

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

FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION

*As of and for the Years Ended June 30, 2021 and 2020*

*And Reports of Independent Auditor*

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

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## Report of Independent Auditor

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Florida Gulf Coast University Foundation, Inc. (the "Foundation"), a direct support organization and component unit of Florida Gulf Coast University, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

### ***Management's Responsibility 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.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2021 and 2020, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-10 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*

Our audits were conducted for the purpose of forming an opinion on the financial statements that comprise the Foundation's basic financial statements. The supplementary information as of and for the years ended June 30, 2021 and 2020, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated October 14, 2021 on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Cherry Bekert LLP

Tampa, Florida  
October 14, 2021

# FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021 AND 2020

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

The Foundation is considered a Business-Type Activity ("BTA") under the provisions of 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 Statement – Management's Discussion and Analysis – for Public Colleges and Universities*. The BTA format includes accounting on an accrual basis and the recording of depreciation. The statements are a presentation of 1) assets and liabilities as current and noncurrent and deferred inflows of resources; 2) revenues and expenses as operating and nonoperating; 3) the use of the direct and indirect methods for statement of cash flows; and 4) management's discussion and analysis ("MD&A") of the financial results.

The objective of the MD&A is to focus on current activities, resulting changes, and currently known facts to provide the reader with an overall summary of the accompanying financial statements. It should be read in conjunction with the basic financial statements and accompanying notes.

The financial statements include the following:

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

### ***Financial Highlights***

#### *Financial Position*

##### **2021**

Total Assets were \$178.1 million, an increase of \$30 million (20.2%) from 2020. This was largely due to \$28.3 million increase in current and restricted investments.

##### **2020**

Total Assets were \$148.1 million an increase of \$13.2 million (9.8%) from 2019. This was mainly due to \$5.9 million increase in pledges receivable and a \$5.5 million increase in restricted investments.

# FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021 AND 2020

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### Foundation Scholarships

#### **2021**

The Foundation paid scholarships during the fiscal year 2021 totaling \$4,763,868, an increase of 25.3% from fiscal year 2020's \$3,802,727. This amount exceeded last year's record high for Foundation scholarships awarded within a fiscal year by almost \$1 million.

#### **2020**

The Foundation paid scholarships during the fiscal year 2020 totaling \$3,802,727, an increase of 1.1% from fiscal year 2019's \$3,763,027. It also represents a new high for Foundation scholarships awarded within a fiscal year.

### *Major Gifts*

The 2011 legislature suspended the Major Gifts Matching Program effective July 1, 2011. The program may be restarted after \$200 million of the backlog for programs have been matched. Existing eligible donations remain eligible for future matching funds. The Foundation's existing request to the state of Florida for matching gifts is \$11.8 million as of June 30, 2021 and 2020.

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

### ***Statements of Net Position***

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

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

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

JUNE 30, 2021 AND 2020

**Condensed Summary of Net Position**  
**(in thousands of dollars)**

	2021	2020	2019	2021 - 2020	
				Increase (Decrease)	Change
<b>Assets</b>					
Current assets	\$ 30,936	\$ 24,133	\$ 21,074	6,803	28.2%
Noncurrent assets	147,150	123,977	113,813	23,173	18.7%
<b>Total Assets</b>	<b>178,086</b>	<b>148,110</b>	<b>134,887</b>	<b>29,976</b>	<b>20.2%</b>
<b>Liabilities</b>					
Current liabilities	1,337	378	200	959	253.7%
Noncurrent liabilities	580	615	456	(35)	(5.7%)
<b>Total Liabilities</b>	<b>1,917</b>	<b>993</b>	<b>656</b>	<b>924</b>	<b>93.1%</b>
<b>Deferred Inflows of Resources</b>	<b>1,881</b>	<b>1,405</b>	<b>1,042</b>	<b>476</b>	<b>33.9%</b>
<b>Net Position</b>					
Restricted by donors-expendable	73,963	52,509	47,080	21,454	40.9%
Permanent endowments-nonexpendable	88,094	83,087	76,570	5,007	6.0%
Unrestricted	12,231	10,116	9,539	2,115	20.9%
<b>Total Net Position</b>	<b>\$ 174,288</b>	<b>\$ 145,712</b>	<b>\$ 133,189</b>	<b>28,576</b>	<b>19.6%</b>

The 2021 and 2020 statements of net position are presented on page 11 of the basic financial statements. For the fiscal year ended June 30, 2021, the total net position increased \$28.6 million (19.6%). This year's activity included the following:

**Assets**

**2021**

Current assets increased by \$6.8 million (28.1%). Cash and cash equivalents increased by \$6.7 million (32.6%) mainly due to the \$5.0 million cash position in the Foundation's investment pool at June 30, 2021 compared to the \$0.7 million cash position on June 30, 2020.

Noncurrent assets increased by \$23.2 million (18.7%). Restricted investments increased by \$27.8 million (26.3%) due to new contributions and significant positive returns. The Foundation's investment pool had a one-year return of 30.5% at June 30, 2021.

**2020**

Current assets increased by \$3.1 million (14.5%). Cash and cash equivalents increased by approximately \$1.2 million. The cash position in the Foundation's investment pool at June 30, 2020 was \$0.7 million, approximately 74% more than on June 30, 2019.

Noncurrent assets increased by \$10.2 million (8.9%). Restricted investments increased by \$5.5 million (5.5%) due to new contributions and positive returns. The Foundation's investment pool had a one-year return of 3.4% at June 30, 2020

# FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021 AND 2020

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### Liabilities

#### 2021

Current liabilities increased by approximately \$958,000 (253.6%) due to approximately \$1 million in construction payable on June 30, 2021.

Noncurrent liabilities decreased by approximately \$35,000 (5.7%) due to a reduction in the Foundation's gift annuities liability at June 30, 2021.

#### 2020

Current liabilities increased by approximately \$178,000 (89.0%) due to an increase in accounts payable and annuities payable on June 30, 2020.

Noncurrent liabilities increased by approximately \$159,000 (34.9%) due to four new gift annuities in fiscal year 2020.

### Deferred Inflows of Resources

#### 2021

Deferred inflows of resources for gift annuities increased by approximately \$476,000 (33.9%) due to earnings on the gift annuity investment and two new gift annuities in fiscal year ending June 30, 2021.

#### 2020

Deferred inflows of resources for gift annuities increased by \$363,000 (34.8%) due to earnings on the gift annuity investment and current year contributions for four new gift annuities.

### Net Position

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

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



# FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021 AND 2020

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### **2021**

The net position at June 30, 2021 increased to \$174.3 million, which is 19.6% more than the \$145.7 million in 2020.

The change in net position equals the excess of funds and pledges received over the amounts expensed and amortized. For fiscal year 2021, the statements of revenues, expenses, and changes in net position reflects a \$28.6 million (19.6%) increase in net position.

### **2020**

The net position at June 30, 2020 increased to \$145.7 million, which is 9.4% more than the \$133.2 million in 2019.

The change in net position equals the excess of funds and pledges received over the amounts expensed and amortized. For fiscal year 2020, the statements of revenues, expenses, and changes in net position reflects a \$12.5 million (9.4%) increase in net position.

### ***Statements of Revenues, Expenses, and Changes in Net Position***

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

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

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

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

*JUNE 30, 2021 AND 2020*

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

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2021 - 2020</b>	
				<b>Increase (Decrease)</b>	<b>Change</b>
Operating Revenues:					
Contributions	\$ 14,127	\$ 17,898	\$ 12,032	(3,771)	(21.1%)
Other income	2,359	2,407	3,230	(48)	(2.0%)
Total Operating Revenues	16,486	20,305	15,262	(3,819)	(18.8%)
Less operating expenses	21,058	18,035	20,079	3,023	16.8%
Operating Income (Loss)	(4,572)	2,270	(4,817)	(6,842)	(301.4%)
Nonoperating Income:					
Interest earnings	123	372	486	(249)	(66.9%)
Gain on sale of land held for resale	69	-	-	69	-
Net investments earnings	31,340	3,502	6,523	27,838	794.9%
Impairment loss on land holdings	(3,345)	-	-	(3,345)	-
Nonoperating Revenues	28,187	3,874	7,009	24,313	627.6%
Income before endowment contributions	23,615	6,144	2,192	17,471	284.4%
Endowment Contributions:					
Contributions to endowments	4,961	6,379	1,050	(1,418)	(22.2%)
Increase in net position	28,576	12,523	3,242	16,053	128.2%
Net position, beginning of the year	145,712	133,189	129,947	12,523	9.4%
Net position, end of the year	<u>\$ 174,288</u>	<u>\$ 145,712</u>	<u>\$ 133,189</u>	28,576	19.6%

The 2021 and 2020 statements of revenues, expenses, and changes in net position are on page 12 of the basic financial statements. The statements' highlights are as follows:

**Operating Revenues**

**2021**

Contributions decreased by \$3.8 million (21.1%) compared to 2020 as donor engagement was limited to online due to COVID-19 restrictions. Unrestricted and restricted gifts are classified as contributions whereas endowed gifts are classified as increases to permanent endowment.

Other income decreased by \$48,000 (2.0%) mainly due to reduced campus activities.

# FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021 AND 2020

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### 2020

Contributions increased by \$5.9 million (48.8%) compared to 2019. This was mainly due to contributions towards the Foundation's Entrepreneurship Building construction project. Unrestricted and restricted gifts are classified as contributions whereas endowed gifts are classified as increases to permanent endowment.

Other income decreased by \$823,000 (25.5%) mainly as a result of the Eagles Club annual fundraising drive being postponed to the beginning of fiscal year 2021.

### **Operating Expenses**

#### 2021

The Foundation assisted the University in providing program services including salaries, scholarships, operating expenses, and equipment in the amount of \$21.0 million. This represented an increase of \$3.0 million from 2020.

The Foundation disbursed \$4.8 million for scholarships in 2021. This amount is a 25.3% increase from 2020 and represents the largest total Foundation scholarships awarded within a fiscal year.

#### 2020

The Foundation assisted the University in providing program services including salaries, scholarships, operating expenses, and equipment in the amount of \$18.0 million. This represented a reduction of \$2.0 million from 2019.

The Foundation disbursed \$3.8 million for scholarships in 2020. This amount is a 1.1% increase from 2019 and represents the largest total Foundation scholarships awarded within a fiscal year.

### **Nonoperating Revenue and Expense**

#### 2021

Nonoperating revenues, excluding expenses, increased by \$27.6 million mainly due to a sizable investment earnings of \$31.3 million in 2021 compared to \$3.5 million in 2020. The Foundation also recognize \$3.3 million impairment loss on land holdings.

#### 2020

Nonoperating revenues decreased by 44.7% mainly due to a reduction in investment earnings of \$3.5 million in 2020 compared to \$6.5 million in 2019. The Foundation also had interest earnings of approximately \$372,000 in 2020, a 23.5% decrease from 2019.

### **Endowments**

#### 2021

Contributions to endowments decreased by \$1.4 million compared to 2020. During 2021, the Foundation received a major endowed gift of \$3.5 million for the benefit of the Dr. Elaine Nicpon Marieb College of Health & Human Services. The Foundation received \$1.2 million in contributions for various endowed scholarships including a \$500,000 contribution towards an endowed scholarship for the benefit of student who demonstrate both above average academic merit and financial need. The Foundation also received many contributions to endowments for the purpose of scholarships and programs that will benefit the University's faculty, staff, and students.

# FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021 AND 2020

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### **2020**

Contributions to endowments increased by \$5.3 million compared to 2019. During 2020, the Foundation received a major endowed gift of \$5 million for the benefit of the Dr. Elaine Nicpon Marieb College of Health & Human Services. The Foundation received contributions of \$100,000 or more to endowed scholarships and Student Success Excellence & Innovation Program. The Foundation also received many contributions to endowments under \$100,000 for the purpose of scholarships and programs that will benefit the University's faculty, staff, and students.

### ***Statements of Cash Flows***

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

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

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

Noncapital financing includes endowment contributions and interest paid on debt.

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

### ***Economic Outlook***

The Foundation's restricted investments increased by \$27.8 million (26.3%) as the investment pool returned 30.5% for the fiscal year 2021.

On the first day of classes for academic year 2021-2022 there were 16,052 students enrolled at Florida Gulf Coast University. This is an increase over the 15,229 we had on the first day of classes for 2020-2021 academic year. Tuition revenues are therefore increasing, and the expectation is full occupancy in University housing this fall. In August 2021, the University opened the 26,638 square feet Lucas Hall, home of the Daveler & Kauanui School of Entrepreneurship. In Spring 2022 will open the 116,505 square feet Integrated Watershed and Coastal Studies building, the home for The Water School. The number of alumni is now over 36,965 worldwide.

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

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

### ***Request for Information***

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

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

*JUNE 30, 2021 AND 2020*

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 27,125,509	\$ 20,458,825
Investments	2,153,523	1,625,868
Accounts receivable	530	3,150
Prepaid expenses	69,564	78,871
Pledges receivable	1,586,619	1,966,282
<b>Total Current Assets</b>	<b>30,935,745</b>	<b>24,132,996</b>
Noncurrent Assets:		
Restricted investments	133,372,595	105,575,794
Prepaid expenses, net of current portion	2,450	20,428
Pledges receivable, net of current portion	5,014,650	6,328,226
Surrender value of insurance policy	270,275	217,903
Land held for investments	247,893	231,321
Land held for resale	-	16,186
Land holdings	8,242,500	11,587,500
<b>Total Noncurrent Assets</b>	<b>147,150,363</b>	<b>123,977,358</b>
<b>Total Assets</b>	<b>178,086,108</b>	<b>148,110,354</b>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	151,103	260,305
University support payable	1,034,221	-
Unearned revenue	32,000	-
Gift annuities payable	119,087	117,669
<b>Total Current Liabilities</b>	<b>1,336,411</b>	<b>377,974</b>
Noncurrent Liabilities:		
Gift annuities payable, net of current portion	580,122	614,980
<b>Total Noncurrent Liabilities</b>	<b>580,122</b>	<b>614,980</b>
<b>Total Liabilities</b>	<b>1,916,533</b>	<b>992,954</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Gift annuities	1,881,209	1,405,450
<b>NET POSITION</b>		
Restricted		
Expendable	73,963,478	52,508,980
Nonexpendable endowments	88,094,149	83,087,416
Unrestricted	12,230,739	10,115,554
<b>Total Net Position</b>	<b>\$ 174,288,366</b>	<b>\$ 145,711,950</b>

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

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

YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Operating Revenues:		
Contributions	\$ 14,126,619	\$ 17,897,775
Other income	2,359,039	2,406,779
Total Operating Revenues	<u>16,485,658</u>	<u>20,304,554</u>
Operating Expenses:		
Program Services:		
Program fees	3,126,410	3,540,079
Scholarships	4,763,868	3,802,727
University support	12,041,536	8,984,435
General and administrative expenses	1,101,381	1,677,333
	<u>21,033,195</u>	<u>18,004,574</u>
Other Expenses:		
Amortization	24,852	30,606
	<u>24,852</u>	<u>30,606</u>
Total Operating Expenses	<u>21,058,047</u>	<u>18,035,180</u>
Operating (Loss) Income	<u>(4,572,389)</u>	<u>2,269,374</u>
Nonoperating Revenues (Expenses):		
Interest earnings	123,503	371,806
Gain on sale of land held for resale	68,814	-
Net investment earnings	31,340,264	3,502,625
Impairment loss on land holdings	(3,345,000)	-
Total Nonoperating Revenues	<u>28,187,581</u>	<u>3,874,431</u>
Income before endowment contributions	23,615,192	6,143,805
Endowment Contributions:		
Contributions to endowments	<u>4,961,224</u>	<u>6,378,979</u>
Change in net position	28,576,416	12,522,784
Net position, beginning of year	<u>145,711,950</u>	<u>133,189,166</u>
Net position, end of year	<u>\$ 174,288,366</u>	<u>\$ 145,711,950</u>

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

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

*YEARS ENDED JUNE 30, 2021 AND 2020*

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities:</b>		
Received from private donors	\$ 15,819,858	\$ 11,963,935
Received from other sources	2,377,087	2,511,084
Payments to university for programs	(19,938,688)	(16,313,239)
Payments to suppliers for goods and services	275,264	(984,181)
Net cash flows from operating activities	<u>(1,466,479)</u>	<u>(2,822,401)</u>
<b>Cash flows from investing activities:</b>		
Proceeds from sales and maturities of investments	59,475,489	32,719,722
Purchases of investments	(57,886,548)	(37,472,616)
Investment earnings received	1,374,495	1,870,573
Land held for resale	85,000	106,000
Interest earnings received	123,503	371,806
Net cash flows from investing activities	<u>3,171,939</u>	<u>(2,404,515)</u>
<b>Cash flows from noncapital financing activities:</b>		
Endowment contributions	4,961,224	6,378,979
Net cash flows from noncapital financing activities	<u>4,961,224</u>	<u>6,378,979</u>
Net increase in cash and cash equivalents	6,666,684	1,152,063
Cash and cash equivalents, beginning of year	20,458,825	19,306,762
Cash and cash equivalents, end of year	<u>\$ 27,125,509</u>	<u>\$ 20,458,825</u>
<b>Supplemental disclosures of noncash related investing activities:</b>		
Net change in unrealized gain	<u>\$ 29,965,769</u>	<u>\$ 5,373,198</u>
Impairment loss on land holdings	<u>\$ 3,345,000</u>	<u>\$ -</u>

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

YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>Reconciliation of operating (loss) income to net cash flows from operating activities:</b>		
Operating (loss) income	\$ (4,572,389)	\$ 2,269,374
Adjustments to reconcile operating (loss) income to net cash flows from operating activities		
Amortization	24,852	30,606
Change in allowance and present value discount of contributions and annuities	(6,048)	(86,545)
Deferred Inflow of resources related to gift annuities	475,759	363,706
Land held for investment	(16,572)	91,000
Effect of changes in operating assets and liabilities:		
Accounts receivable	2,620	2,600
Prepaid expenses	2,434	6,300
Pledges receivable	1,727,255	(5,898,754)
Royalties receivable	-	10,705
Accounts payable	(109,202)	142,540
University support payable	1,034,220	-
Gift annuity payable	(61,408)	246,067
Unearned revenue	32,000	-
Net cash flows from operating activities	<u>\$ (1,466,479)</u>	<u>\$ (2,822,401)</u>



# FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

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

*Nature of Organization* – The Florida Gulf Coast University Foundation, Inc. (the “Foundation”) was incorporated on April 29, 1993 as a Florida not-for-profit foundation under the provisions of Chapter 617 of the Florida Statutes. The Foundation is a direct support organization as certified by the Board of Regents on June 14, 1993. The Foundation was established to encourage, solicit, collect, receive, and administer gifts and bequests of property and funds for scientific, educational, and charitable purposes, for the advancement of Florida Gulf Coast University (the “University”) and its objectives.

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

*Basis of Presentation and Accounting* – The Foundation follows Governmental Accounting Standards Board (“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*; GASB Statement No. 37, *Basic Financial Statements – Management’s Discussion and Analysis – for State and Local Governments: Omnibus – an amendment of GASB Statements No. 21 and No. 34*; and GASB Statements No. 38, *Certain Financial Statements Note Disclosures*.

GASB Statements No. 34 and No. 35 established standards for external financial reporting which includes a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows using the direct method. GASB Statements No. 34 and No. 35 also include a requirement that management provide a discussion and analysis of the basic financial statements and it requires the classification of net position into two components – restricted and unrestricted. These classifications are defined as follows:

- Restricted – Includes funds *Restricted by donors – Expendable and Nonexpendable endowments*.
  - *Expendable* – Includes funds whose use by the Foundation is subject to donor-imposed stipulations that can be fulfilled by actions of the Foundation pursuant to those stipulations or that expire by passage of time.
  - *Nonexpendable Endowments* – Includes funds subject to donor-imposed stipulations that they be maintained permanently by the Foundation to use all or part of the related investment return for general or specific purposes in support of the University.
- Unrestricted – Consists of funds that do not meet the definition of “restricted” or “invested in capital assets”.

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

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

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

JUNE 30, 2021 AND 2020

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

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

Cash and cash equivalents held on June 30, 2021 and 2020 are as follows:

<b>2021</b>			
<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowed</b>	<b>Total</b>
<u>\$ 6,860,673</u>	<u>\$ 15,570,183</u>	<u>\$ 4,694,653</u>	<u>\$ 27,125,509</u>

  

<b>2020</b>			
<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowed</b>	<b>Total</b>
<u>\$ 8,240,289</u>	<u>\$ 11,528,962</u>	<u>\$ 689,574</u>	<u>\$ 20,458,825</u>

*Pledges Receivable* – The Foundation accounts for its pledges in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. GASB Statement No. 33 establishes reporting standards for nonexchange transactions, whereby unrestricted and restricted pledges receivable are recorded in the statements of net position and endowment pledges are excluded from the statements of net position.

Pledge receivables are recorded at estimated present value at the date of the gift, less an appropriate reserve for uncollectible amounts. Amounts expected to be received after one year are discounted using the appropriate risk-free rate. The Foundation does not require collateral in relation to these receivables.

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

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

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

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

# FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

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

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

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

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

*Land Holdings* – Land holdings are capitalized at cost if purchased or at acquisition value at the time of contribution.

*Land Held for Resale or Held for Investment* – Land held for resale or land held for investment are recorded at estimated fair value.

*Unearned Revenue* – Unearned revenue results from the Foundation receiving lease payments in the period before which the leased time lapses. Accordingly, rental fees received for months in the subsequent fiscal year are deferred until the time elapses.

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

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

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

*Operating and Nonoperating Activities* – The Foundation's operating income includes all revenues and expenses associated with the Foundation's daily activities. Interest and net investment earnings are excluded from operating income and classified as nonoperating revenues. Contributions received for endowments or from state matching funds are also excluded from operating and nonoperating activities and are classified as endowment contributions.

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

# FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

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

*Estimates* – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures of assets, liabilities, and deferred inflow of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing coronavirus (“COVID-19”) pandemic and the COVID-19 control responses.

*Subsequent Events* – Management has evaluated subsequent events through October 14, 2021, in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued. See additional information regarding subsequent events in Note 12 to the financial statements.

### **Note 2—Cash, cash equivalents, and investments**

*Deposits* – Custodial credit risk is the risk that in the event of a bank failure, the Foundation's deposits may not be returned to it. The Foundation's policy regarding custodial credit risk is to hold non-invested cash in a financial institution covered by the Federal Deposit Insurance Corporation (“FDIC”) not exceeding the limit of FDIC coverage. Non-invested cash in excess of FDIC coverage will be held in a certified Qualified Public Depository (QPD) as identified by the Florida Security for Public Deposits Act, Chapter 280, Florida Statute. At June 30, 2021 and 2020, the bank balances totaled \$15,751,555 and \$13,306,304, respectively. Of the bank balance, \$275,130 and \$493,106, respectively, were covered by FDIC with the remainder collateralized under the Florida Security for Public Deposits Act. The Foundation also had cash held on deposit with investment managers at June 30, 2021 and 2020 totaling \$5,036,357 and \$743,720, respectively, of which \$410,534 and \$530,876, respectively, were covered by the Securities Investor Protection Corporation.

The Foundation has an account with the State Treasury Special Purpose Investment Account (“SPIA”). This account represents ownership of a share of the Florida Treasury Investment Pool, not the underlying securities. At June 30, 2021 and 2020, the Florida Treasury Investment Pool carried a credit rating of AA-f by Standard & Poor's and had an effective duration of 2.60 and 0.43 years, respectively. At June 30, 2021 and 2020, the Foundation had cash equivalents of \$6,185,394 and \$6,086,580, respectively, with the SPIA.

*Designated Cash* – Starting July 2010, the Foundation's board decided to annually designate a portion of unrestricted cash to a scholarship reserve. The scholarship reserve will be determined and approved as part of the annual operating budget. This reserve will be used at the Foundation's discretion to support endowed scholarships that are unable to fund their annual allotment. At June 30, 2021 and 2020, the scholarship reserve was \$2,199,580 and \$1,750,430, respectively.

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

*JUNE 30, 2021 AND 2020*

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

Investments consist of the following at June 30, 2021:

	<b>Fair Value Measurements Using</b>			
		<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Investments by Fair Value Level:				
Equity Investment:				
U.S. equities	\$ 538,910	\$ 538,910	\$ -	\$ -
Mutual Funds:				
U.S. portfolio	65,831,928	65,831,928	-	-
International equities	28,148,821	28,148,821	-	-
Fixed income	20,329,106	20,329,106	-	-
	<u>114,309,855</u>	<u>114,309,855</u>	<u>-</u>	<u>-</u>
Fixed Income Investments:				
Mortgage-backed securities	1,233,564	-	1,233,564	-
Corporate bonds	7,598,601	-	7,598,601	-
Government obligations	2,335,136	-	2,335,136	-
Municipal bonds	5,745,431	-	5,745,431	-
U.S. treasury notes	2,495,424	2,495,424	-	-
	<u>19,408,156</u>	<u>2,495,424</u>	<u>16,912,732</u>	<u>-</u>
Land held for investment	<u>247,893</u>	<u>-</u>	<u>-</u>	<u>247,893</u>
Total Investments by Fair Value Level	<u>134,504,814</u>	<u>\$ 117,344,189</u>	<u>\$ 16,912,732</u>	<u>\$ 247,893</u>
Investments Measured at NAV or its Equivalent:				
Other Investments:				
Real Assets	88,612			
Surrender value of insurance policy	270,275			
Private Equity	1,180,585			
Total Investments Measured at NAV or its Equivalent	<u>1,539,472</u>			
Total investments measured at fair value	<u>\$ 136,044,286</u>			

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

JUNE 30, 2021 AND 2020

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

Investments consist of the following at June 30, 2020:

	Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
Equity Investment:				
U.S. equities	\$ 279,029	\$ 279,029	\$ -	\$ -
Mutual Funds:				
U.S. portfolio	26,720,569	26,720,569	-	-
International equities	18,873,073	18,873,073	-	-
Fixed income	13,006,225	13,006,225	-	-
	<u>58,599,867</u>	<u>58,599,867</u>	<u>-</u>	<u>-</u>
Fixed Income Investments:				
Mortgage-backed securities	1,602,061	-	1,602,061	-
Corporate bonds	7,430,127	-	7,430,127	-
Government obligations	2,230,446	-	2,230,446	-
Municipal bonds	5,479,667	-	5,479,667	-
U.S. treasury notes	2,109,132	2,109,132	-	-
	<u>18,851,433</u>	<u>2,109,132</u>	<u>16,742,301</u>	<u>-</u>
Land held for investment	231,321	-	-	231,321
Land held for resale	16,186	-	16,186	-
<b>Total Investments by Fair Value Level</b>	<u>77,977,836</u>	<u>\$ 60,988,028</u>	<u>\$ 16,758,487</u>	<u>\$ 231,321</u>
Investments Measured at NAV or its Equivalent:				
Collective Investment Funds:				
NT Common US Marketcap Index Fund	28,239,212			
	<u>28,239,212</u>			
Other Investments:				
Real Assets	88,528			
Surrender value of insurance policy	217,903			
Private Equity	1,143,593			
	<u>1,450,024</u>			
<b>Total Investments Measured at NAV or its Equivalent</b>	<u>29,689,236</u>			
<b>Total investments measured at fair value</b>	<u>\$ 107,667,072</u>			

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

JUNE 30, 2021 AND 2020

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

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

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

<b>June 30, 2021</b>				
	<b>Fair Value</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency (if Currently Eligible)</b>	<b>Redemption Notice Period</b>
Real Assets	\$ 88,612	\$ 90,000	Not available	NA
Surrender value of insurance policy	270,275	-	Not available	NA
Private Equity	1,180,585	133,050	Not available	NA
Total Investments Measured at NAV or its Equivalent	<u>\$ 1,539,472</u>	<u>\$ 223,050</u>		
<b>June 30, 2020</b>				
	<b>Fair Value</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency (if Currently Eligible)</b>	<b>Redemption Notice Period</b>
NT Common US Marketcap Index Fund	\$ 28,239,212	\$ -	Daily	1 trade day
Real Assets	88,528	90,000	Not available	NA
Surrender value of insurance policy	217,903	-	Not available	NA
Private Equity	1,143,593	133,450	Not available	NA
Total Investments Measured at NAV or its Equivalent	<u>\$ 29,689,236</u>	<u>\$ 223,450</u>		

*Collective Investment Funds* – The primary objective of the Northern Trust (“NT”) US Market Cap Index Fund is to approximate the risk and return characteristics of the Dow Jones US Total Stock Market Index. This Index is commonly used to represent the broad U.S. market.

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

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

JUNE 30, 2021 AND 2020

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

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

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

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

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

At June 30, 2021 and 2020, the Foundation's collective investment fund investments were uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Foundation's name.

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

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

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

As of June 30, 2021, the maturities of the Foundation's fixed income investments were as follows:

	<b>2021</b>				
	<b>Investment Maturities</b>				
	<b>Market Value</b>	<b>Less than 1 Year</b>	<b>1 - 5 Years</b>	<b>5 -10 Years</b>	<b>Over 10 years</b>
Investment Type:					
Mortgage-backed securities	\$ 1,233,564	\$ -	\$ 307,687	\$ 396,632	\$ 529,245
Corporate bonds	7,598,601	503,700	5,009,095	2,050,181	35,625
Government obligations	2,335,136	-	899,998	1,435,138	-
Municipal bonds	5,745,431	662,506	2,012,524	3,070,401	-
U.S. treasury notes	2,495,424	102,017	2,239,199	154,208	-
Totals	<u>\$ 19,408,156</u>	<u>\$ 1,268,223</u>	<u>\$ 10,468,503</u>	<u>\$ 7,106,560</u>	<u>\$ 564,870</u>



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

JUNE 30, 2021 AND 2020

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

As of June 30, 2020, the maturities of the Foundation’s fixed income investments were as follows:

	<b>2020</b>				
	<b>Market Value</b>	<b>Investment Maturities</b>			<b>Over 10 years</b>
		<b>Less than 1 Year</b>	<b>1 - 5 Years</b>	<b>5 -10 Years</b>	
Investment Type:					
Mortgage-backed securities	\$ 1,602,061	\$ 2,765	\$ 515,369	\$ 589,638	\$ 494,289
Corporate bonds	7,430,127	1,014,982	4,090,165	2,288,767	36,213
Government obligations	2,230,446	549,845	291,826	1,388,775	-
Municipal bonds	5,479,667	459,142	2,000,282	3,020,243	-
U.S. treasury notes	2,109,132	-	1,741,947	367,185	-
Totals	<u>\$ 18,851,433</u>	<u>\$ 2,026,734</u>	<u>\$ 8,639,589</u>	<u>\$ 7,654,608</u>	<u>\$ 530,502</u>

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

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

At June 30, 2021 and 2020, the Foundation’s fixed income investments were rated as follows:

<b>2021</b>			
<b>Rating</b>	<b>Number</b>	<b>Fair Value</b>	<b>% Bond Holdings</b>
AAA	45	\$ 8,520,916	43.90%
AA	26	4,376,482	22.55%
A	57	5,698,172	29.36%
BBB	4	812,586	4.19%
		<u>\$19,408,156</u>	
<b>2020</b>			
<b>Rating</b>	<b>Number</b>	<b>Fair Value</b>	<b>% Bond Holdings</b>
AAA	45	\$ 6,217,762	32.98%
AA	24	4,281,409	22.71%
A	56	7,566,768	40.14%
BBB	3	785,494	4.17%
		<u>\$18,851,433</u>	

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

JUNE 30, 2021 AND 2020

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

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

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

The Foundation assesses a management fee on all endowment funds for the purpose of funding the Foundation’s operating budget. Administrative fees assessed to the endowment funds totaled \$1,669,778 or 1.5% for the year ended June 30, 2021 and \$1,437,863 or 1.5% for the year ended June 30, 2020.

**Note 3—Endowments**

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

	<u>2021</u>	<u>2020</u>
Eminent Scholars Program	\$ 17,676,339	\$ 14,244,667
Major Gifts Program	53,964,654	43,295,728
Other Endowment	57,668,041	42,478,734
	<u>\$ 129,309,034</u>	<u>\$ 100,019,129</u>

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

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

	<u>2021</u>	<u>2020</u>
Total endowment balance	\$ 129,309,034	\$ 100,019,129
Less appreciation portion deemed restricted expendable	41,214,885	16,931,713
	<u>\$ 88,094,149</u>	<u>\$ 83,087,416</u>

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

JUNE 30, 2021 AND 2020

**Note 4—Pledges receivable**

Present value of the June 30, 2021 pledges receivable was calculated using the U.S. Treasury risk free discount rate of 0.16% along with an allowance for doubtful amounts based on historical collection rates. Pledges receivable are expected to be received as follows:

2022	\$ 1,586,619
2023	2,230,180
2024	1,444,703
Thereafter	1,399,088
Total pledges receivable	<u>\$ 6,660,590</u>

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

	<u>2021</u>	<u>2020</u>
Total pledges receivable	\$ 6,660,590	\$ 8,387,844
Less allowance for doubtful amounts	(48,762)	(60,391)
Less discount on future payments	<u>(10,559)</u>	<u>(32,945)</u>
Pledges receivable, net	<u>\$ 6,601,269</u>	<u>\$ 8,294,508</u>

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

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

State matching pledges receivables are recorded when a donor commitment is fulfilled and matching funds have been appropriated by the state of Florida. As of June 30, 2021 and 2020, the Foundation submitted matching funds requests totaling \$11,752,281 to the state of Florida. Due to the state of Florida's current economic conditions, the legislature did not appropriate the matching funds for these requests. Therefore, the \$11,752,281 has not been recorded in the financial statements. Although the state of Florida has not eliminated the matching gifts programs, it is currently unknown as to when the state will appropriate the matching funds.

**Note 6—Land holdings**

Land holdings activity for the years ended June 30, 2021 and 2020 were as follows:

	<u>2021</u>			
	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Land held for resale	\$ 16,186	\$ -	\$ 16,186	\$ -
Land held for investment	\$ 231,321	\$ 16,572		\$ 247,893
Land holdings	<u>\$ 11,587,500</u>	<u>\$ -</u>	<u>\$ 3,345,000</u>	<u>\$ 8,242,500</u>

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

JUNE 30, 2021 AND 2020

**Note 6—Land holdings (continued)**

	2020			Ending Balance
	Beginning Balance	Increase	Decrease	
Land held for resale	\$ 16,186	\$ -	\$ -	\$ 16,186
Land held for investment	\$ 322,321	\$ -	\$ 91,000	\$ 231,321
Land holdings	\$ 11,693,500	\$ -	\$ 106,000	\$ 11,587,500

On September 15, 2005, the Foundation received land valued at \$435,000. The land was a potential site for Florida Gulf Coast University in Charlotte County. However, in fiscal 2016, it was decided that this property will not be used for the original intended purpose and was reclassified to land held for resale. An impairment loss of \$418,814 was recognized due to the change in use of this property. On June 30, 2020, the carrying value of the Charlotte County land is \$16,186. In fiscal year ending June 30, 2021 the land was sold resulting in a gain of \$68,814 which is included in the accompanying statement of revenue, expenses, and changes in net position.

On March 22, 2005, the Foundation received a contribution of land valued at \$106,000. As of June 30, 2020, the land was transferred to the University for use by the College of Arts and Sciences for the environmental studies programs.

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

On May 27, 2014, the Foundation received land valued at \$7,700,000. Located north of the University's main campus. In fiscal year ending June 30, 2021, management obtained an appraisal of the land to begin the process of selling the land. This appraisal resulted in the need to recognize a land impairment loss of \$3,345,000, which is included in the accompanying statements of revenue, expenses, and changes in net position. On June 30, 2021, the carrying value of this land holding was \$4,355,000.

On January 19, 2017, the Foundation reacquired ownership to 215 acres of mining land that was originally donated to the Foundation in 1994 and subsequently sold to a third party. The Foundation receives royalties from the mining sales on the property through a lease agreement with an external party. The value of the property is deemed to be the estimated future royalty revenue and is listed as land held for investment on the statements of net position. The Foundation maintains commercial general liability insurance on the property while the lessee is responsible for liabilities associated with the mining operations. The lessee bears the responsibility of environmental remediation after the mined resources are depleted. At June 30, 2021 and 2020, the estimated value of the land held for investment was \$247,893 and \$231,321, respectively.

**Note 7—Operating leases**

The Foundation leased facilities in Naples, Florida in fiscal year ended June 30, 2020. Lease expense for the facilities for the fiscal year ended June 30, 2020 was \$133,257. The lease expired on March 31, 2020 and was not renewed.

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

*JUNE 30, 2021 AND 2020*

**Note 8—Annuities payable**

The Foundation manages charitable gift annuities. These annuities are irrevocable split-interest agreements where the Foundation is the remainder interest beneficiary that makes quarterly distributions to the annuitant. GASB Statement No. 81 established financial reporting standards for irrevocable split-interest to include assets, liabilities, and deferred inflows of resources. The asset is the market value of resources received; the liability is the present value of future payments to annuitants; the deferred inflow of resources is the difference between the asset and the liability.

GASB Statement No. 81 requires that a government that receives resources pursuant to an irrevocable split interest agreement recognize and report assets, liabilities, and deferred inflows of resources. On June 30, 2021 and 2020, the deferred inflows of resources related to gift annuities was \$1,881,209 and \$1,405,450, respectively.

A summary of changes in annuities payable is as follows:

	<u>June 30, 2020</u>	<u>Increase</u>	<u>Decrease</u>	<u>June 30, 2021</u>	<u>Current Portion</u>
Annuities payable	<u>\$ 732,649</u>	<u>\$ 56,848</u>	<u>\$ 90,288</u>	<u>\$ 699,209</u>	<u>\$ 119,087</u>
					<u>Current Portion</u>
	<u>June 30, 2019</u>	<u>Increase</u>	<u>Decrease</u>	<u>June 30, 2020</u>	<u>Current Portion</u>
Annuities payable	<u>\$ 538,041</u>	<u>\$ 345,282</u>	<u>\$ 150,674</u>	<u>\$ 732,649</u>	<u>\$ 117,669</u>

**Note 9—Related party transactions**

The Foundation maintains a portion of its investments with Northern Trust Bank. A Foundation board member was an officer of Northern Trust Bank during the fiscal years ended June 30, 2021 and 2020. The Foundation's investments managed by Northern Trust Bank at June 30, 2021 and 2020 totaled \$29,135 and \$28,285,999, respectively.

The Foundation maintains a portion of its fixed income investments with Wasmer, Schroeder & Company, Inc. A Foundation board member was an officer of Wasmer, Schroeder & Company, Inc. during the fiscal years ended June 30, 2021 and 2020. The Foundation's investments managed by Wasmer, Schroeder & Company, Inc. at June 30, 2021 and 2020 totaled \$14,485,058 and \$14,343,366, respectively.

The Foundation has a lease agreement with the University whereby the University pays the Foundation a lease payment of \$32,000 a month for the use of the waterfront property in Bonita Springs. The monthly lease payment is used to cover all the expenses of owning the Florida Gulf Coast University Vester Marine Science and Environmental Education Center.

# FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

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### **Note 9—Related party transactions (continued)**

For the years ended June 30, 2020, the Foundation received payments from the University totaling \$153,090 for reimbursable costs, associated with the operating lease (see Note 7), incurred by the Foundation. There were no such amounts as of June 30, 2021.

The Foundation's operating bank account is held with Fifth Third Bank. A Foundation board member was an officer of Fifth Third Bank during the fiscal years ended June 30, 2021 and 2020. On June 30, 2021 and 2020, the Foundation had \$15,726,424 and \$13,063,198, respectively, on deposit at Fifth Third Bank.

### **Note 10—Risk management**

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

### **Note 11—Contingencies and uncertainties/COVID-19 pandemic**

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

On January 30, 2020, the World Health Organization declared COVID-19 outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of COVID-19 include restrictions on travel, quarantines, or "stay-at-home" restrictions in certain areas and forced closures for certain types of public places and businesses.

While the future impact of COVID-19 is unknown, to date the pandemic has not had significant adverse effects on the Foundation's financial position or operating results.

### **Note 12—Commitments and subsequent event**

On May 3, 2021, the Foundation and a third party executed a purchase and sale agreement to begin the process of selling a parcel of land, located north of the University's main campus. On September 2, 2021, the Foundation and the third party executed the second amendment to the purchase and sale agreement to agree to the purchase price of \$5,000,000. Although the purchase and sale agreement was executed prior to June 30, 2021, all consideration and conditions precedent to a sale have not occurred as of the issuance of these financial statements.

## **SUPPLEMENTARY INFORMATION**

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

YEARS ENDED JUNE 30, 2021 AND 2020

	<b>Beginning Corpus July 1, 2020</b>	<b>Beginning Balance July 1, 2020</b>	<b>Cash Contributions/ State Match Received</b>	<b>Net Investments Earnings</b>	<b>Expenditures</b>	<b>Ending Corpus June 30, 2021</b>	<b>Ending Balance June 30, 2021</b>
Alico Endowed Chairs	\$ 2,105,512	\$ 3,878,278	\$ -	\$ 1,069,467	\$ 154,800	\$ 2,105,512	\$ 4,792,945
Backe Endowed Chair	1,000,001	1,272,474	-	350,890	50,900	1,000,001	1,572,464
Davis Endowed Chair	1,067,270	1,453,304	-	397,255	57,800	1,067,270	1,792,759
Moorings Park Endowed Chair	1,020,000	1,438,597	-	396,715	57,200	1,020,000	1,778,112
Southwest Florida Nursing Endowed Chair	1,144,768	2,537,167	-	699,718	30,081	1,144,768	3,206,804
Sproul Endowed Chair	600,000	782,921	-	210,851	31,100	600,000	962,672
Uncommon Friends Endowed Chair	1,020,000	1,297,533	-	357,805	51,700	1,020,000	1,603,638
Whitaker Endowed Chair	1,022,000	1,584,393	-	436,909	54,357	1,022,000	1,966,945
	<u>\$ 8,979,551</u>	<u>\$ 14,244,667</u>	<u>\$ -</u>	<u>\$ 3,919,610</u>	<u>\$ 487,938</u>	<u>\$ 8,979,551</u>	<u>\$ 17,676,339</u>

	<b>Beginning Corpus July 1, 2019</b>	<b>Beginning Balance July 1, 2019</b>	<b>Cash Contributions/ State Match Received</b>	<b>Net Investments Earnings</b>	<b>Expenditures</b>	<b>Ending Corpus June 30, 2020</b>	<b>Ending Balance June 30, 2020</b>
Alico Endowed Chairs	\$ 2,105,512	\$ 3,951,777	\$ -	\$ 76,401	\$ 149,900	\$ 2,105,512	\$ 3,878,278
Backe Endowed Chair	1,000,001	1,296,707	-	25,067	49,300	1,000,001	1,272,474
Davis Endowed Chair	1,067,270	1,480,176	-	28,628	55,500	1,067,270	1,453,304
Moorings Park Endowed Chair	1,020,000	1,465,058	-	28,339	54,800	1,020,000	1,438,597
Southwest Florida Nursing Endowed Chair	1,144,768	2,583,289	-	49,978	96,100	1,144,768	2,537,167
Sproul Endowed Chair	600,000	797,598	-	15,423	30,100	600,000	782,921
Uncommon Friends Endowed Chair	1,020,000	1,321,872	-	25,561	49,900	1,020,000	1,297,533
Whitaker Endowed Chair	1,022,000	1,614,481	-	31,212	61,300	1,022,000	1,584,393
	<u>\$ 8,979,551</u>	<u>\$ 14,510,958</u>	<u>\$ -</u>	<u>\$ 280,609</u>	<u>\$ 546,900</u>	<u>\$ 8,979,551</u>	<u>\$ 14,244,667</u>



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

*YEAR ENDED JUNE 30, 2021*

Name of Major Gift	Beginning	Beginning	Cash	Net	Expenditures	Ending	Ending
	Corpus	Balance	Contributions/ State Match	Investments		Corpus	Balance
	July 1, 2020	July 1, 2020	Received	Earnings		June 30, 2021	June 30, 2021
Abernathy Kiwanis	\$ 100,000	\$ 112,620	\$ -	\$ 30,650	\$ 4,600	\$ 100,000	\$ 138,670
Alico	1,362,550	1,604,056	-	441,103	64,300	1,362,550	1,980,859
ASQ Aviation	100,000	142,505	-	39,295	5,700	100,000	176,100
BB&T	600,000	704,699	-	194,332	28,000	600,000	871,031
BCCDLM	226,000	256,550	-	69,844	10,300	226,000	316,094
Belcher/Oliff	166,639	191,930	1,000	52,022	7,700	167,639	237,252
Benson	260,911	315,637	-	86,206	12,700	260,911	389,143
Blue Shield of Florida	150,000	171,850	-	46,785	6,900	150,000	211,735
Bower Music Fund	558,840	676,833	100	186,756	15,600	558,940	848,089
Bower Music/Art Excellence	5,028,703	5,700,052	-	1,571,476	235,900	5,028,703	7,035,628
Campbell	175,000	204,501	-	55,769	8,300	175,000	251,970
Cobb	225,000	262,938	-	71,847	8,100	225,000	326,685
Collier	382,000	530,942	-	144,791	21,400	382,000	654,333
Conner #2	2,707,000	3,048,179	-	831,811	122,600	2,707,000	3,757,390
Conservancy	1,006,079	1,236,845	-	333,412	49,200	1,006,079	1,521,057
Edith Potter Deats	214,043	433,020	-	119,413	15,635	214,043	536,798
Embassy	150,082	185,966	-	51,286	300	150,082	236,952
Faith	606,070	702,035	-	191,358	26,400	606,070	866,993
Fifth Third	100,000	119,007	-	32,395	4,800	100,000	146,602
Golden Apple	150,000	228,899	-	63,110	2,400	150,000	289,609
Gralnick	387,500	443,555	-	121,062	17,800	387,500	546,817
Hilliard	150,000	183,427	-	49,431	7,300	150,000	225,558
Honors	220,583	315,892	390	87,061	12,600	220,973	390,743
Howard	700,000	818,805	-	225,408	32,500	700,000	1,011,713
Johnson	225,034	255,191	-	69,466	10,300	225,034	314,357

**FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.**  
**MAJOR GIFTS PROGRAM**  
**SCHEDULES OF RECEIPTS, EXPENDITURES, AND ENDOWMENT BALANCES (CONTINUED)**

*YEAR ENDED JUNE 30, 2021*

Name of Major Gift	Beginning	Beginning	Cash	Net	Expenditures	Ending	Ending
	Corpus	Balance	Contributions/ State Match	Investments		Corpus	Balance
	July 1, 2020	July 1, 2020	Received	Earnings		June 30, 2021	June 30, 2021
Kelly	\$ 4,580,886	\$ 5,454,099	\$ -	\$ 1,485,971	\$ 219,100	\$ 4,580,886	\$ 6,720,970
Keys	150,000	175,590	-	47,797	7,100	150,000	216,287
Kleman	200,000	232,593	-	63,457	9,400	200,000	286,650
Kuss	173,334	204,351	-	55,828	8,100	173,334	252,079
Lester	58,750	66,411	-	18,284	2,600	58,750	82,095
Liebert #1	227,159	289,415	-	79,807	11,600	227,159	357,622
Liebert #2	90,911	106,428	-	29,412	4,300	90,911	131,540
Lucas	4,000,552	4,704,374	7,500	1,298,985	188,100	4,008,052	5,822,759
Lutgert	150,000	231,019	-	63,705	9,200	150,000	285,524
Lutgert College Of Business	853,992	1,037,775	-	286,171	41,500	853,992	1,282,446
Manchester	4,001,000	4,501,825	-	1,227,193	179,800	4,001,000	5,549,218
Manhattan	240,000	289,544	-	78,830	11,600	240,000	356,774
Meftah	535,500	626,996	500,000	170,837	25,100	1,035,500	1,272,733
Moorings Park	176,724	208,758	-	56,831	8,400	176,724	257,189
Nason	100,000	117,457	-	31,966	4,800	100,000	144,623
Northern Trust	150,000	228,343	-	62,964	9,200	150,000	282,107
O'Bannon	216,588	260,301	-	71,782	10,400	216,588	321,683
Oulton	368,611	437,465	-	119,621	17,600	368,611	539,486
Perry	242,350	273,560	-	74,398	11,000	242,350	336,958
Rockin' Christmas	100,400	116,990	-	31,850	4,700	100,400	144,140
Rogaski	150,000	172,748	-	47,023	7,000	150,000	212,771

**FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.**  
**MAJOR GIFTS PROGRAM**  
**SCHEDULES OF RECEIPTS, EXPENDITURES, AND ENDOWMENT BALANCES (CONTINUED)**

*YEAR ENDED JUNE 30, 2021*

Name of Major Gift	Beginning	Beginning	Cash	Net	Expenditures	Ending	Ending
	Corpus	Balance	Contributions/ State Match	Investments		Corpus	Balance
	July 1, 2020	July 1, 2020	Received	Earnings		June 30, 2021	June 30, 2021
Schoen Foundation	\$ 755,276	\$ 832,883	\$ -	\$ 229,018	\$ 29,000	\$ 755,276	\$ 1,032,901
Siebert	317,411	362,396	-	99,331	14,600	317,411	447,127
Slocum	105,000	122,822	-	33,502	5,000	105,000	151,324
Stranahan	209,545	282,036	-	76,673	11,300	209,545	347,409
Sulick	150,050	179,122	-	48,763	7,200	150,050	220,685
SWFL Wine & Food	150,000	174,783	-	47,159	7,100	150,000	214,842
Tier Electric	100,000	112,476	-	30,728	4,500	100,000	138,704
Vitelli	1,273,006	1,415,750	-	385,593	55,600	1,273,006	1,745,743
von Arx	250,000	350,327	-	94,372	13,800	250,000	430,899
W. Thomas Howard	188,249	289,176	-	79,753	900	188,249	368,029
Wells Fargo	150,000	170,920	-	46,339	6,900	150,000	210,359
Williams	100,000	122,243	-	33,387	5,000	100,000	150,630
Zepcevski	250,000	298,818	-	81,352	12,000	250,000	368,170
	<u>\$ 36,717,328</u>	<u>\$ 43,295,728</u>	<u>\$ 508,990</u>	<u>\$ 11,854,771</u>	<u>\$ 1,694,835</u>	<u>\$ 37,226,318</u>	<u>\$ 53,964,654</u>

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

YEAR ENDED JUNE 30, 2020

Name of Major Gift	Beginning	Beginning	Cash	Net	Expenditures	Ending	Ending
	Corpus	Balance	Contributions/ State Match	Investments		Corpus	Balance
	July 1, 2019	July 1, 2019	Received	Earnings		June 30, 2020	June 30, 2020
Abernathy Kiwanis	\$ 100,000	\$ 114,869	\$ -	\$ 2,051	\$ 4,300	\$ 100,000	\$ 112,620
Alico	1,362,550	1,633,771	-	29,037	58,752	1,362,550	1,604,056
ASQ Aviation	100,000	144,997	-	2,808	5,300	100,000	142,505
BB&T	600,000	717,018	-	13,881	26,200	600,000	704,699
BCCDLM	226,000	261,587	-	4,763	9,800	226,000	256,550
Belcher/Oliff	165,639	194,255	1,000	3,875	7,200	166,639	191,930
Benson	260,911	321,864	-	5,873	12,100	260,911	315,637
Blue Shield of Florida	150,000	175,201	-	3,249	6,600	150,000	171,850
Bower Music Fund	558,840	688,504	-	13,429	25,100	558,840	676,833
Bower Music/Art Excellence	5,008,678	5,698,359	20,025	114,168	132,500	5,028,703	5,700,052
Campbell	175,000	208,576	-	3,725	7,800	175,000	204,501
Cobb	225,000	268,006	-	5,032	10,100	225,000	262,938
Collier	382,000	541,541	-	9,801	20,400	382,000	530,942
Conner #2	2,707,000	3,109,350	-	56,529	117,700	2,707,000	3,048,179
Conservancy	1,006,079	1,260,080	-	24,365	47,600	1,006,079	1,236,845
Edith Potter Deats	214,043	440,790	-	8,530	16,300	214,043	433,020
Embassy	150,082	189,402	-	3,664	7,100	150,082	185,966
Faith	541,070	648,466	65,000	12,769	24,200	606,070	702,035
Fifth Third	100,000	121,337	-	2,170	4,500	100,000	119,007
Golden Apple	150,000	229,477	-	4,422	5,000	150,000	228,899
Gralnick	387,500	452,480	-	8,075	17,000	387,500	443,555
Hilliard	150,000	186,421	-	3,906	6,900	150,000	183,427
Honors	219,993	321,167	590	6,235	12,100	220,583	315,892
Howard	700,000	829,600	-	15,505	26,300	700,000	818,805
Johnson	225,034	259,982	-	5,009	9,800	225,034	255,191

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

**MAJOR GIFTS PROGRAM**

**SCHEDULES OF RECEIPTS, EXPENDITURES, AND ENDOWMENT BALANCES (CONTINUED)**

*YEAR ENDED JUNE 30, 2020*

Name of Major Gift	Beginning	Beginning	Cash	Net	Expenditures	Ending	Ending
	Corpus	Balance	Contributions/ State Match	Investments		Corpus	Balance
	July 1, 2019	July 1, 2019	Received	Earnings		June 30, 2020	June 30, 2020
Kelly	\$ 4,580,886	\$ 5,565,456	\$ -	\$ 98,943	\$ 210,300	\$ 4,580,886	\$ 5,454,099
Keys	150,000	178,892	-	3,398	6,700	150,000	175,590
Kleman	200,000	237,082	-	4,411	8,900	200,000	232,593
Kuss	173,334	207,885	-	4,166	7,700	173,334	204,351
Lester	57,750	65,350	1,000	1,261	1,200	58,750	66,411
Liebert #1	227,159	294,914	-	5,701	11,200	227,159	289,415
Liebert #2	90,911	108,591	-	1,937	4,100	90,911	106,428
Lucas	4,000,252	4,793,778	300	92,696	182,400	4,000,552	4,704,374
Lutgert	150,000	235,068	-	4,551	8,600	150,000	231,019
Lutgert College Of Business	853,992	1,057,531	-	20,444	40,200	853,992	1,037,775
Manchester	4,001,000	4,590,523	-	84,902	173,600	4,001,000	4,501,825
Manhattan	240,000	295,165	-	5,279	10,900	240,000	289,544
Meftah	535,500	639,284	-	11,712	24,000	535,500	626,996
Moorings Park	176,724	212,646	-	3,812	7,700	176,724	208,758
Nason	100,000	119,719	-	2,238	4,500	100,000	117,457
Northern Trust	150,000	232,545	-	4,498	8,700	150,000	228,343
O'Bannon	216,588	264,379	-	5,122	9,200	216,588	260,301
Oulton	368,611	446,438	-	7,827	16,800	368,611	437,465
Perry	242,350	278,101	-	5,309	9,850	242,350	273,560
Rockin' Christmas	100,400	119,157	-	2,333	4,500	100,400	116,990
Rogaski	150,000	176,203	-	3,145	6,600	150,000	172,748

**FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.**  
**MAJOR GIFTS PROGRAM**  
**SCHEDULES OF RECEIPTS, EXPENDITURES, AND ENDOWMENT BALANCES (CONTINUED)**

*YEAR ENDED JUNE 30, 2020*

Name of Major Gift	Beginning	Beginning	Cash	Net	Expenditures	Ending	Ending
	Corpus	Balance	Contributions/ State Match	Investments		Corpus	Balance
	July 1, 2019	July 1, 2019	Received	Earnings		June 30, 2020	June 30, 2020
Schoen Foundation	\$ 655,276	\$ 744,476	\$ 100,000	\$ 12,007	\$ 23,600	\$ 755,276	\$ 832,883
Siebert	317,411	369,618	-	6,678	13,900	317,411	362,396
Slocum	105,000	125,378	-	2,144	4,700	105,000	122,822
Stranahan	209,545	287,474	-	5,362	10,800	209,545	282,036
Sulick	150,050	182,761	-	3,261	6,900	150,050	179,122
SWFL Wine & Food	150,000	178,301	-	3,182	6,700	150,000	174,783
Tier Electric	100,000	114,370	-	2,306	4,200	100,000	112,476
Vitelli	1,273,006	1,428,975	-	26,675	39,900	1,273,006	1,415,750
von Arx	250,000	355,849	-	7,578	13,100	250,000	350,327
W. Thomas Howard	188,249	294,281	-	5,695	10,800	188,249	289,176
Wells Fargo	150,000	174,306	-	3,114	6,500	150,000	170,920
Williams	100,000	124,613	-	2,230	4,600	100,000	122,243
Zepcevski	250,000	304,881	-	5,437	11,500	250,000	298,818
	<u>\$ 36,529,413</u>	<u>\$ 43,821,090</u>	<u>\$ 187,915</u>	<u>\$ 822,225</u>	<u>\$ 1,535,502</u>	<u>\$ 36,717,328</u>	<u>\$ 43,295,728</u>

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

YEAR ENDED JUNE 30, 2021

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total</u>
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	\$ 6,860,673	\$ 15,570,183	\$ 4,694,653	\$ 27,125,509
Investments	2,153,523	-	-	2,153,523
Accounts receivable	530	-	-	530
Prepaid expenses	51,586	17,978	-	69,564
Pledges receivable	-	1,586,619	-	1,586,619
Interfund loans receivable, current	3,002,000	(3,002,000)	-	-
Total Current Assets	<u>12,068,312</u>	<u>14,172,780</u>	<u>4,694,653</u>	<u>30,935,745</u>
Noncurrent Assets:				
Restricted investments	-	8,758,214	124,614,381	133,372,595
Prepaid expenses, net of current portion	-	2,450	-	2,450
Pledges receivable, net of current portion	-	5,014,650	-	5,014,650
Surrender value of insurance policy	-	270,275	-	270,275
Land held for investment	247,893	-	-	247,893
Land holdings	-	8,242,500	-	8,242,500
Total Noncurrent Assets	<u>247,893</u>	<u>22,288,089</u>	<u>124,614,381</u>	<u>147,150,363</u>
<b>Total Assets</b>	<u>12,316,205</u>	<u>36,460,869</u>	<u>129,309,034</u>	<u>178,086,108</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	53,466	97,637	-	151,103
Construction payable	-	1,034,221	-	1,034,221
Unearned revenue	32,000	-	-	32,000
Gift annuities payable	-	119,087	-	119,087
Total Current Liabilities	<u>85,466</u>	<u>1,250,945</u>	<u>-</u>	<u>1,336,411</u>
Noncurrent Liabilities:				
Gift annuities payable, net of current portion	-	580,122	-	580,122
Total Noncurrent Liabilities	<u>-</u>	<u>580,122</u>	<u>-</u>	<u>580,122</u>
<b>Total Liabilities</b>	<u>85,466</u>	<u>1,831,067</u>	<u>-</u>	<u>1,916,533</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Gift annuities	-	1,881,209	-	1,881,209
<b>NET POSITION</b>				
Restricted:				
Expendable	-	32,748,593	41,214,885	73,963,478
Nonexpendable endowments	-	-	88,094,149	88,094,149
Unrestricted	12,230,739	-	-	12,230,739
<b>Total Net Position</b>	<u>\$ 12,230,739</u>	<u>\$ 32,748,593</u>	<u>\$ 129,309,034</u>	<u>\$ 174,288,366</u>

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

YEAR ENDED JUNE 30, 2020

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total</u>
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	\$ 8,240,289	\$ 11,528,962	\$ 689,574	\$ 20,458,825
Investments	1,625,868	-	-	1,625,868
Accounts receivable	3,150	-	-	3,150
Prepaid expenses	54,500	24,371	-	78,871
Pledges receivable	-	1,966,282	-	1,966,282
Total Current Assets	<u>9,923,807</u>	<u>13,519,615</u>	<u>689,574</u>	<u>24,132,996</u>
Noncurrent Assets:				
Restricted investments	-	6,246,239	99,329,555	105,575,794
Prepaid expenses, net of current portion	-	20,428	-	20,428
Pledges receivable, net of current portion	-	6,328,226	-	6,328,226
Surrender value of insurance policy	-	217,903	-	217,903
Land held for investment	231,321	-	-	231,321
Land held for resale	-	16,186	-	16,186
Land holdings	-	11,587,500	-	11,587,500
Total Noncurrent Assets	<u>231,321</u>	<u>24,416,482</u>	<u>99,329,555</u>	<u>123,977,358</u>
<b>Total Assets</b>	<u>10,155,128</u>	<u>37,936,097</u>	<u>100,019,129</u>	<u>148,110,354</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	39,574	220,731	-	260,305
Gift annuities payable	-	117,669	-	117,669
Total Current Liabilities	<u>39,574</u>	<u>338,400</u>	<u>-</u>	<u>377,974</u>
Noncurrent Liabilities:				
Gift annuities payable, net of current portion	-	614,980	-	614,980
Total Noncurrent Liabilities	<u>-</u>	<u>614,980</u>	<u>-</u>	<u>614,980</u>
<b>Total Liabilities</b>	<u>39,574</u>	<u>953,380</u>	<u>-</u>	<u>992,954</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Gift annuities	-	1,405,450	-	1,405,450
<b>NET POSITION</b>				
Restricted				
Expendable	-	35,577,267	16,931,713	52,508,980
Nonexpendable endowments	-	-	83,087,416	83,087,416
Unrestricted	10,115,554	-	-	10,115,554
<b>Total Net Position</b>	<u>\$ 10,115,554</u>	<u>\$ 35,577,267</u>	<u>\$ 100,019,129</u>	<u>\$ 145,711,950</u>



**FLORIDA GULF COAST UNIVERSITY FOUNDATION, INC.**
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BY ACCOUNT TYPE**
*YEAR ENDED JUNE 30, 2021*

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total</u>
<b>Operating Revenues:</b>				
Contributions	\$ 365,853	\$ 13,760,766	\$ -	\$ 14,126,619
Other income	551,208	1,807,831	-	2,359,039
Total Operating Revenues	<u>917,061</u>	<u>15,568,597</u>	<u>-</u>	<u>16,485,658</u>
<b>Operating Expenses:</b>				
Program Services:				
Program fees	29,081	3,097,329	-	3,126,410
Scholarships	6,000	4,757,868	-	4,763,868
University support	332,073	11,709,463	-	12,041,536
General and administrative expenses	1,101,381	-	-	1,101,381
	<u>1,468,535</u>	<u>19,564,660</u>	<u>-</u>	<u>21,033,195</u>
Other Expenses:				
Amortization	480	24,372	-	24,852
	<u>480</u>	<u>24,372</u>	<u>-</u>	<u>24,852</u>
Total Operating Expenses	<u>1,469,015</u>	<u>19,589,032</u>	<u>-</u>	<u>21,058,047</u>
Operating Loss	<u>(551,954)</u>	<u>(4,020,435)</u>	<u>-</u>	<u>(4,572,389)</u>
<b>Nonoperating Revenues (Expenses):</b>				
Interest earnings	121,971	1,532	-	123,503
Gain on sale of land held for resale	68,814	-	-	68,814
Net investment earnings	451,200	1,341,212	29,547,852	31,340,264
Impairment loss on land held for resale	-	(3,345,000)	-	(3,345,000)
Total Nonoperating Revenues	<u>641,985</u>	<u>(2,002,256)</u>	<u>29,547,852</u>	<u>28,187,581</u>
Income (loss) before endowment contributions	90,031	(6,022,691)	29,547,852	23,615,192
<b>Endowment Contributions:</b>				
Contributions to endowments	-	-	4,961,224	4,961,224
Change in net position	90,031	(6,022,691)	34,509,076	28,576,416
Transfers	2,025,154	3,194,017	(5,219,171)	-
Net position, beginning of year	<u>10,115,554</u>	<u>35,577,267</u>	<u>100,019,129</u>	<u>145,711,950</u>
Net position, end of year	<u>\$ 12,230,739</u>	<u>\$ 32,748,593</u>	<u>\$ 129,309,034</u>	<u>\$ 174,288,366</u>

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

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BY ACCOUNT TYPE**

YEAR ENDED JUNE 30, 2020

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total</u>
<b>Operating Revenues:</b>				
Contributions	\$ 501,208	\$ 17,396,567	\$ -	\$ 17,897,775
Other income	696,925	1,709,854	-	2,406,779
Total Operating Revenues	<u>1,198,133</u>	<u>19,106,421</u>	<u>-</u>	<u>20,304,554</u>
<b>Operating Expenses:</b>				
<b>Program Services:</b>				
Program fees	48,175	3,491,904	-	3,540,079
Scholarships	6,500	3,796,227	-	3,802,727
University support	404,645	8,579,790	-	8,984,435
General and administrative expenses	1,677,333	-	-	1,677,333
	<u>2,136,653</u>	<u>15,867,921</u>	<u>-</u>	<u>18,004,574</u>
<b>Other Expenses:</b>				
Amortization	5,760	24,846	-	30,606
	<u>5,760</u>	<u>24,846</u>	<u>-</u>	<u>30,606</u>
Total Operating Expenses	<u>2,142,413</u>	<u>15,892,767</u>	<u>-</u>	<u>18,035,180</u>
Operating (Loss) Income	<u>(944,280)</u>	<u>3,213,654</u>	<u>-</u>	<u>2,269,374</u>
<b>Nonoperating Revenues:</b>				
Interest earnings	367,180	4,626	-	371,806
Net investment earnings	(1,093)	124,382	3,379,336	3,502,625
Total Nonoperating Revenues	<u>366,087</u>	<u>129,008</u>	<u>3,379,336</u>	<u>3,874,431</u>
Income (loss) before endowment contributions	(578,193)	3,342,662	3,379,336	6,143,805
<b>Endowment Contributions:</b>				
Contributions to endowments	-	-	6,378,979	6,378,979
Change in net position	(578,193)	3,342,662	9,758,315	12,522,784
Transfers	1,155,189	3,131,574	(4,286,763)	-
Net position, beginning of year	<u>9,538,558</u>	<u>29,103,031</u>	<u>94,547,577</u>	<u>133,189,166</u>
Net position, end of year	<u>\$ 10,115,554</u>	<u>\$ 35,577,267</u>	<u>\$ 100,019,129</u>	<u>\$ 145,711,950</u>

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Florida Gulf Coast University Foundation, Inc. (the “Foundation”) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Foundation’s basic financial statements, and have issued our report thereon dated October 14, 2021.

#### **Internal Control over Financial Reporting**

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

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

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

#### **Compliance and Other Matters**

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

**Purpose of this Report**

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

Cherry Bekaert LLP

Tampa, Florida  
October 14, 2021