, collectively hereafter referred to as the Loan, authorizing the purchase and refunding of Capital Revenue Bonds 2005A (Housing Phase VII) and Capital Revenue Bonds 2005B (Parking Phase I) which resulted in defeasance of the variable rate capital revenue bond debt and the securing of a fixed rate Loan as described in the Loan agreement and the Amended and Restated Trust Indenture dated as of July 1, 2013. The Loan proceeds were delivered to the Trustee and applied to reimburse the credit facility (Letter of Credit) previously securing the 2005 Bonds on the mandatory delivery date representing the par principal amounts.

The original proceeds derived from the sale of the Series 2005A Revenue Bonds were used to finance the construction and equipping of a new 288 bed apartment style student residence facility (North Lake Village Student Residence Complex - Phase VII) and the proceeds derived from the sale of the Series 2005B Revenue Bonds were used to finance the construction and equipping of a 500 space parking garage (Parking Facilities Phase I).

The proceeds from the fixed tax-exempt Loans were used to refund the outstanding principal debt of Capital Revenue Bonds 2005A (Housing Phase VII) in the par amount of $6,800,000 and

Capital Revenue Bonds 2005B (Parking Phase I) in the par amount of $5,100,000 secured under the Amended and Restated Trust Indenture, dated as of July 1, 2013, between the Financing Corporation and the Trustee on a parity basis with all outstanding Financing Corporation Housing and Parking Systems Capital Improvement Revenue Bonds. The Loan payments are secured by a pledge of Net Housing and Parking Systems revenues, all pursuant to the Ninth Amended and Restated Master Capital Projects Operating Lease between the Financing Corporation and the University, dated July 1, 2013. The maturity of the Loan Agreement will not exceed the maturity of the original issue Capital Revenue Bonds 2005A (Housing Phase VII) and Capital Revenue Bonds 2005B (Parking Phase I).

According to the Loan agreement and the Amended and Restated Trust Indenture dated as of July 1, 2013, the Financing Corporation deposited with the Trustee an amount equal to the maximum annual debt service for the 2005A Series Bonds in the amount of $515,861, excluding interest earned, to be held by the Trustee in the 2005A Debt Service Reserve Account within the sinking capital fund. The maturity dates or payment principal schedules were not modified and there was no economic gain or loss of the transaction. The Trustee invests the funds held in the Debt Reserve Sinking Account and applies any accrued investment earnings against the payment of principal and interest. These funds, including interest, are held by the Trustee and included in Restricted Net Position.

On March 1, 2015, the Financing Corporation entered into the First Amendment to the Loan agreement requiring a 2005B debt service reserve equal to the maximum annual debt service requirement for the 2005B Series Bonds. The maximum annual debt service amount of $385,648 is to be held by the Lender as long as they are the owner of the bonds. The 2005B debt service reserve requirement, plus interest earned, is held by the Lender and available exclusively for payment of the Loan. These funds, including interest, are included in Restricted Net Position.

Notwithstanding the original maturity date February 1, 2035, of the Capital Improvement Revenue Bonds Series 2005A and Capital Improvement Bonds Series 2005B, the bank has the right to exercise put dates initially in fifteen years, July 1, 2028, and in its sole discretion extend the term through the original maturity date of February 1, 2035. The Financing Corporation may prepay the Loan in whole or part anytime, however, it would be required to pay the bank an additional prepayment fee or premium as determined in the Amended and Restated Trust Indenture dated as of July 1, 2013. The intent of the Financing Corporation is to retire the Loan at the end of the fifteen year period without additional prepayment or premium fees.

Interest payable is based upon a fixed rate of 3.17% paid semi-annually with principal payable in varying amounts annually on February 1, 2014 through 2035. On February 1, 2026, a combined principal loan payment in the amount of $500,000 was paid leaving the outstanding Capital Improvement Revenue Loan Series 2005A in the amount of $3,500,000 and Capital Improvement Revenue Loan Series 2005B in the amount of $2,700,000 at June 30, 2026. The Loans are collateralized by the net rental revenues of the student residences system and parking system.

Bonds Payable.

(1) Capital Improvement Revenue Bonds, Series 2008A

On May 1, 2008, the Financing Corporation issued Capital Improvement Revenue Bonds, Series 2008A in the par amount of $22,000,000. The proceeds derived from the sale of the Series 2008A Revenue Bonds were used to finance the construction and equipping of a new 407 bed high rise suite style student residence facility and related improvements as an addition to the Housing System located on the University's main campus (South Village Student Residence Complex – Phase IX). Interest on the 2008A bonds accrues at a weekly adjustable rate, as determined by the remarketing agent and is payable monthly. As of June 30, 2026, the variable interest rate was 2.67%. Principal is payable in varying amounts and is due annually on February 1, 2010 through 2038. The Financing Corporation has purchased, as additional collateral on the revenue bonds, a letter of credit that expires at various dates but is intended to remain in effect until either the revenue bonds are retired or all the interest rates are converted from variable to fixed. The 2008A bonds are collateralized by the net rental revenues of the student residences system.

At June 30, 2026, net position included $1,000,000 that is required to be held (restricted) as a condition of the Reimbursement Agreement dated August 22, 2019. The required reserve funds are invested in the Florida PRIME Investment Pool and included in Restricted Net Position.

On February 1, 2026, a required principal bond payment in the amount of $760,000 was paid leaving the outstanding Capital Improvement Revenue Bonds, Series 2008A in the amount of $11,335,000 at June 30, 2026.

(2) Capital Improvement Revenue Bonds, Series 2009A

On May 7, 2009, the Financing Corporation issued Capital Improvement Revenue Bonds, Series 2009A in the par amount of $8,000,000. The proceeds derived from the sale of the Series 2009A Revenue Bonds were used to finance the construction and equipping of an approximately 785 space parking garage and related improvements (Parking Facilities Phase III) as an addition to the Parking System located on the University's main campus. Interest on the 2009A bonds accrues at a weekly adjustable rate, as determined by the remarketing agent and is payable monthly. As of June 30, 2026, the variable interest rate was 2.67%. Principal is payable in varying amounts and are due annually on February 1, 2011 through 2039. The Financing Corporation has purchased, as additional collateral on the revenue bonds, a letter of credit that expires at various dates but is intended to remain in effect until either the revenue bonds are retired or all the interest rates are converted from variable to fixed. The 2009A bonds are collateralized by the net rental revenues of the parking system.

At June 30, 2026, net position includes $1,000,000 that is required to be held (restricted) as a condition of the Reimbursement Agreement dated August 22, 2019, and the Master

Capital Lease Operating Agreement. The required reserve funds are invested in the Florida PRIME Investment Pool and included in Restricted Net Position.

On February 1, 2026, a required principal bond payment in the amount of $265,000 was paid leaving the outstanding Capital Improvement Revenue Bond Series 2009A in the amount of $4,540,000 at June 30, 2026.

(3) Capital Improvement Refunding Revenue Bonds, Series 2017A and 2017B

On November 29, 2017, the Financing Corporation issued the Capital Improvement Refunding Revenue Bonds, Series 2017A (Housing Project) (the “Series 2017A Bonds”) and the Capital Improvement Refunding Revenue Bonds, Series 2017B (Parking Project) (the “Series 2017B Bonds”).

The Series 2017A Bonds were issued in the amount of $47,500,000 plus original issue premium of $6,456,991. The proceeds from the sale of the Series 2017A Bonds were used to (i) refund the outstanding Capital Improvement Revenue Bonds, Series 2003 (Housing Project), and the Capital Improvement Revenue Bonds, Series 2007A (Housing Project), and (ii) pay costs relating to the issuance of the Series 2017A Bonds. Interest is payable based upon fixed rates ranging from 3.38% to 5.00% paid semi-annually with principal payable in varying amounts on August 1, 2018 through 2036.

The Series 2017B Bonds were issued in the amount of $7,850,000 plus original issue premium of $398,563. The proceeds from the sale of the Series 2017B Bonds were used to (i) refund the outstanding Capital Improvement Revenue Bonds, Series 2007C (Parking Project), and (ii) pay costs relating to the issuance of the Series 2017B Bonds. Interest is payable based upon fixed rates ranging from 3.00% to 5.00% paid semi-annually with principal payable in varying amounts on February 1, 2018 through 2037.

On July 1, 2014, the Financing Corporation Board of Director’s internally designated cash to be held as a reserve in an amount equivalent to the maximum annual debt service for bonds where a Debt Service Reserve Account is not required. At June 30, 2026, the internally designated funds held as a reserve to provide additional security and cash liquidity were $4,084,688 for Series 2017A Bonds and $565,600 for the Series 2017B Bonds. Internally designated funds are invested with the Florida PRIME Investment Pool and included in Unrestricted Net Position

On August 1, 2025, a required principal bond payment in the amount of $2,640,000 was paid on the Capital Improvement Refunding Revenue Bonds, Series 2017A. Therefore, at June 30, 2026 there remained outstanding Capital Improvement Refunding Revenue Bonds, Series 2017A in the amount of $33,117,928 including unamortized premium of $3,487,928.

On February 1, 2026, a required principal bond payment in the amount of $360,000 was paid on Capital Improvement Refunding Revenue Bonds, Series 2017B. Therefore, at June 30, 2026, there remained outstanding Capital Improvement Refunding Revenue

Bonds, Series 2017B in the amount of $5,280,076 including unamortized premium of $220,076.

(4) Capital Improvement Refunding Revenue Bonds, Series 2019A

On December 5, 2019, the Financing Corporation issued the Capital Improvement Refunding Revenue Bonds, Series 2019A (Housing Project) (the “Series 2019A Bonds”).

The Series 2019A Bonds were issued in the amount of $32,575,000 plus original issue premium of $5,125,443. The proceeds from the sale of the Series 2019A Bonds were used to refund the outstanding Capital Improvement Revenue Bonds, Series 2010A and Capital Improvement Revenue Bonds, Series 2010B. Interest is payable based upon fixed rates ranging from 3.00% to 5.00% paid semi-annually with principal payable in varying amounts on February 1, 2020, through 2039.

On July 1, 2014, the Financing Corporation Board of Director’s internally designated cash to be held as a reserve in an amount equivalent to the maximum annual debt service for bonds where a Debt Service Reserve Account is not required. At June 30, 2026, the internally designated funds held as a reserve to provide additional security and cash liquidity were $2,533,800 for Series 2019A Bonds. Internally designated funds are invested with the Florida PRIME Investment Pool and included in Unrestricted Net Position.

On February 1, 2026, a required principal bond payment in the amount of $1,320,000 was paid on Capital Improvement Refunding Revenue Bonds, Series 2019A. Therefore, at June 30, 2026, there remained outstanding Capital Improvement Refunding Revenue Bonds, Series 2019A in the amount of $28,056,627 including unamortized premium of $3,431,627.

(5) Capital Improvement Refunding Revenue Bonds, Series 2020A

On December 17, 2020 the Financing Corporation issued the Capital Improvement Refunding Revenue Bonds, Series 2020A (Housing Project) (the “Series 2020A Bonds”).

The Series 2020A Bonds were issued in the amount of $19,800,000 plus original issue premium of $3,882,566. The proceeds from the sale of the Series 2020A Bonds were used to refund the outstanding Capital Improvement Revenue Bonds, Series 2011A. Interest is payable based upon fixed rates ranging from 3.00% to 5.00% paid semi-annually with principal payable in varying amounts on February 1, 2022 through 2040.

On July 1, 2014, the Financing Corporation Board of Director’s internally designated cash to be held as a reserve in an amount equivalent to the maximum annual debt service for bonds where a Debt Service Reserve Account is not required. At June 30, 2026, the internally designated funds held as a reserve to provide additional security and cash liquidity were $1,547,500 for Series 2020A Bonds. Internally designated funds are

invested with the Florida PRIME Investment Pool and included in Unrestricted Net Position.

On February 1, 2026, a required principal bond payment in the amount of $795,000 was paid on Capital Improvement Refunding Revenue Bonds, Series 2020A. Therefore, at June 30, 2026, there remained outstanding Capital Improvement Refunding Revenue Bonds, Series 2020A of $18,999,447 including unamortized premium of $2,799,447.

(6) Capital Improvement Refunding Revenue Bonds, Series 2022A

On November 3, 2022, the Financing Corporation issued the Capital Improvement Refunding Revenue Bonds, Series 2022A (Housing Project) (the “Series 2022A Bonds”).

The Series 2022A Bonds were issued in the amount of $21,535,000 plus original issue premium of $1,704,935. The proceeds from the sale of the Series 2022A Bonds were used to refund the outstanding Capital Improvement Revenue Bonds, Series 2013A. Interest is payable based upon a fixed rate of 5.00% paid semi-annually with principal payable in varying amounts on February 1, 2023 through 2042.

On July 1, 2014, the Financing Corporation Board of Director’s internally designated cash to be held as a reserve in an amount equivalent to the maximum annual debt service for bonds where a Debt Service Reserve Account is not required. At June 30, 2026, the internally designated funds held as a reserve to provide additional security and cash liquidity were $1,755,250 for Series 2022A Bonds. Internally designated funds are invested with the Florida PRIME Investment Pool and included in Unrestricted Net Position.

On February 1, 2026, a required principal bond payment in the amount of $805,000 was paid on Capital Improvement Refunding Revenue Bonds, Series 2022A. Therefore, at June 30, 2026, there remained outstanding Capital Improvement Refunding Revenue Bonds, Series 2022A of $19,892,065 including unamortized premium of $1,387,065.

(7) Capital Improvement Revenue Bonds, Series 2025A

On January 14, 2026, the Financing Corporation issued the Capital Improvement Revenue Bonds, Series 2025A (Employee Housing Project) (the “Series 2025A Bonds”).

The Series 2025A Bonds were issued in the amount of $23,575,000 plus net original issue premium of $96,215. The proceeds from the sale of the Series 2025A Bonds were used to finance Phase I construction of the new Employee Housing System. This phase includes 74 residential units offered to employees at below local market rates and is located approximately 2 miles north of main campus. Interest is payable based upon fixed rates ranging from 4.00% to 5.25% paid semi-annually with principal payable in varying amounts on June 1, 2028 through 2056. Therefore, at June 30, 2026, there remained outstanding Capital Improvement Revenue Bonds, Series 2025A of $23,669,894 including unamortized premium of $94,894.

The following is a schedule of estimated future minimum payments remaining under the outstanding Capital Improvement Revenue Bonds and Loans payable at June 30, 2026:

Years Ending June 30	Principal	Interest*	Total
2027	$ 7,880,000	$ 5,298,867	$ 13,178,867
2028	8,610,000	5,833,224	14,443,224
2029	9,090,000	5,413,759	14,503,759
2030	9,485,000	4,979,315	14,464,315
2031	9,915,000	4,525,344	14,440,344
2032-2036	49,515,000	15,559,001	65,074,001
2037-2041	27,755,000	6,693,121	34,448,121
2042-2046	5,755,000	3,338,763	9,093,763
2047-2051	5,180,000	2,260,188	7,440,188
2048-2052	6,485,000	952,613	7,437,613
Subtotal	139,670,000	54,854,195	194,524,195
Add Bond Discounts and Premiums, Net	11,421,037	-	11,421,037
Total	$ 151,091,037	$ 54,854,195	$ 205,945,232

**Includes interest accrued at fixed and variable rates at June 30, 2026 of 3.00% to 5.25%.*

9. Deferred Inflow of Resources

At June 30, 2026, the unrestricted net position balance includes the effect of recognizing a deferred inflow of resources in the total unamortized amount of $422,770. Of this amount $256,124 originated from the gain on refunding of the Capital Improvement Revenue Bond Series 2003, Capital Improvement Revenue Bond Series 2007A, and Capital Improvement Revenue Bond Series 2007C by issuing the Series 2017A Bonds, and the Series 2017B Bonds during the year ended June 30, 2018 and $136,198 originated from the gain on refunding of the Capital Improvement Revenue Bond Series 2010A and Capital Improvement Revenue Bond Series 2010B by issuing the Series 2019A Bonds during the year ended June 30, 2020. The remaining unamortized balance of $30,448 originated from the gain on refunding of the capital Improvement Revenue Bond Series 2013A by issuing the Series 2022A bonds during the year ended June 30, 2023.

During the year ended June 30, 2026, the Financing Corporation recognized a decrease of $37,129 due to the amortization of the deferred inflow. The following is a summary of the Financing Corporation's deferred gain activity for the year ended June 30, 2026:

	Beginning Balance	Increase	(Decrease)	Ending Balance
Deferred Inflow				
Bond Debt Refunding	$ 459,899	$ -	$ (37,129)	$ 422,770
	$ 459,899	$ -	$ (37,129)	$ 422,770

10. Related Party Transactions

The University operates and pays all operating costs for the facilities leased from the Financing Corporation from the gross rental income from the respective student residences and parking facilities. The Net Rental Income is then paid to the Financing Corporation by the University in arrears based on collections. Therefore, no receivable is recorded. The University provides office space and related occupancy costs such as utilities and use of other office machines at no cost to the Financing Corporation. At June 30, 2026, no amounts are reflected in these financial statements of the Financing Corporation for these items, either as donated revenue or the offsetting expenses, as no reasonable basis has been determined to value these costs.

During the year ended June 30, 2026, the Financing Corporation transferred $7,158,343 to the University primarily for improvements on related student residences and parking facilities, including $256,365 for the SoVi Boardwalk. At June 30, 2026, the Financing Corporation reported a Due to University of $4,896,084. Of this amount, $2,684,686 is related to the Employee Housing Project. The remainder reflects accrued costs for student housing improvements.

At June 30, 2026 the Financing Corporation reported a Due from University of $15,023,409 and a Direct Financing Lease with the University of $128,944,100. Additional disclosures related to these balances are included in Note 5 and Note 6, respectively.

The Financing Corporation maintains a portion of its cash and investments with a financial institution of which a Financing Corporation Board member was an officer during the fiscal year ended June 30, 2026. At June 30, 2026, the Financing Corporation’s cash balance held at the bank totaled $199,284 and the investments managed by the bank totaled $20,170,600.

11. Commitments and Contingencies

At June 30, 2026, unspent bond proceeds from the Series 2025A Bonds totaled $11,291,390. The Financing Corporation expects these funds to be fully utilized for the Employee Housing Project during fiscal year 2027.

12. Risk Management

The Financing Corporation is third party insured against risk of loss applicable to the Corporation.

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

Board of Directors
Florida Gulf Coast University Financing Corporation
10501 FGCU Boulevard South
Fort Myers, Florida 33965-6565

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America, the accompanying basic financial statements of Florida Gulf Coast University Financing Corporation (Financing Corporation) which comprise the statement of net position as of June 30, 2026, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended and the related notes to the financial statements and have issued our report thereon dated August 24, 2026.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered Florida Gulf Coast University Financing Corporation'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 Florida Gulf Coast University Financing Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Florida Gulf Coast University Financing Corporation'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 basic 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.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify any 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, as defined previously. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Florida Gulf Coast University Financing Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, 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 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 Financing Corporation'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 Financing Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HSC/ Tuscan & Company, P. A.

HSC/TUSCAN & COMPANY, PA
Fort Myers, Florida
August 24, 2026

INDEPENDENT AUDITOR'S REPORT TO MANAGEMENT

Board of Directors
Florida Gulf Coast University Financing Corporation
10501 FGCU Boulevard South
Fort Myers, Florida 33965-6565

In planning and performing our audit of the financial statements of the Florida Gulf Coast University Financing Corporation (the "Financing Corporation"), as of and for the year ended June 30, 2026, we considered the Florida Gulf Coast University Financing Corporation's internal controls over financial reporting (internal control) as a basis for designing our auditing procedures 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 Financing Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Financing Corporation'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 Financing Corporation's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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.

In connection with our audit, we are submitting the following comments and recommendations in accordance with Government Auditing Standards. These comments and recommendations are submitted for your review and consideration, items noted during the audit and recommendations are designed to help the Financing Corporation make improvements and achieve operational efficiencies. Our comments reflect our desire to be of continuing assistance to the Florida Gulf Coast University Financing Corporation.

PRIOR YEAR COMMENTS THAT CONTINUE TO APPLY:
None – There were no financially significant prior year comments.

CURRENT YEAR COMMENTS:
None – There were no financially significant comments noted.

This report is intended solely for the information and use of the Board of Directors, management, the Auditor General of the State of Florida, and other Federal and State agencies. This report is not intended to be, and should not be, used by anyone other than these specified parties.

HSC/Tuscan & Company, P.A.

HSC/TUSCAN & COMPANY, P.A.
Fort Myers, Florida
August 24, 2026

Florida Gulf Coast University

FINANCING CORPORATION

October 7, 2026

Auditor General's Office
Local Government Audits/251
Claude Pepper Building, Room 401
111 West Madison Street
Tallahassee, FL 32399-1450

We are providing this letter in connection with the audit of Florida Gulf Coast University Financing Corporation (Financing Corporation) for the fiscal year ended June 30, 2026.

The Independent Auditor's Report to Management did not disclose any findings regarding the Financing Corporation. In addition, the accompanying audit report did not include any prior audit findings.

If you have any questions or need additional information, please feel free to contact my office or Renee Garcia at 239-590-1215.

Sincerely,

David Vazquez
Executive Director, Financing Corporation

cc: HSC/Tuscan & Company, P.A.
1470 Royal Palm Square Blvd.
Fort Myers, FL 33919