

Saltmarsh

Saltmarsh, Cleaveland & Gund

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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

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

PENSACOLA, FLORIDA

FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

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

(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)

PENSACOLA, FLORIDA

FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

CONTENTS

	PAGE
Independent Auditor's Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Statements of Net Position and Governmental Fund Balance Sheets	6
Statements of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/Net Position	7
Notes to Financial Statements	8
Other Reports:	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	19

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the entity-wide activities of West Florida Historic Preservation, Inc. d/b/a University of West Florida Historic Trust (“the Trust”), (a component unit of the University of West Florida), which collectively comprise the statements of net position and governmental fund balance sheets as of June 30, 2021 and 2020, and the related statements of activities and governmental fund revenues, expenditures, and changes in fund balance/net position for the years then ended, and the related notes to the financial statements.

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 audit to obtain reasonable assurance about whether the financial statements are free of 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 risk 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 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.

-1-

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of the governmental activities and the entity-wide activities of the Trust as of June 30, 2021 and 2020, and the changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-5 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 26, 2021, on our consideration of the Trust's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Trust's internal control over financial reporting and compliance.



Pensacola, Florida
August 26, 2021

**WEST FLORIDA HISTORIC PRESERVATION, INC.
D/B/A UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021 AND 2020**

The following is a narrative overview and analysis of the West Florida Historic Preservation, Inc. d/b/a University of West Florida Historic Trust's ("the Trust") significant financial activities for the fiscal year ended June 30, 2021.

Operational Highlights

- For fiscal year 2020/21 our overall site visitation was down 62% compared to the previous year. The decreased visitation has negatively impacted our earned income for the year. Overall, our lost revenue due to COVID-19 closures and restrictions amounted to approximately \$345,267, which is 62% of our total budget.
- Our inability to open our museums and offer public programming has also severely diminished the visibility of our organization within the community and region which will most likely affect future revenue.
- In response to the decrease in revenue due to COVID-19 shutdowns, we cut part-time staff hours in half to help decrease expenses.
- We have also laid off five fulltime staff positions due to cuts to our state funding in January 2021. This has added to the strain on the remaining staff.
- We received \$10,000 in CARES funding from the Florida Humanities Council to help cover the costs of our utilities.
- We also received \$1,898 in CARES funding through the Florida Division of Cultural Affairs which will cover some general operating expenses such as utilities.
- In September of 2020 Hurricane Sally did major damage to our historic properties. Initial estimates place the cost of repairs to be \$2,519,369. UWF filed a claim with the State's insurance and the state paid \$2,280,112 to the university to cover the repairs. Repairs are ongoing and it is anticipated UWF's FEMA claim will cover any remaining costs.
- Due to the damage from Hurricane Sally, the Trust had to completely close its museums until early 2021, further limiting our ability to earn revenue.
- After offering only limited opening hours at the Pensacola Museum of Art and the Pensacola Museum of History since March of 2020, due to COVID-19, on July 7, 2020 we opened more of the museum but only on Tuesdays, Thursdays and Saturdays.
- The Trust applied for grants to help ease the burden on its finances placed by the pandemic and Hurricane Sally.
- We received PPP loan funding in the amount of \$278,690 in April 2021.

**WEST FLORIDA HISTORIC PRESERVATION, INC.
D/B/A UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021 AND 2020**

Overview of the Financial Statements

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

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

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found starting on page 8 of this report.

Summary of Financial Condition

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total assets, excluding capital assets	\$ 2,265,352	\$ 1,940,255	\$ 2,032,262
Capital assets	<u>4,137,243</u>	<u>4,509,152</u>	<u>4,739,327</u>
Total assets	<u>\$ 6,402,595</u>	<u>\$ 6,449,407</u>	<u>\$ 6,771,589</u>
Current liabilities	<u>\$ 397,042</u>	<u>\$ 93,479</u>	<u>\$ 87,928</u>
Invested in capital assets	4,137,243	4,509,152	4,739,327
Reserved	209,429	201,288	202,651
Designated	38,774	38,697	38,620
PMA designated	33,966	68,302	117,575
Undesignated	<u>1,586,141</u>	<u>1,538,489</u>	<u>1,585,488</u>
Total fund balance/net position	<u>6,005,553</u>	<u>6,355,928</u>	<u>6,683,661</u>
Total liabilities and net position	<u>\$ 6,402,595</u>	<u>\$ 6,449,407</u>	<u>\$ 6,771,589</u>

**WEST FLORIDA HISTORIC PRESERVATION, INC.
D/B/A UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021 AND 2020**

Summary of Financial Condition (Continued)

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Program revenues	\$ 731,858	\$ 858,293	\$ 1,020,176
General revenues	419,508	12,982	88,145
Total revenues	<u>1,151,366</u>	<u>871,275</u>	<u>1,108,321</u>
Historic Pensacola Village and museum activities	49,695	45,187	40,557
Historic preservation and education programs	220,220	170,964	349,237
Pensacola Museum of Art	197,775	244,515	265,969
Management and general	603,084	325,762	412,931
Depreciation	430,967	412,580	408,032
Total expenditures/expenses	<u>1,501,741</u>	<u>1,199,008</u>	<u>1,476,726</u>
Change in net position	<u>\$ (350,375)</u>	<u>\$ (327,733)</u>	<u>\$ (368,405)</u>

Capital Assets

The Trust's investment in capital assets totaled \$4,137,243 (net of accumulated depreciation of \$2,614,034). Capital assets include land, buildings and improvements, and furniture, fixtures and equipment.

Economic Factors

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

Requests for Information

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

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

**WEST FLORIDA HISTORIC PRESERVATION, INC.
DBA UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
STATEMENTS OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEETS
JUNE 30, 2021 AND 2020**

	2021			2020		
	General Fund	Adjustments (Note 1)	Statement of Net Position	General Fund	Adjustments (Note 1)	Statement of Net Position
Assets:						
Cash	\$ 123,240	\$ -	\$ 123,240	\$ 173,724	\$ -	\$ 173,724
Certificates of deposit	179,506	-	179,506	179,288	-	179,288
Due from UWF Foundation	1,380,409	-	1,380,409	999,824	-	999,824
Grants and local support receivable	214,231	-	214,231	225,823	-	225,823
Accrued interest receivable	131	-	131	131	-	131
Inventory	106,480	-	106,480	109,824	-	109,824
Prepaid assets	11,307	-	11,307	11,057	-	11,057
Historical properties, antiques and collections	249,214	-	249,214	239,750	-	239,750
Deposits	834	-	834	834	-	834
Capital assets -						
Non-depreciable	-	1,010,660	1,010,660	-	1,010,660	1,010,660
Depreciable, net of accumulated depreciation	-	3,126,583	3,126,583	-	3,498,492	3,498,492
Total Assets	<u>\$ 2,265,352</u>	<u>\$ 4,137,243</u>	<u>\$ 6,402,595</u>	<u>\$ 1,940,255</u>	<u>\$ 4,509,152</u>	<u>\$ 6,449,407</u>
Liabilities:						
Note payable	\$ 278,690	\$ -	\$ 278,690	\$ -	\$ -	\$ -
Accounts payable	24,804	-	24,804	9,948	-	9,948
Deferred revenue	93,548	-	93,548	83,531	-	83,531
Total liabilities	<u>397,042</u>	<u>-</u>	<u>397,042</u>	<u>93,479</u>	<u>-</u>	<u>93,479</u>
Fund Balance/Net Position:						
Invested in capital assets	-	4,137,243	4,137,243	-	4,509,152	4,509,152
Nonspendable	367,835	(367,835)	-	361,465	(361,465)	-
Restricted/reserved	209,429	-	209,429	201,288	-	201,288
Assigned/designated	38,774	-	38,774	38,697	-	38,697
PMA assigned/designated	33,966	-	33,966	68,302	-	68,302
Unassigned/undesignated	1,218,306	367,835	1,586,141	1,177,024	361,465	1,538,489
Total fund balance/net position	<u>1,868,310</u>	<u>4,137,243</u>	<u>6,005,553</u>	<u>1,846,776</u>	<u>4,509,152</u>	<u>6,355,928</u>
Total Liabilities and Fund Balance/Net Position	<u>\$ 2,265,352</u>	<u>\$ 4,137,243</u>	<u>\$ 6,402,595</u>	<u>\$ 1,940,255</u>	<u>\$ 4,509,152</u>	<u>\$ 6,449,407</u>

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

**WEST FLORIDA HISTORIC PRESERVATION, INC.
DBA UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
STATEMENTS OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE/NET POSITION
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021			2020		
	General Fund	Adjustments (Note 1)	Statement of Activities	General Fund	Adjustments (Note 1)	Statement of Activities
Program Revenues:						
Grants and local support	\$ 348,230	\$ -	\$ 348,230	\$ 350,605	\$ -	\$ 350,605
Admissions, including tours, Pensacola Museum of Art and school programs	104,376	-	104,376	228,873	-	228,873
Rents and leases	271,677	-	271,677	266,578	-	266,578
Museum store income, net	7,575	-	7,575	12,237	-	12,237
Total program revenues	<u>731,858</u>	<u>-</u>	<u>731,858</u>	<u>858,293</u>	<u>-</u>	<u>858,293</u>
General Revenues:						
Interest and dividends	12,163	-	12,163	20,959	-	20,959
Miscellaneous	68,539	-	68,539	17,599	-	17,599
Realized/unrealized gains (losses)	338,806	-	338,806	(25,576)	-	(25,576)
Total general revenues	<u>419,508</u>	<u>-</u>	<u>419,508</u>	<u>12,982</u>	<u>-</u>	<u>12,982</u>
Total revenues	<u>1,151,366</u>	<u>-</u>	<u>1,151,366</u>	<u>871,275</u>	<u>-</u>	<u>871,275</u>
Expenditures/Expenses:						
Historic Pensacola Village and museum activities	49,695	-	49,695	45,187	-	45,187
Historic preservation and education programs	220,220	-	220,220	170,964	-	170,964
Pensacola Museum of Art	197,775	-	197,775	244,515	-	244,515
Management and general	603,084	-	603,084	325,762	-	325,762
Depreciation	-	430,967	430,967	-	412,580	412,580
Capital outlay	59,058	(59,058)	-	182,405	(182,405)	-
Total expenditures/expenses	<u>1,129,832</u>	<u>371,909</u>	<u>1,501,741</u>	<u>968,833</u>	<u>230,175</u>	<u>1,199,008</u>
Change in fund balance/net position	21,534	(371,909)	(350,375)	(97,558)	(230,175)	(327,733)
Fund Balance/Net Position, Beginning of Year	<u>1,846,776</u>	<u>4,509,152</u>	<u>6,355,928</u>	<u>1,944,334</u>	<u>4,739,327</u>	<u>6,683,661</u>
Fund Balance/Net Position, End of Year	<u>\$ 1,868,310</u>	<u>\$ 4,137,243</u>	<u>\$ 6,005,553</u>	<u>\$ 1,846,776</u>	<u>\$ 4,509,152</u>	<u>\$ 6,355,928</u>

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

**WEST FLORIDA HISTORIC PRESERVATION, INC.
D/B/A UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose:

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

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

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

	2021	2020
Telephone	9,269	\$ 8,020
Operating supplies	232	1,837
Office equipment rental	6,034	10,391
Electricity	82,045	135,842
Natural gas	14,259	22,227
Other utilities	54,644	67,198
Repairs and maintenance	17,362	20,643
Equipment	814	2,172
Contractual services	25,571	29,104
Security	12,212	19,190
Insurance	13,139	14,931
Permits	-	3,330
Other	8,307	7,973
	\$ 243,888	\$ 342,858
Totals		

**WEST FLORIDA HISTORIC PRESERVATION, INC.
D/B/A UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Organization and Purpose (Continued):

Salaries of UWF employees who staff the Trust are paid directly by UWF. These in-kind salaries amounted to \$1,410,367 and \$1,372,696 for the years ended June 30, 2021 and 2020, respectively, and are not reflected in the books of the Trust. Additionally, UWF donates office space in the Bowden Building located at 120 Church Street in downtown Pensacola, Florida to the Trust. Management estimates the fair value of this donated office space to be \$216,512 and \$178,304 for the years ended June 30, 2021 and 2020, respectively.

In November 2013, the Trust entered into a Memorandum of Understanding (“MOU”) with the University of West Florida Foundation (“UWFF”), a direct service organization of UWF, where all membership income is handled and recorded by UWFF. Membership income held by UWFF amounted to \$51,808 and \$47,420 as of June 30, 2021 and 2020, respectively.

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

Pensacola Museum of Art:

On July 1, 2016, the assets of the Pensacola Museum of Art (“PMA”), an independent not-for-profit corporation, became part of UWF. On that date, UWFF was gifted a historic building, land, a fine arts collection, furniture and equipment, cash and cash equivalents, a permanent endowment, and other current assets from the dissolving entity totaling approximately \$4.2 million. UWFF transferred the historic building and land to UWF and the fine arts collection, furniture and equipment, and all other assets were transferred to the Trust, with the exception of the permanent endowment. The Trust maintains a management agreement with UWF covering the preservation of historic properties for UWF. UWFF will continue to steward the endowment for purposes of the PMA, now a division of the Trust. The new PMA division has a non-governing advisory board that reports to the Trust’s board of directors. Under the agreement, UWFF will handle all and record all membership income for the PMA. PMA membership income held by UWFF amounted to \$21,825 and \$21,159 as of June 30, 2021 and 2020, respectively.

**WEST FLORIDA HISTORIC PRESERVATION, INC.
D/B/A UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation:

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

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

Government-Wide Financial Statements:

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

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

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

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

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

**WEST FLORIDA HISTORIC PRESERVATION, INC.
D/B/A UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds:

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

Use of Estimates:

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

Inventory:

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

Capital Assets:

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

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

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

**WEST FLORIDA HISTORIC PRESERVATION, INC.
D/B/A UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Historical Properties, Antiques, and Collections:

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

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

Program Revenue:

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

Income Taxes:

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

Donated Services, Materials, and Facilities:

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

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

**WEST FLORIDA HISTORIC PRESERVATION, INC.
D/B/A UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Designations of net position are considered to be an internal constraint on resources and, therefore, are not reported in the entity-wide statements of net position. Adjustment is made to remove designations of net position from the entity-wide statements of net position.

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

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

Reclassifications:

Certain amounts in the 2020 financial statements have been reclassified to conform to the 2021 presentation.

NOTE 2 - DEPOSITS AND INVESTMENTS

The Trust's deposits and investments consist of demand deposits and certificates of deposit. The carrying amount of the Trust's deposits and investments at June 30, 2021 and 2020 was \$301,361 and \$351,427, respectively, and the bank balance was \$331,956 and \$375,977, respectively. The Trust's cash balances held by financial institutions are insured by the Federal Deposit Insurance Corporation up to certain limits.

**WEST FLORIDA HISTORIC PRESERVATION, INC.
D/B/A UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 3 - DUE FROM UWFF

In March 2013, the Trust entered into a MOU with UWFF, where the Trust may transfer current cash assets to UWFF to invest on the Trust's behalf. These funds are invested as a Quasi-Endowment with UWFF and will be part of the overall investment pool subject to spending and investment policies of UWFF as agreed to in the MOU. The Trust's investment with UWFF amounted to \$1,330,023 and \$999,824 at June 30, 2021 and 2020, respectively. In addition, at June 30, 2021, \$50,386 is due from UWFF from unused Paycheck Protection Program ("PPP") loan proceeds as stated in Note 5.

NOTE 4 - CAPITAL ASSETS

Capital assets consist of the following:

June 30, 2021:	Beginning Balance	Increases	Decreases	Ending Balance
<u>Historic Pensacola Village</u>				
Land	\$ 1,010,660	\$ -	\$ -	\$ 1,010,660
Buildings and improvements	5,222,917	-	-	5,222,917
Furniture, fixtures and equipment	8,012	-	-	8,012
<u>Barkley House</u>				
Furniture, fixtures and equipment	17,489	-	-	17,489
<u>Pensacola Museum of Art</u>				
Furniture, fixtures and equipment	25,001	38,973	-	63,974
<u>General and Administrative</u>				
Furniture, fixtures and equipment	408,140	20,085	-	428,225
	<u>6,692,219</u>	<u>59,058</u>	<u>-</u>	<u>6,751,277</u>
Less accumulated depreciation	2,183,067	430,967	-	2,614,034
	<u>\$ 4,509,152</u>	<u>\$ (371,909)</u>	<u>\$ -</u>	<u>\$ 4,137,243</u>

**WEST FLORIDA HISTORIC PRESERVATION, INC.
D/B/A UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 4 - CAPITAL ASSETS (Continued)

June 30, 2020:	Beginning Balance	Increases	Decreases	Ending Balance
<u>Historic Pensacola Village</u>				
Land	\$ 1,010,660	\$ -	\$ -	\$ 1,010,660
Buildings and improvements	5,040,512	182,405	-	5,222,917
Furniture, fixtures and equipment	8,012	-	-	8,012
<u>Barkley House</u>				
Furniture, fixtures and equipment	17,489	-	-	17,489
<u>Pensacola Museum of Art</u>				
Furniture, fixtures and equipment	25,001	-	-	25,001
<u>General and Administrative</u>				
Furniture, fixtures and equipment	436,645	-	(28,505)	408,140
	<u>6,538,319</u>	<u>182,405</u>	<u>(28,505)</u>	<u>6,692,219</u>
Less accumulated depreciation	<u>1,798,992</u>	<u>412,580</u>	<u>(28,505)</u>	<u>2,183,067</u>
	<u>\$ 4,739,327</u>	<u>\$ (230,175)</u>	<u>\$ -</u>	<u>\$ 4,509,152</u>

Depreciation expense was \$430,967 and \$412,580 for the years ended June 30, 2021 and 2020, respectively.

NOTE 5 - NOTE PAYABLE

On April 27, 2021, the Trust received loan proceeds in the amount of \$278,690 under the PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”). The PPP loan’s principal and accrued interest are forgivable to the extent that the proceeds are used for eligible purposes, subject to certain limitations. The Trust transferred the loan proceeds to UWFF for tracking purposes. As of June 30, 2021, total expenditures related to the PPP proceeds amounted to \$228,304 and the remaining \$50,386 is recorded in the Due from UWF Foundation on the accompanying Statements of Net Position and Governmental Fund Balance Sheets.

NOTE 6 - DEFERRED REVENUE

Rental revenue is considered earned when the event has occurred or the performance of the services has been rendered. Amounts received by the Trust in advance of the date of the event or performance of services are recorded as deferred revenue until the event has occurred or services are rendered. Total deferred revenue amounted to \$93,548 and \$83,531 at June 30, 2021 and 2020, respectively.

**WEST FLORIDA HISTORIC PRESERVATION, INC.
D/B/A UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 7 - FUND BALANCE/NET POSITION

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

Nonspendable Fund Balance:

Nonspendable fund balance represents amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact. Nonspendable fund balances as of June 30, 2021 and 2020 are presented as follows:

	<u>2021</u>	<u>2020</u>
Nonspendable -		
Inventory	\$ 106,480	\$ 109,824
Prepaid assets and deposits	12,141	11,891
Historical properties, antiques and collections	<u>249,214</u>	<u>239,750</u>
	<u>\$ 367,835</u>	<u>\$ 361,465</u>

Restricted Fund Balance / Reserved Net Position:

Restricted fund balance or reserved net position represent amounts that can be spent only for specific purposes required by law or other externally imposed conditions by grantors or creditors. Restricted fund balances/reserved net position as of June 30, 2021 and 2020 are presented as follows:

	<u>2021</u>	<u>2020</u>
Restricted -		
Old Christ Church fund	\$ 140,733	\$ 140,592
Kranc Property	57,500	57,500
Florida Conference AME Holding	4,196	3,196
Cemetery Projects	<u>7,000</u>	<u>-</u>
	<u>\$ 209,429</u>	<u>\$ 201,288</u>

**WEST FLORIDA HISTORIC PRESERVATION, INC.
D/B/A UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 7 - FUND BALANCE/NET POSITION (Continued)

Assigned Fund Balance / Designated Net Position:

Assigned fund balance or designated net position represent amounts that are designated by the Board of Directors, under authorization governed in the Trust's By-Laws, for a particular purpose but not spendable until a majority vote of approval by the Board of Directors. The assigned fund balance/designated net position of \$38,774 and \$38,697 as of June 30, 2021 and 2020, respectively, represents the remaining cash balance in the Veal Education Fund.

PMA assigned fund balance or designated net position represents amounts that are designated by the Board of Directors but are not spendable until a majority vote of approval. In 2017, the Pensacola Museum of Art received a BP claim and the Board of Directors approved to designate these funds for future purchases of art work and collections to be held at the museum. The assigned fund balance/designated net position of \$33,966 and \$68,302 as of June 30, 2021 and 2020, respectively, represents the remaining designated BP funds.

Use of Restricted Resources:

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

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Dependency on Government Support:

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

UWF Agreement:

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

**WEST FLORIDA HISTORIC PRESERVATION, INC.
D/B/A UNIVERSITY OF WEST FLORIDA HISTORIC TRUST
(A COMPONENT UNIT OF THE UNIVERSITY OF WEST FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 8 - COMMITMENTS AND CONTINGENCIES (Continued)

Coronavirus Disease 2019:

During the year ended June 30, 2021, Coronavirus Disease 2019 (“COVID-19”) became a pandemic. The full impact of the COVID-19 outbreak continues to evolve as of the date of the report. As such, it is very uncertain as to the full magnitude that the pandemic will have on the Trust. Management is actively monitoring its financial condition, liquidity, operations, suppliers and industry, and workforce. Given the evolution of the COVID-19 outbreak, the Trust is not able to estimate the effects of the outbreak on its results of operations, financial condition, or liquidity.

NOTE 9 - RISK MANAGEMENT

The Trust is exposed to various levels of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Trust is insured for these risks. There were no insurance losses related to these risks in excess of insurance coverage in any of the three prior fiscal years. The Trust is not aware of any liabilities related to these risks as of June 30, 2021.

OTHER REPORTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of West Florida Historic Preservation, Inc., d/b/a University of West Florida Historic Trust (“the Trust”), (a component unit of the University of West Florida), which comprise the statement of net position and governmental fund balance sheet as of June 30, 2021, and the related statement of activities and governmental fund revenues, expenditures, and changes in fund balance/net position for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 26, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Trust’s internal control over financial reporting (internal control) 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 Trust’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Trust’s internal control.

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Trust's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 *Governmental Auditing Standards*.

Purpose of this Report

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



Pensacola, Florida
August 26, 2021