

# 2022

Santa Fe College Foundation, Inc.

Financial Statements and  
Independent Auditor's Report

December 31, 2022

**PURVIS GRAY**  
CERTIFIED PUBLIC ACCOUNTANTS

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR’S REPORT**

**SANTA FE COLLEGE  
FOUNDATION, INC.**

**GAINESVILLE, FLORIDA**

**DECEMBER 31, 2022**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Santa Fe College Foundation, Inc.  
Gainesville, Florida

### Report on the Financial Statements

#### **Opinion**

We have audited the accompanying financial statements of Santa Fe College Foundation, Inc. (the Foundation), which comprise the statement of net position as of December 31, 2022, and the related statements of revenues, expenses and changes in fund net position, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2022, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

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

#### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### CERTIFIED PUBLIC ACCOUNTANTS

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Board of Directors  
Santa Fe College Foundation, Inc.  
Gainesville, Florida

**INDEPENDENT AUDITOR'S REPORT**  
**(Continued)**

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

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

Board of Directors  
Santa Fe College Foundation, Inc.  
Gainesville, Florida

**INDEPENDENT AUDITOR'S REPORT**  
**(Concluded)**

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.

***Report on Summarized Comparative Information***

We have previously audited the Foundation's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 12, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2023, 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.

Purvis Gray

May 8, 2023  
Gainesville, Florida

# SANTA FE COLLEGE FOUNDATION, INC.

Management's Discussion and Analysis  
For the Year Ended December 31, 2022

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## MISSION, ORGANIZATION, AND MAJOR PROGRAM ACTIVITIES

### OUR MISSION

*Santa Fe College Foundation inspires, cultivates, and assists private donors to enrich Santa Fe College students and our community through scholarships, program enhancements, and facilities support.*

The Santa Fe College Foundation (the Foundation) and its Board are committed to meeting the objectives of its mission. Over the past year, the Foundation has engaged in numerous activities and projects aimed at identifying and motivating donors who are in a position to provide financial resources for the benefit of the students of Santa Fe College (the College).

The Foundation sponsored the following events during the year:

- Various tours of campus designed to engage donors and potential donors.
- Numerous luncheons, dinners, and receptions to facilitate outreach to potential donors using their existing connections to the various programs and activities at the College.
- Numerous Zoo events.

### DURING 2022, THE FOUNDATION WAS INVOLVED IN THE FOLLOWING FUND-RAISING CAMPAIGNS:

- The take-a-seat campaign, which started in 2011, continues at a steady pace.
- The Foundation continued the TransForm Campaign. This three-year campaign has a goal of \$12,000,000.

# SANTA FE COLLEGE FOUNDATION, INC.

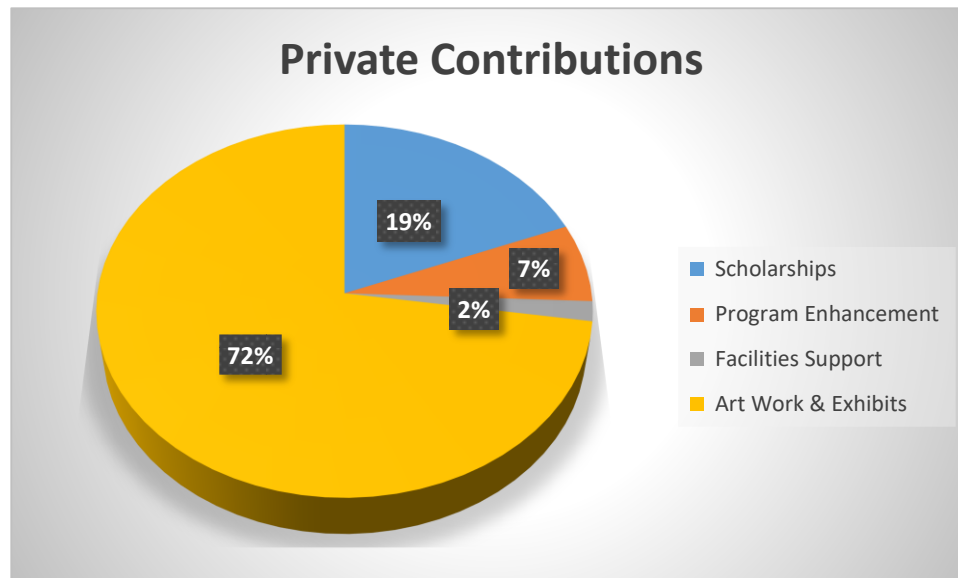
Management's Discussion and Analysis  
For the Year Ended December 31, 2022

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## DURING 2022, THE FOUNDATION ACCOMPLISHED THE FOLLOWING:

- The first President's Gala following the pandemic occurred in June 2022. The \$12,000,000 TranSForm Campaign was formally launched and will continue through June 30, 2024.
- The Foundation co-hosted the Women of Distinction Lunch.
- Inventory of the Santos Collection (purchased from Hector Puig) continued in 2022. Pieces of the collection are currently on display at the NW Campus and Blount Hall.

## DURING 2022, THE FOLLOWING AMOUNTS WERE RAISED IN SUPPORT OF SCHOLARSHIPS, PROGRAM ENHANCEMENT, AND FACILITIES SUPPORT:

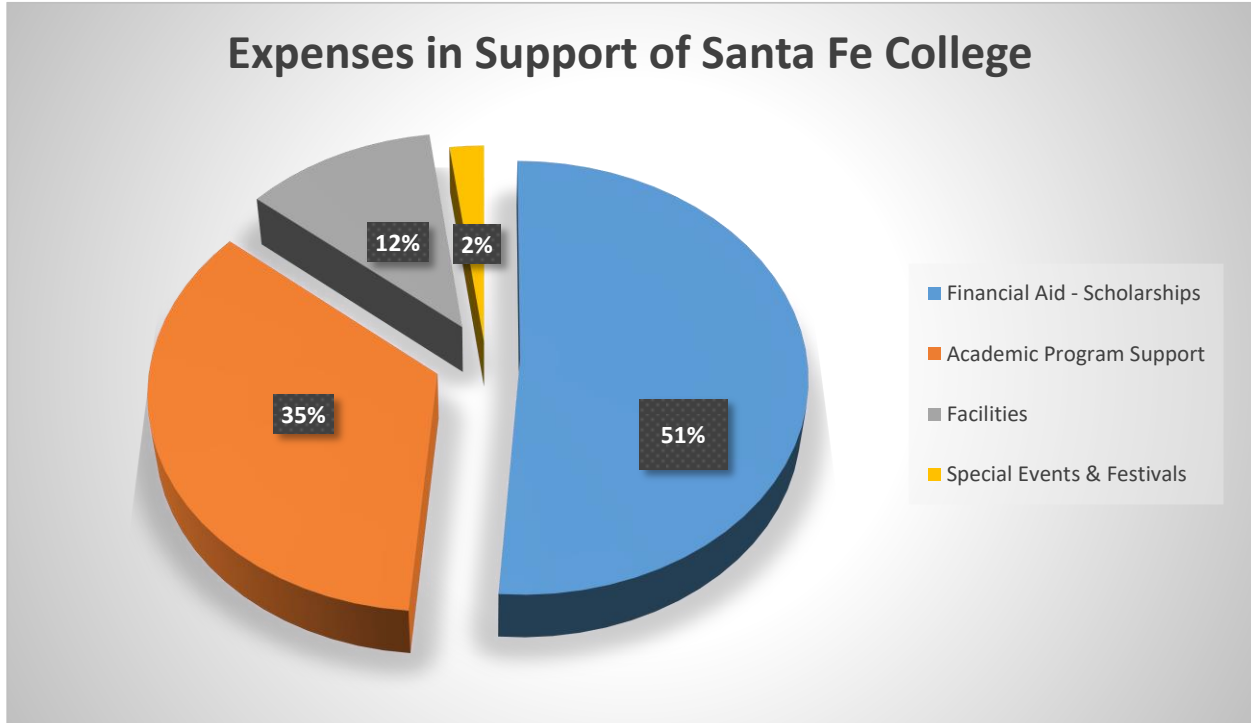


# SANTA FE COLLEGE FOUNDATION, INC.

Management's Discussion and Analysis  
For the Year Ended December 31, 2022

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DURING 2022, THE FOLLOWING EXPENSES WERE MADE ON BEHALF OF THE COLLEGE:



## ***Overview of the Financial Statements and Financial Analysis***

The Foundation presents its financial statements for the fiscal year ended December 31, 2022, which includes for comparative purposes the fiscal year ended December 31, 2021. As a reflection of the Board's ongoing commitment to financial management excellence, the Foundation has received an unmodified opinion on our financial statements from Purvis, Gray and Company, LLP, the Foundation's outside auditors. To help the reader understand the Foundation's financial results, position, and condition, the following analysis addresses the relevance of particular balances and amounts as well as major changes in types and/or amounts of assets, liabilities, costs, revenues, obligations, and outlays.

The Foundation is a direct support organization and component unit of the College (a governmental agency). The Foundation accounts for its transactions in accordance with the pronouncements issued by the Governmental Accounting Standards Board (GASB) and is considered a Business-type Activity.

The objective of the Management's Discussion and Analysis 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. These comments should be read in conjunction with the basic financial statements and the accompanying notes.

# SANTA FE COLLEGE FOUNDATION, INC.

## Management's Discussion and Analysis For the Year Ended December 31, 2022

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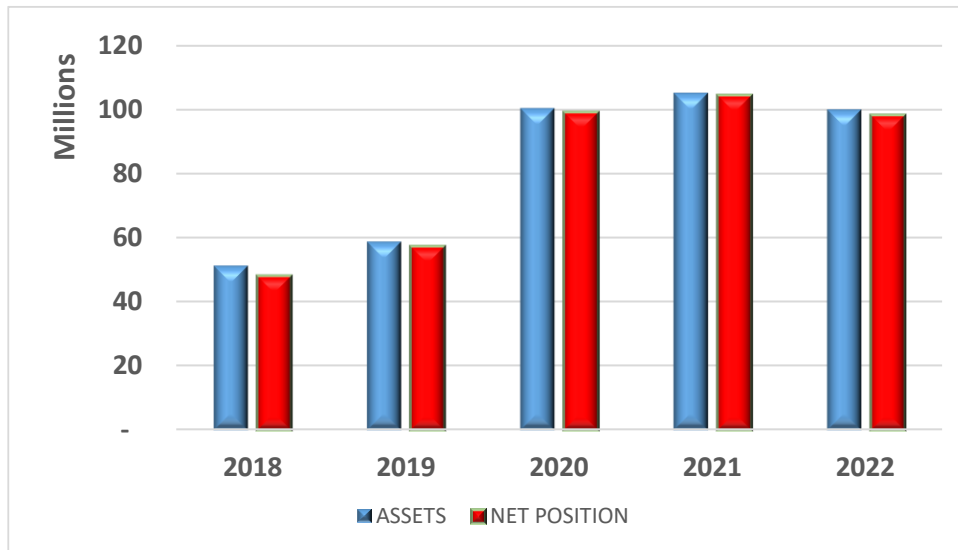
The financial statements include the following:

- Statement of Net Position
- Statement of Revenues, Expenses, and Changes in Fund Net Position
- Statement of Cash Flows
- Notes to Financial Statements

### *Financial Highlights*

- The Foundation's net position decreased by \$6,212,523 due to net operating loss of \$2,114,858 net deletions/additions to endowment and capital assets totaling \$5,632,435 and net non-operating loss of \$9,730,100. The non-operating income resulted from unrealized losses on investments in the amount of \$9,730,100. This represented a decrease of 5.94% in net position over the prior year.

#### FIVE YEAR GROWTH IN TOTAL ASSETS AND NET POSITION



- The Foundation's total assets decreased by \$5,194,257 as a result of last year's activities. Capital assets not held in endowments or as investments amounted to \$14,276,639 and permanent endowments amounted to \$37,315,756.
- The Foundation received contributions in the amount of \$724,078 in support of the various programs at the College. In addition to scholarships and program support, an additional \$998,908 was added to permanent endowments during the year.
- The Foundation provided scholarships totaling \$1,195,061 to students attending the College.

# SANTA FE COLLEGE FOUNDATION, INC.

Management's Discussion and Analysis  
For the Year Ended December 31, 2022

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## *Statement of Net Position*

The purpose of the Statement of Net Position is to present the Foundation's financial condition as of the end of the fiscal year. As such, it provides information necessary to determine the Foundation's ability to continue operations; how much it owes to vendors and trust beneficiaries; as well as a snapshot of net position and their availability for expenses by the Foundation in furtherance of its mission.

# SANTA FE COLLEGE FOUNDATION, INC.

Management's Discussion and Analysis  
For the Year Ended December 31, 2022

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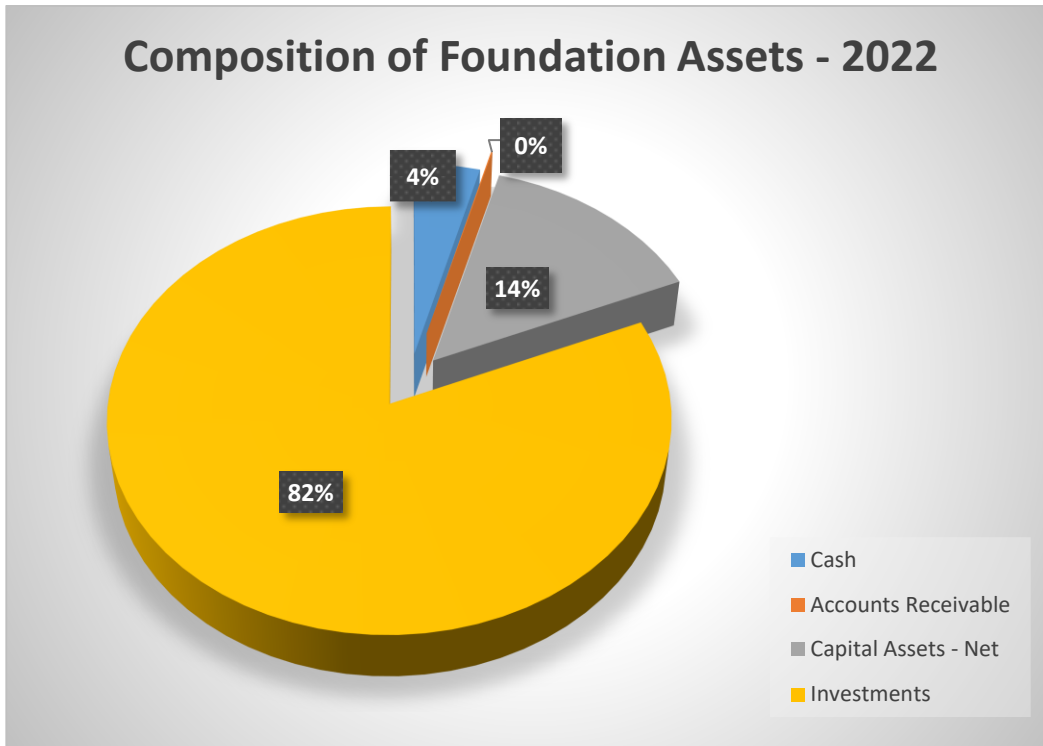
## Condensed Summary of Net Position Information as of December 31, 2022 (in thousands of dollars)

	2022	2021	Increase (Decrease)	% Change
<b>Assets</b>				
Current Assets	\$ 22,809	\$ 16,626	\$ 6,183	37.19%
Non-Current Assets:				
Capital Assets-Net	14,340	8,985	5,355	59.60%
Investments	63,007	79,739	(16,732)	-20.98%
<b>Total Assets</b>	100,156	105,350	(5,194)	-4.93%
<b>Liabilities</b>				
Current Liabilities	875	91	784	861.54%
Non-Current Liabilities	581	286	295	103.15%
<b>Total Liabilities</b>	1,456	377	1,079	286.21%
<b>Deferred Inflows of Resources</b>				
Split-Interest Agreements	394	455	(61)	-13.41%
<b>Net Position</b>				
Net Investment in				
Capital Assets	14,007	8,985	5,022	55.89%
Permanent Endowments	37,316	36,218	1,098	3.03%
Restricted-Expendable	11,232	18,303	(7,071)	-38.63%
Unrestricted	35,751	41,012	(5,261)	-12.83%
<b>Total Net Position</b>	98,306	104,518	(6,212)	-5.94%
<b>Total Liabilities Deferred Inflows and Net Position</b>	\$ 100,156	\$ 105,350	\$ (5,194)	-4.93%

# SANTA FE COLLEGE FOUNDATION, INC.

Management's Discussion and Analysis  
For the Year Ended December 31, 2022

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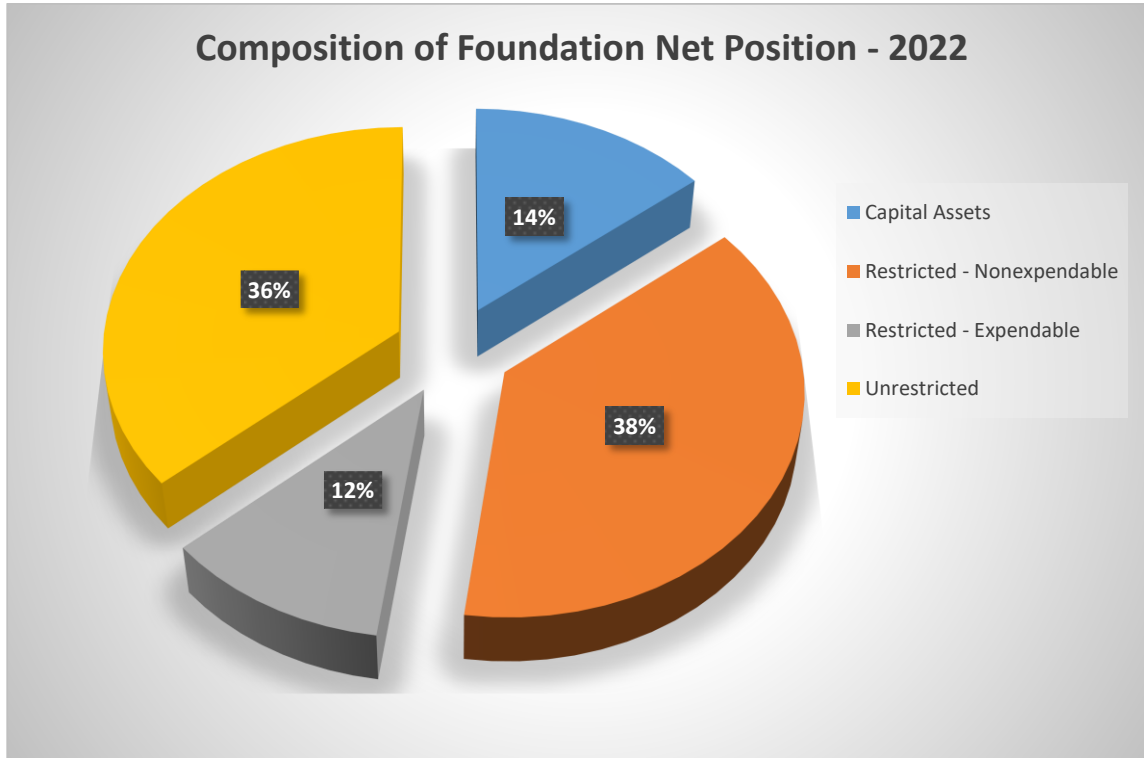
Total assets decreased last year by \$5,194,257 to a total of \$100,156,233. This decrease was the result of a decrease in the amount and carrying value of investments of \$9,483,541, a decrease in cash of \$1,094,275, and a net increase in capital assets of \$5,354,531. In addition, rents and accounts receivable increased by \$29,028. Total assets consist primarily of investments, which make up 81% of total assets and capital assets, which make up 14%.

Total liabilities amounted to \$1,456,655, the majority of which relates to contracts payable and annuity trust obligations resulting from charitable gifts. Deferred inflows in the amount of \$394,121 represents the sum of the present value of the annuity trust obligations and the amount of the calculated remainder interest, which is now classified as a deferred inflow. The balance of the liabilities consists of monthly accounts payable and annuity trust obligations.

# SANTA FE COLLEGE FOUNDATION, INC.

Management's Discussion and Analysis  
For the Year Ended December 31, 2022

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## ***Changes in Net Position***

Net position decreased last year by \$6,212,523. This decrease was due to net operating loss of \$2,114,858, additions to endowments and capital assets of \$5,632,435, and investment losses during the year of \$9,730,100. The funds contributed for endowments are designated by the donors to be placed in permanent endowments, the earnings from which can be used to fund scholarships or other program enhancements such as equipment. These amounts reflect the three primary activities of the Foundation in the areas of scholarships, program enhancement, and facilities.

## SANTA FE COLLEGE FOUNDATION, INC.

Management's Discussion and Analysis  
For the Year Ended December 31, 2022

### Condensed Summary of Revenues, Expenses, and Changes in Net Position for the Year Ended December 31, 2022 (in thousands of dollars)

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
<b>Revenues</b>				
Operating	\$ 1,225	\$ 6,731	\$ (5,506)	-81.80%
Non-Operating	(9,730)	155	(9,885)	-6,377.42%
Capital Additions	5,632	899	4,733	526.47%
<b>Total Revenues</b>	<u>(2,873)</u>	<u>7,785</u>	<u>(10,658)</u>	<u>-136.90%</u>
<b>Expenses</b>				
Operating	(3,340)	(2,552)	(788)	30.88%
<b>Total Expenses</b>	<u>(3,340)</u>	<u>(2,552)</u>	<u>(788)</u>	<u>30.88%</u>
<b>Changes in Net Position</b>	<u>\$ (6,213)</u>	<u>\$ 5,233</u>	<u>\$ (11,446)</u>	<u>-106.03%</u>

#### *Changes in Support and Revenue*

Operating revenue decreased by \$5,505,982, a decrease of 81.80% over the prior year.

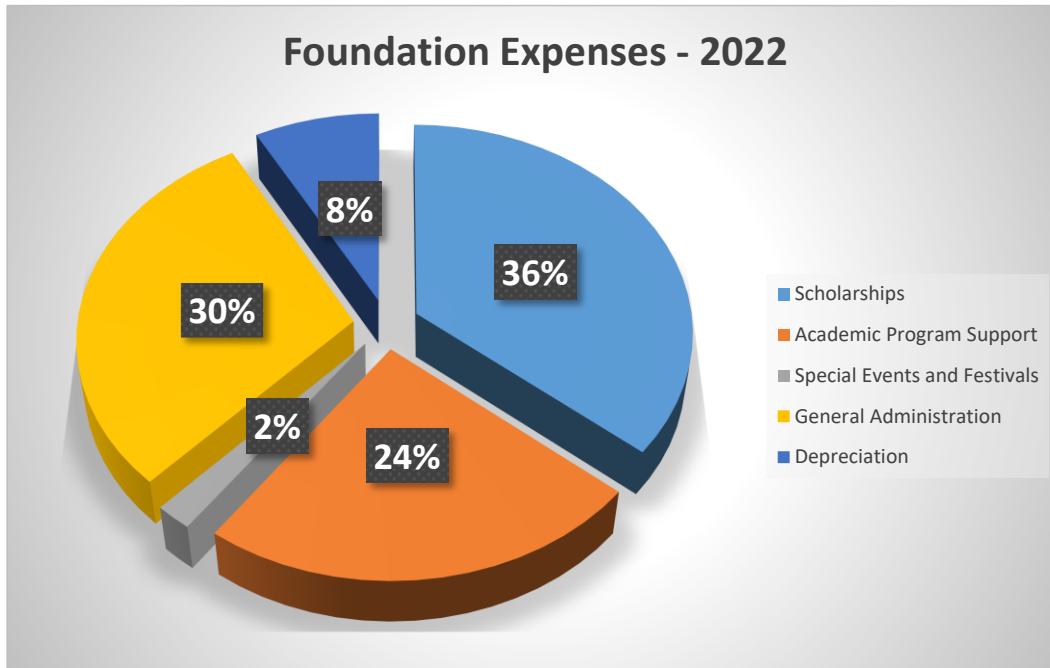
There was a decrease in investment income of \$5,591,880 compared with the previous year. This past year the markets experienced a rise in interest rates which negatively affected the carrying value investment grade bonds, which make up 90% of the fixed income investment portfolio. There was also a large negative effect on equities. This amount does not reflect the adjustment for changes in market value of investments. An adjustment for changes in market value of the Foundation's investment portfolio of \$9,730,100 is reflected as non-operating income and is made up of losses on securities and real estate investments. These market adjustments are reflected as non-operating income or non-operating loss in the year in which they are recorded and do not impact cash flow or the cash return on investments.

# SANTA FE COLLEGE FOUNDATION, INC.

Management's Discussion and Analysis  
For the Year Ended December 31, 2022

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## *Changes in Expenses*



The Foundation's operating expenses consist primarily of direct expenditures in support of the College and direct transfers to the College in support of capital projects in years when those transfers are appropriate. Of the \$3,340,083 in total operating expenses and transfers for the past year, \$2,075,523 or approximately 62%, directly benefited the College as scholarship, program, capital or special event, and festival expenses. An additional \$275,085 of expenses results from depreciation of buildings used by the College as classrooms and administrative offices. This brings expenses for the direct or indirect benefit of the College to 70% of total expenses, which is 2% higher than the previous year.

## *Statement of Cash Flows*

Total cash used by operating activities amounted to \$1,286,739 for the past year, compared to total cash provided of \$4,388,089 in the previous year.

Cash flows provided for investing activities amounted to \$525,797 this past year, compared to cash used of \$54,354 in the previous year. The Foundation invests almost all of its cash contributions as endowed or capital investments; this category is a direct reflection of the level of cash contributions in any one year, the related investment and/or construction activity, and the change in interest rates.

Cash flows used for capital and related financing activities amounted to \$333,333 this past year, compared to \$748,082 used in the previous year.

## SANTA FE COLLEGE FOUNDATION, INC.

Management's Discussion and Analysis  
For the Year Ended December 31, 2022

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### *Economic Factors That Will Affect the Future*

Charitable giving is affected by many factors including the general state of the economy, the health of the stock market, and prospective donors' perception of the benefiting organization. The College has historically enjoyed a positive reputation in the communities it serves. While economic factors do affect charitable giving in general, the Foundation has a history of very steady growth regardless of changes in these factors.

### *Acknowledgments*

The preparation of this report could not be accomplished without the dedicated service of the entire staff of the the Foundation. Each member of the staff has our sincere appreciation for the contributions made in the preparation of this report.

In closing, appreciation is extended to the Foundation Board of Directors for their continued commitment to the highest ethical standards in financial reporting and disclosure, and their support and encouragement for management and staff.

Respectfully Submitted,



Charles W. Clemons, Sr.  
Treasurer



Lawrence Lipp  
Assistant Treasurer

## **FINANCIAL STATEMENTS**

**STATEMENT OF NET POSITION**  
**SANTA FE COLLEGE FOUNDATION, INC.**  
**GAINESVILLE, FLORIDA**  
**DECEMBER 31, 2022**  
**WITH SUMMARIZED COMPARATIVE TOTALS FOR DECEMBER 31, 2021**

	<b>2022</b>					<b>2021</b>
	<b>Business-Type Activities</b>					<b>Total Fund</b>
	<b>Operating</b>		<b>General Plant Account</b>	<b>Endowment Account</b>	<b>Total Fund</b>	
<b>Unrestricted Account</b>	<b>Restricted Account</b>					<b>Total Fund</b>
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	\$ 930,044	\$ 2,774,417	\$ 333,333	\$ 115,000	\$ 4,152,794	\$ 5,247,069
Accounts and Rents Receivable	33,369	47,136	-	-	80,505	51,477
Investments - Current Portion	8,452,273	2,078,257	-	8,045,402	18,575,932	11,327,484
<b>Total Current Assets</b>	<b>9,415,686</b>	<b>4,899,810</b>	<b>333,333</b>	<b>8,160,402</b>	<b>22,809,231</b>	<b>16,626,030</b>
<b>Non-Current Assets</b>						
Investments	26,677,706	7,173,969	-	29,155,354	63,007,029	79,739,018
Capital Assets (Net)	-	-	14,339,973	-	14,339,973	8,985,442
<b>Total Non-Current Assets</b>	<b>26,677,706</b>	<b>7,173,969</b>	<b>14,339,973</b>	<b>29,155,354</b>	<b>77,347,002</b>	<b>88,724,460</b>
<b>TOTAL ASSETS</b>	<b>36,093,392</b>	<b>12,073,779</b>	<b>14,673,306</b>	<b>37,315,756</b>	<b>100,156,233</b>	<b>105,350,490</b>

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

**STATEMENT OF NET POSITION**  
**SANTA FE COLLEGE FOUNDATION, INC.**  
**GAINESVILLE, FLORIDA**  
**DECEMBER 31, 2022**  
**WITH SUMMARIZED COMPARATIVE TOTALS FOR DECEMBER 31, 2021**  
*(Concluded)*

	2022					2021
	Business-Type Activities					Total Fund
	Operating		General Plant Account	Endowment Account	Total Fund	
Unrestricted Account	Restricted Account	Total Fund				Total Fund
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Accounts & Contracts Payable	\$ 342,536	\$ 129,392	\$ 333,333	\$ -	\$ 805,261	\$ 41,026
Annuity Trust Obligations	-	70,275	-	-	70,275	50,532
<b>Total Current Liabilities</b>	<b>342,536</b>	<b>199,667</b>	<b>333,333</b>	<b>-</b>	<b>875,536</b>	<b>91,558</b>
<b>Non-Current Liabilities</b>						
Accounts & Contracts Payable	-	-	333,334	-	333,334	-
Annuity Trust Obligations	-	247,785	-	-	247,785	286,346
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>247,785</b>	<b>333,334</b>	<b>-</b>	<b>581,119</b>	<b>286,346</b>
<b>Total Liabilities</b>	<b>342,536</b>	<b>447,452</b>	<b>666,667</b>	<b>-</b>	<b>1,456,655</b>	<b>377,904</b>
<b>Deferred Inflows of Resources</b>						
Split Interest Agreements	-	394,121	-	-	394,121	454,606
<b>NET POSITION</b>						
Net Investment in Capital Assets	-	-	14,006,639	-	14,006,639	8,985,442
Restricted:						
Non-Expendable	-	-	-	37,315,756	37,315,756	36,217,622
Expendable	-	11,232,206	-	-	11,232,206	18,303,059
Unrestricted	35,750,856	-	-	-	35,750,856	41,011,857
<b>Total Net Position</b>	<b>\$ 35,750,856</b>	<b>\$ 11,232,206</b>	<b>\$ 14,006,639</b>	<b>\$ 37,315,756</b>	<b>\$ 98,305,457</b>	<b>\$ 104,517,980</b>

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

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**SANTA FE COLLEGE FOUNDATION, INC.**  
**GAINESVILLE, FLORIDA**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
**WITH SUMMARIZED COMPARATIVE TOTALS FOR DECEMBER 31, 2021**

	<b>2022</b>				<b>2021</b>	
	<b>Business-Type Activities</b>					
	<b>Operating</b>					
	<b>Unrestricted Account</b>	<b>Restricted Account</b>	<b>General Plant Account</b>	<b>Endowment Account</b>	<b>Total Fund</b>	<b>Total Fund</b>
<b>OPERATING REVENUES</b>						
Contributions:						
Cash and Investments	\$ 33,605	\$ 690,473	\$ -	\$ -	\$ 724,078	\$ 778,958
Investment Income (Losses)	(770,861)	8,444	-	-	(762,417)	4,829,463
Rental Income and Fees	300,619	277,091	-	-	577,710	584,402
Other Income	430,957	-	-	-	430,957	395,974
Program Income	-	191,497	-	-	191,497	130,410
Special Events and Festivals	63,400	-	-	-	63,400	12,000
<b>TOTAL OPERATING REVENUE</b>	<b>57,720</b>	<b>1,167,505</b>	<b>-</b>	<b>-</b>	<b>1,225,225</b>	<b>6,731,207</b>
<b>OPERATING EXPENSES</b>						
Program Services:						
Financial Aid – Scholarships	233,139	961,922	-	-	1,195,061	1,016,011
Academic Program Support	221,411	591,139	-	-	812,550	389,051
Special Events and Festivals	49,125	-	-	-	49,125	40,144
Fund Raising Expense	18,335	452	-	-	18,787	16,823
Total Program Services	<b>522,010</b>	<b>1,553,513</b>	<b>-</b>	<b>-</b>	<b>2,075,523</b>	<b>1,462,029</b>
Supporting Services:						
General Administration	707,298	282,177	-	-	989,475	815,271
Depreciation	-	-	275,085	-	275,085	274,785
Total Supporting Services	<b>707,298</b>	<b>282,177</b>	<b>275,085</b>	<b>-</b>	<b>1,264,560</b>	<b>1,090,056</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>1,229,308</b>	<b>1,835,690</b>	<b>275,085</b>	<b>-</b>	<b>3,340,083</b>	<b>2,552,085</b>
<b>OPERATING (LOSS) INCOME</b>	<b>(1,171,588)</b>	<b>(668,185)</b>	<b>(275,085)</b>	<b>-</b>	<b>(2,114,858)</b>	<b>4,179,122</b>

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

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**SANTA FE COLLEGE FOUNDATION, INC.**  
**GAINESVILLE, FLORIDA**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
**WITH SUMMARIZED COMPARATIVE TOTALS FOR DECEMBER 31, 2021**  
*(Concluded)*

	2022				2021	
	Business-Type Activities					Total Fund
	Operating		General Plant Account	Endowment Account	Total Fund	
Unrestricted Account	Restricted Account	Total Fund				Total Fund
<b>NON-OPERATING REVENUE (EXPENSE)</b>						
Investment Gains (Losses)	\$ (4,043,665)	\$ (5,686,435)	\$ -	\$ -	\$ (9,730,100)	\$ 155,135
<b>TOTAL NON-OPERATING REVENUE (EXPENSES)</b>	(4,043,665)	(5,686,435)	-	-	(9,730,100)	155,135
<b>NET INCOME (LOSS) BEFORE CAPITAL ADDITIONS AND TRANSFERS</b>	(5,215,253)	(6,354,620)	(275,085)	-	(11,844,958)	4,334,257
<b>CAPITAL ADDITIONS (DELETIONS) AND TRANSFERS</b>						
Endowment Principal Additions	-	-	-	998,908	998,908	777,898
Capital Additions	-	-	4,633,527	-	4,633,527	121,504
Transfers In	5,874	18,200	667,961	101,326	793,361	1,219,302
Transfers Out	(51,622)	(734,433)	(5,206)	(2,100)	(793,361)	(1,219,302)
<b>TOTAL CAPITAL ADDITIONS (DELETIONS) AND TRANSFERS</b>	(45,748)	(716,233)	5,296,282	1,098,134	5,632,435	899,402
<b>NET INCOME (LOSS) AFTER CAPITAL ADDITIONS (DELETIONS) AND TRANSFERS</b>	(5,261,001)	(7,070,853)	5,021,197	1,098,134	(6,212,523)	5,233,659
<b>NET POSITION, BEGINNING</b>	41,011,857	18,303,059	8,985,442	36,217,622	104,517,980	99,284,321
<b>NET POSITION, ENDING</b>	<u>\$ 35,750,856</u>	<u>\$ 11,232,206</u>	<u>\$ 14,006,639</u>	<u>\$ 37,315,756</u>	<u>\$ 98,305,457</u>	<u>\$ 104,517,980</u>

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

**STATEMENT OF CASH FLOWS**  
**SANTA FE COLLEGE FOUNDATION, INC.**  
**GAINESVILLE, FLORIDA**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
**WITH SUMMARIZED COMPARATIVE TOTALS FOR DECEMBER 31, 2021**

	<u>2022</u>	<u>2021</u>
<b>Cash Flows from Operating Activities</b>		
Cash Received from:		
Contributions from Donors, Grants, and Match Programs	\$ 695,050	\$ 778,957
Investment Income (Losses)	(762,417)	4,725,480
Rental Income	577,710	636,946
Program Income	191,497	130,410
Other	657,712	405,013
Cash Disbursed for:		
Scholarship Awards	(961,922)	(1,014,599)
Program Expense	(626,982)	(389,052)
General Administration	(989,475)	(815,272)
Other	(67,912)	(69,794)
<b>Total Cash Provided (Used) by Operating Activities</b>	<u>(1,286,739)</u>	<u>4,388,089</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Purchases of Capital Assets	(333,333)	(748,082)
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<u>(333,333)</u>	<u>(748,082)</u>
<b>Cash Flows from Investing Activities</b>		
Purchases of Investments	(12,429,279)	(65,781,563)
Proceeds from Sales and Maturities of Investments	12,081,049	65,098,926
Endowment Contributions	998,908	777,898
Deferral of Cash Activity - Net Change in Deferred Inflows	(54,606)	(79,340)
Payments on Annuities and Split Interest Agreements	(70,275)	(70,275)
<b>Net Cash (Used) by Investing Activities</b>	<u>525,797</u>	<u>(54,354)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(1,094,275)	3,585,653
<b>Cash and Cash Equivalents at Beginning of Year</b>	5,247,069	1,661,416
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 4,152,794</u>	<u>\$ 5,247,069</u>
<b>Reconciliation of Operating Income to Net Cash</b>		
<b>Provided by Operating Activities</b>		
Operating Income (Loss)	\$ (2,114,858)	\$ 4,163,348
<b>Adjustments to Reconcile Operating Income to Net Cash</b>		
<b>Provided by Operating Activities</b>		
Depreciation Expense	275,085	274,785
<b>Change in Assets and Liabilities</b>		
(Increase) Decrease in Accounts and Rents Receivable	(29,027)	(489,327)
Increase (Decrease) in Accounts Payable and Contracts	582,061	439,283
<b>Net Cash Provided by Operating Activities</b>	<u>\$ (1,286,739)</u>	<u>\$ 4,388,089</u>
<b>Non-Cash Investing, Capital, and Financing Activities</b>		
Value of Stock Donated to Foundation	\$ 50,874	\$ 2,131
Value of Capital Assets Donated to Foundation	4,633,527	129,098
Issuance of Installment Loan	1,000,000	-
Unrealized Investment Gains (Losses)	(9,730,100)	170,909

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

**NOTES TO FINANCIAL STATEMENTS**  
**SANTA FE COLLEGE FOUNDATION, INC.**  
**GAINESVILLE, FLORIDA**  
**DECEMBER 31, 2022**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization**

The Santa Fe College Foundation, Inc. (the "Foundation") is a direct support organization of Santa Fe College (the "College") as provided for in Section 1004.70, Florida Statutes, and is considered a component unit of the College. The Foundation was formed in 1969 as a 501(c)(3) not-for-profit organization whose objective is to provide students attending the College with funds to pursue their chosen field of study and to provide the College with funds and facilities to enhance the educational experience of students at the College.

During 2008, at the direction of the Florida Legislature, Santa Fe Community College changed its name to Santa Fe College, in anticipation of awarding four-year baccalaureate degrees in selected areas of study. As a result, the Santa Fe Community College Endowment Corporation, Inc. was required to change its name to conform to the College. During that process, the Endowment Board elected to change the name of the Corporation from Endowment Corporation to Foundation.

**Basis of Accounting**

The Foundation's financial statements are prepared on the accrual basis of accounting; a method that measures the performance and position of an entity by recognizing economic events regardless of when cash transactions occur. These financial statements are entirely those of the Foundation and, accordingly, are not intended to present the financial position or the results of operations of the College. The Foundation was determined to be a "governmental entity" under guidance provided by the Governmental Accounting Standards Board (GASB). For financial reporting purposes, the Foundation was considered a special purpose governmental unit engaged exclusively in business-type activities.

**Fund Accounting**

To ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. All of the Foundation's financial activity is accounted for in a single business-type fund, which is broken down into the following sub-accounts:

**Operating Account**—includes unrestricted and restricted resources, representing the portion of expendable funds that are available for support of operations and funds available for use in accordance with specific restrictions, respectively.

**Endowment Account**—records non-expendable donations received by the Foundation subject to donor-imposed restrictions requiring that the principal be invested in perpetuity and that the income can only be used for scholarships and other designated program enhancement activities.

**General Plant Account**—consists of the net investment in land, buildings, and equipment.

**NOTES TO FINANCIAL STATEMENTS**  
**SANTA FE COLLEGE FOUNDATION, INC.**  
**GAINESVILLE, FLORIDA**  
**DECEMBER 31, 2022**  
**(Continued)**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Classification of Revenues**

The Foundation classifies its revenues as operating or non-operating according to the following criteria:

**Operating Revenues**—are comprised of expendable resources, including unrestricted and restricted contributions from donors, program revenues, un-endowed matching funds, and income from investments.

**Non-Operating Revenues**—includes unrealized investment gains and losses and revenues derived from contributions restricted for capital additions or endowments.

**Donor Restricted Endowments**

Investment income (loss), including unrealized appreciation and depreciation, is allocated to the restricted expendable account on a pro rata basis based on the non-expendable endowment balance. In accordance with state law, these funds are then available for expenditure when the specific donor criteria are met.

In an effort to keep up with inflation, and increase scholarship award amounts when appropriate, the Foundation has a policy of periodically reviewing accumulated unspent earnings in each endowment with a goal of transferring a portion of those unspent earnings to the endowed fund balance.

**Capital Assets**

**General Plant Account**—Capital asset acquisitions intended to further the purposes of the Foundation and/or the College are accounted for in the General Plant Account under the account description "Capital Assets (Net)". These assets are recorded at cost, if purchased. Contributed property and equipment is recorded at estimated value, as determined by the donor or the Foundation, at the date of receipt. Assets capitalized have a useful life greater than one year and have an original cost of \$500 or greater. Depreciation of buildings and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis, based on a 40-year useful life for buildings and a 5- to 7-year useful life for equipment.

Capital asset acquisitions intended for direct contribution to the College are recorded as expenditures in the Foundation's accounting records.

**Cash and Cash Equivalents**

Cash and cash equivalents represent cash in checking and money market accounts and certificates of deposit with original maturities of less than three months. The carrying amount of all cash deposits at December 31, 2022, was \$4,152,794 and the related bank balance was \$4,167,017. Cash deposits in excess of \$250,000 at individual financial institutions are uninsured and management does not consider this risk significant. Certain investments are held in brokerage house investment accounts that are not insured by the Federal Deposit Insurance Corporation.

**NOTES TO FINANCIAL STATEMENTS**  
**SANTA FE COLLEGE FOUNDATION, INC.**  
**GAINESVILLE, FLORIDA**  
**DECEMBER 31, 2022**  
**(Continued)**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Contributions and Pledges**

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Unconditional promises to give the Foundation cash or other assets in the future are recorded as contribution revenue and pledges receivable. If management expects the cash from the pledges receivable to be received more than one year in the future, the contributions revenue and pledges receivable are discounted for the time value of money.

**Investments**

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Short-term investments consist of debt securities with original maturities of twelve months or less. Long-term investments consist of debt securities with original maturities greater than twelve months, equity securities, and real estate investments.

**Income Taxes**

The Foundation is currently exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has determined that the Foundation is not a private foundation. The Foundation is required to file a return of Organization Exempt from Income Tax (Form 990) with the Internal Revenue Service.

In addition, the Foundation is subject to income tax on net income that is derived from activities that are unrelated to its exempt purposes. The Foundation files an exempt Organization Business Income Tax Return (Form 990-T) with the Internal Revenue Service to report its unrelated business taxable income. The Foundation is also required to file the State of Florida Corporate Income Tax Return (Form F-1120) to report its unrelated business taxable income.

**Art Collection**

Art acquisitions are recorded at cost if purchased or at estimated value on date of receipt if donated. Although the art collection has been capitalized it is considered inexhaustible and, therefore, not depreciable. See Note 3 for additional information.

**Unamortized Film Costs**

Costs associated with the production of video documentaries have been capitalized and are being amortized over ten years using the straight-line method. Film costs include all direct costs incurred in the physical production of a film, such as the costs of story and scenario (film rights to books, stage plays, or original screenplays); compensation of cast, directors, producers, and extras; costs of set construction, operations, and wardrobe; costs of sound synchronization; costs of rental facilities on location; and postproduction costs (music, special effects, and editing). They also include allocations of production overhead and capitalized interest costs where applicable.

**NOTES TO FINANCIAL STATEMENTS**  
**SANTA FE COLLEGE FOUNDATION, INC.**  
**GAINESVILLE, FLORIDA**  
**DECEMBER 31, 2022**  
**(Continued)**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Net Position**

The Foundation's net position is classified as follows:

**Net Investment in Capital Assets**—represents the Foundation's total investment in capital assets, net of outstanding debt obligations related to those assets.

**Restricted-Expendable**—includes resources the Foundation is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

**Restricted-Non-Expendable**—consists of endowment and similar type funds in which donors or outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income.

**Unrestricted**—represents net position that is not restricted for any purpose and available for current operations.

**Prior Year Total Columns**

The financial statements include certain prior year summarized comparative information in total. Such information does not contain sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

**Fair Value of Financial Instruments**

The Foundation did not hold any derivative instruments for trading purposes at December 31, 2022, and does not invest in derivative instruments. The carrying amount of cash, receivables, and payables approximates fair value.

**Donated Property, Materials, and Services**

Donated property used to further the purposes of the Foundation is recorded at estimated fair value at the time of donation. Donated materials and services used to further the purposes of the Foundation are recorded at the amount it deems it would reasonably pay to obtain such materials and services. The Foundation occasionally receives donations of property and materials, which it in turn, contributes to the College. These amounts are not recorded in the Foundation's accounting records. The College provides the office space for the Foundation and employees to operate the Foundation at a cost not estimated or recorded in the Foundation's accounting records.

**Receivables**

Receivables are recorded at their anticipated realizable balances. The provision for doubtful accounts is zero.

**NOTES TO FINANCIAL STATEMENTS**  
**SANTA FE COLLEGE FOUNDATION, INC.**  
**GAINESVILLE, FLORIDA**  
**DECEMBER 31, 2022**  
**(Continued)**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)**

**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 of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. These estimates also affect the reported amounts of revenues and expenses during the reported period. Accordingly, actual results could differ from those estimates.

**Definitions**

**Contracts**—Contracts consist of agreements with outside entities whereby the Foundation agrees to provide certain educational services (usually through the College) for a contracted fee.

**Grants**—Grants consist of contractual arrangements with governmental or quasi-governmental entities, whereby the Foundation agrees to carry out certain activities as specified in the grant document. Grants differ from contracts in that they involve public monies and usually carry greater restrictions as to purpose and use.

**Programs**—Programs refer to various activities carried out by the Foundation that are not of a contractual nature. These activities may involve cooperation with various outside agencies or departments within the College or be directed solely by the Foundation. These activities are represented by separate funds in the Foundation's accounting records and may involve unrestricted resources, restricted resources, designated resources, or some combination of these funds.

**Change in Accounting Principle**

Effective January 1, 2022, the Foundation implemented GASB Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The provisions of this statement are required to be applied retroactively and leases should be recognized and measured using the facts and circumstances that existed at the beginning of the period of implementation. None of the Foundation's lease agreements resulted in recording a lease asset or lease liability under the provisions of GASB Statement No. 87 due to various cancellation provisions in the agreements.

**NOTE 2 - INVESTMENTS**

The Board of Directors, as the governing Board of the Foundation, is responsible for the management of the Foundation's investments and establishes investment policy through its Finance Committee.

Investments authorized by the Board include equity securities, fixed-income securities, and real estate. The equity portion of the investment portfolio may include both domestic and foreign, common and preferred stocks, and actively managed and passive (index) strategies. The fixed-income portion of the investment portfolio may

**NOTES TO FINANCIAL STATEMENTS**  
**SANTA FE COLLEGE FOUNDATION, INC.**  
**GAINESVILLE, FLORIDA**  
**DECEMBER 31, 2022**  
**(Continued)**

**NOTE 2 - INVESTMENTS (Continued)**

include both domestic and foreign securities, along with certain securitized investments, including mortgage-backed and asset-backed securities. Where donor agreements place constraints on allowable investments, assets associated with endowments are invested in accordance with the terms of the agreements.

The Foundation categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The general investment policy of the Foundation is to apply the prudent person rule: investments are made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence would exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment.

The Foundation charges administration fees equal to 15% of the total interest, dividends, rental income, and accrued interest paid or earned by the Foundation's investments.

In December 2020, the Foundation received a \$40,000,000 donation from Mackenzie Scott as an Unrestricted Donation. These funds have been incorporated into the overall investment strategy of the Foundation but are maintained in separate accounts. The Foundation meets on an as-needed basis with its Board to discuss any potential changes in investment strategy based on economic forecasts. Spending policy is communicated to the Board with guidance from the College.

The Foundation's investments at December 31, 2022, are reported as follows:

<b><u>Investments by Fair Value Level</u></b>	<b><u>Amount</u></b>	<b><u>Fair Value Measurements Using</u></b>		
		<b><u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u></b>	<b><u>Significant Other Observable Inputs (Level 2)</u></b>	<b><u>Third Party Or Internal Valuation Models (Level 3)</u></b>
<b><u>Equities, Bonds, Mutual Funds, and Limited Partnerships</u></b>				
Mutual Funds/Closed End Funds	\$ 2,758,491	\$ 2,758,491	\$ -	\$ -
Corporate Common Stocks	27,613,003	27,613,003	-	-
Corporate Preferred Stocks	1,895,845	-	1,895,845	-
Corporate Bonds	40,135,498	-	40,135,498	-
U.S. Federal Agency Bonds	4,080,188	-	4,080,188	-
Municipal Bonds	21,521	-	21,521	-
<b><u>Total Equities, Bonds, and Mutual Funds</u></b>	<b><u>76,504,546</u></b>	<b><u>30,371,494</u></b>	<b><u>46,133,052</u></b>	<b><u>-</u></b>
<b><u>Real Estate</u></b>	<b><u>5,078,415</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>5,078,415</u></b>
<b><u>Total All Investments</u></b>	<b><u>\$ 81,582,961</u></b>	<b><u>\$ 30,371,494</u></b>	<b><u>\$ 46,133,052</u></b>	<b><u>\$ 5,078,415</u></b>

**NOTES TO FINANCIAL STATEMENTS**  
**SANTA FE COLLEGE FOUNDATION, INC.**  
**GAINESVILLE, FLORIDA**  
**DECEMBER 31, 2022**  
*(Continued)*

**NOTE 2 - INVESTMENTS (Continued)**

Mutual Funds and Corporate Common Stocks are valued based on prices quoted in active markets and are categorized as Level 1 in the fair value hierarchy. Corporate Preferred Stocks, Corporate Bonds, U.S. Federal Agency Bonds, and Municipal Bonds are valued using quoted prices for similar securities in active markets and are categorized as Level 2 in the fair value hierarchy. Real Estate is valued using a capitalization rate to determine fair value and is categorized as Level 3 in the fair value hierarchy.

	<b>Current Year Unrealized Appreciation (Depreciation)</b>	<b>Fair Value</b>
Mutual/Closed End Funds	\$ (580,981)	\$ 2,758,491
Corporate Common Stocks	(3,853,147)	27,613,003
U.S. Government and Federal Agency Bonds	(325,640)	4,080,188
Corporate Preferred Stocks	(410,645)	1,895,845
Corporate Bonds	(4,556,863)	40,135,498
Municipal Bonds	(2,824)	21,521
Real Estate	-	5,078,415
<b>TOTAL</b>	<b>\$ (9,730,100)</b>	<b>\$ 81,582,961</b>

Presented in the accompanying financial statements as:

	<b>Fair Value</b>
Operating Funds	\$ 44,382,205
Endowment Funds	37,200,756
<b>TOTAL</b>	<b>\$ 81,582,961</b>

There was \$9,730,100 in unrealized depreciation in the fair value of investments during the year ended December 31, 2022. The carrying value of investments at December 31, 2022, includes all material changes in fair value, including both realized and unrealized gains and losses that occurred both during the current year and previous years. The calculation of realized gains and losses is independent of the net unrealized depreciation in the fair value of investments held at year-end.

The components of investment income and investment gains and (losses) consisted of the following for the year ended December 31, 2022:

Interest and Dividends Received	\$ 2,473,716
Net Rental Income	577,710
Net Realized Loss on Investments	(2,972,784)
Investment Fees	(219,035)
Net Investment Income – Cash Flow	(140,393)
Realized Loss on Capital Assets Held for Sale	(44,314)
Unrealized Loss	(9,730,100)
Net Investment Income Reflected in the Statement of Revenues, Expenses, and Changes in Fund Net Position	(9,914,807)
Add Current Year Net Amounts Recorded as Deferred Inflows in the Statement of Net Position	70,275
Net Investment Income (Loss) – Total Return Basis	<b>\$ (9,844,532)</b>

**NOTES TO FINANCIAL STATEMENTS**  
**SANTA FE COLLEGE FOUNDATION, INC.**  
**GAINESVILLE, FLORIDA**  
**DECEMBER 31, 2022**  
**(Continued)**

**NOTE 2 - INVESTMENTS (Continued)**

Total cash flow return, exclusive of unrealized losses, amounted to -0.21% and total investment return, representing the combined income plus net unrealized depreciation in the fair value of investments, for the year ended December 31, 2022, was -11.43%.

**Investment Risk Factors**

There are many factors that can affect the value of investments. Some, such as custodial credit risk, concentration of credit risk, and foreign currency risk may affect both equity and fixed income securities. Equity securities respond to such factors as economic conditions, individual company earnings performance, and market liquidity, while fixed-income securities are particularly sensitive to credit risks and changes in interest rates.

**Credit Risk**—Fixed-income securities are subject to credit risk, which is the chance that a bond issuer will fail to pay interest or principal in a timely manner, or that negative perceptions of the issuer’s ability to make these payments will cause security prices to decline. These circumstances may arise due to a variety of factors such as financial weakness, bankruptcy, litigation, and/or adverse political developments.

A bond’s credit quality is an assessment of the issuer’s ability to pay interest on the bond, and ultimately, to pay the principal. Credit quality is evaluated by one of the independent bond-rating agencies, for example, Moody’s Investors Services (Moody’s) or Standard and Poor’s (S&P). The lower a bond’s rating, the greater the chance, in the rating agency’s opinion, that the bond issuer will default or fail to meet its payment obligation. Generally, the lower a bond’s credit rating, the higher its yield should be to compensate for the additional risk.

Certain fixed-income securities, including obligations of the U.S. Government or those explicitly guaranteed by the U.S. Government, are not considered to have credit risk. In addition, certain investments, such as investment pools managed by other governments and investments in money market mutual funds cannot be categorized because the investments are not evidenced by specific, identifiable investment securities.

It is the policy of the Board to invest only in securities rated investment grade or higher. Those securities listed at below investment grade have been downgraded subsequent to purchase; however, it has been determined that the downgraded security has a reasonable expectation of recovery.

The credit risk profile for securities at December 31, 2022, is as follows:

<u>Rating</u>	<u>% of Total Assets</u>	<u>Total</u>
Aaa/AAA	2.36%	\$ 1,923,970
Aa/AA	11.39%	9,290,006
A/A	23.11%	18,855,309
Baa/BBB	18.52%	15,109,636
Below Investment Grade	0.63%	515,752
<b>Total Rated</b>	<b>56.01%</b>	<b>45,694,673</b>

**NOTES TO FINANCIAL STATEMENTS**  
**SANTA FE COLLEGE FOUNDATION, INC.**  
**GAINESVILLE, FLORIDA**  
**DECEMBER 31, 2022**  
*(Continued)*

**NOTE 2 - INVESTMENTS (Continued)**

**Investment Risk Factors (Continued)**

<u>Rating</u>	<u>% of Total Assets</u>	<u>Total</u>
Government Backed	0.33%	\$ 263,500
Corporate Stocks	33.85%	27,613,003
Mutual Funds	3.38%	2,758,490
Preferred Stock	0.21%	174,880
Real Estate	6.22%	5,078,415
<b>Total Non-Rated</b>	<u>43.99%</u>	<u>35,888,288</u>
<b>Total Investments</b>	<u>100.0%</u>	<u>\$ 81,582,961</u>

**Custodial Credit Risk**—Custodial credit risk is the risk that in the event of the failure of the custodian, the investments may not be returned.

There is no custodial credit risk exposure for the Foundation. All investments are insured, registered, or held in the Foundation’s name by the custodial bank as an agent for the Foundation.

**Concentration of Credit Risk**—Concentration of credit risk is the risk associated with a lack of diversification by having too much invested in a few individual issuers, thereby exposing the organization to greater risks resulting from adverse economic, political, regulatory, geographic, or credit developments.

The Foundation’s investment policy with respect to concentration of credit risk as it relates to fixed-income securities is to limit investment in any one issue to no more than 5% of the value of the entire portfolio. Currently, there are no single issues representing more than 2% of total portfolio value.

**Interest Rate Risk**—Interest rate risk is the risk that the value of fixed-income securities will decline because of rising interest rates. The prices of fixed-income securities with a longer time to maturity, measured by duration, tend to be more sensitive to changes in interest rates and, therefore, more volatile than those with shorter durations.

The durations for the portfolio at December 31, 2022, are as follows:

<u>Maturity in Years</u>	<u>% of Total Assets</u>	<u>Total</u>
Less than 1	4.25%	\$ 3,251,766
1 to 2	19.81%	15,158,081
3 to 5	19.50%	14,921,898
6 to 10	10.73%	8,206,453
11 to 15	2.16%	1,653,244
16 to 20	1.72%	1,313,274
21 Plus	1.63%	1,243,245
None	40.20%	30,756,585
	<u>100.00%</u>	<u>\$ 76,504,546</u>

**NOTES TO FINANCIAL STATEMENTS**  
**SANTA FE COLLEGE FOUNDATION, INC.**  
**GAINESVILLE, FLORIDA**  
**DECEMBER 31, 2022**  
*(Continued)*

**NOTE 2 - INVESTMENTS (Concluded)**

**Investment Risk Factors (Concluded)**

One of the ways the Foundation manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments, and by assuring that cash flows from fixed-income investments are sufficient to meet the cash flow and liquidity needed for scholarship and program enhancement commitments. This is consistent with the Foundation's policy of buying and holding fixed-income securities until maturity.

The Foundation uses the moving average method of determining year-to-year spending in order to smooth distributions from the aggregate portfolio. This policy serves two purposes. First, it provides for more consistent and predictable spending for the programs supported by the Foundation. Second, it allows the Foundation to design an investment strategy that is more consistent with a higher expected average return over time than might be the case if spending were determined by annual investment performance.

**NOTE 3 - CAPITAL ASSETS**

Property, equipment, and art collection consists of the following:

	<u>Balance January 1, 2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance December 31, 2022</u>
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ 2,605,303	\$ -	\$ -	\$ 2,605,303
Art Collection	773,975	5,633,527	(3,911)	6,403,591
Art Gallery Equipment	4,375	-	-	4,375
<b>Total Capital Assets Not Being Depreciated:</b>	3,383,653	5,633,527	(3,911)	9,013,269
<b>Capital Assets Being Depreciated:</b>				
Buildings and Improvements	11,604,167		-	11,604,167
Capitalized Film Costs in Production	1,004,645	-	-	1,004,645
<b>Total Capital Assets Being Depreciated:</b>	12,608,812	-	-	12,608,812
<b>Total Capital Assets</b>	<u>15,992,465</u>	<u>5,633,527</u>	<u>(3,911)</u>	<u>21,622,081</u>
<b>Less Accumulated Depreciation:</b>				
Building and Improvements	(6,036,501)	(270,820)	-	(6,307,321)
Capitalized Film Costs	(970,522)	(4,265)	-	(974,787)
<b>Total Accumulated Depreciation</b>	<u>(7,007,023)</u>	<u>(275,085)</u>	<u>-</u>	<u>(7,282,108)</u>
<b>Capital Assets, Net</b>	<u>\$ 8,985,442</u>	<u>\$ 5,358,442</u>	<u>\$ (3,911)</u>	<u>\$ 14,339,973</u>

Provision has been made for depreciation of buildings and equipment, not held for investment, at straight-line rates, based upon estimated useful lives ranging from 3 to 40 years.

**NOTES TO FINANCIAL STATEMENTS**  
**SANTA FE COLLEGE FOUNDATION, INC.**  
**GAINESVILLE, FLORIDA**  
**DECEMBER 31, 2022**  
**(Continued)**

**NOTE 4 - CHARITABLE GIFT AND REMAINDER ANNUITY TRUSTS**

As of December 31, 2022, the Foundation holds a remainder interest in a number of Irrevocable Split-Interest Agreements in the form of Charitable Trusts and Gift Annuities. Under the terms of these agreements, the beneficiaries are to receive annual distributions of an amount equal to between 5% and 8% of the original principal of the trust, for life or for a term of years, depending on the terms of the agreement.

The present value of the annuity payment liabilities at December 31, 2022, have been calculated based on the respective payouts and discount rates as determined by the trust documents. This amount is reflected on the statement of net position as Annuity Trust Obligations.

The Foundation has adopted GASB Statement No. 81 - *Irrevocable Split-Interest Agreements*. In accordance with GASB Statement No. 81, assets received under split-interest agreements are recorded as follows:

- a. Assets for resources received or receivable.
- b. A liability for the lead interest that is assigned to other beneficiaries.
- c. A deferred inflow of resources for the government's unconditional remainder interest.

Changes in assets recognized pursuant to irrevocable split-interest agreements, such as those resulting from interest, dividends, and changes in fair value, are recognized as an increase or decrease in the related deferred inflow of resources. The amount recognized as the liability representing the lead interest assigned to other beneficiaries, have been recorded based on the settlement amount (the stream of payments that is expected to be provided to the other beneficiaries) as measured by an evaluation technique that incorporates assumptions reflecting the specific provisions of the agreement. Those assumptions include: (a) the payment provisions of the agreement, (b) the estimated rate of return of the assets, (c) the mortality rate (the term is life-contingent), and (d) the discount rate if a present value technique is used.

Once the remainder interest is considered a Foundation asset, contribution revenue will be recognized.

**NOTE 5 - RESTRICTED EXPENDABLE NET POSITION**

Restricted revenues are recorded as revenue when received by the donor and segregated by net position classification. *Restricted net position*—includes all funds where the Foundation is legally or contractually obligated to spend the resources in accordance with restrictions imposed by the donor. The expense is recognized when incurred with a corresponding reduction in the net position restriction.

Restricted Expendable Net Position is classified for the following purposes at December 31, 2022:

Scholarships	\$ 5,262,480
Program Enhancement	2,132,107
Equipment	1,233,247
Capital Assets	<u>1,368,311</u>
Total Restricted Net Position before Adjustments for Cumulative Unrealized Gain on Investments	9,996,145
Cumulative Unrealized Gain on Investments	<u>1,236,061</u>
<b>Restricted Expendable Net Position</b>	<b><u>\$ 11,232,206</u></b>

**NOTES TO FINANCIAL STATEMENTS**  
**SANTA FE COLLEGE FOUNDATION, INC.**  
**GAINESVILLE, FLORIDA**  
**DECEMBER 31, 2022**  
**(Continued)**

**NOTE 6 - MATCHING FUNDS PROGRAMS**

**Dr. Philip Benjamin Matching Grant Program**—Prior to 2008, the Foundation received matching funds from the Dr. Philip Benjamin Matching Grant Program. This program provided matching funds for every \$1.00 of private contributions received by the Foundation. The amount of matching funds received was dependent on the intended use of the private contributions. Under the guidelines of this program, the State provided \$1.00 in match for every dollar raised for scholarships. These scholarship funds may be endowed. Contributions received for the purchase of equipment or other program enhancements were matched \$0.67 for every private dollar raised and may be endowed or spent for the intended purpose.

The availability of matching funds is dependent on legislative funding each year. State matching funds will be recognized as revenue when received.

**Ethics in Business Match Program**—The Foundation for Florida’s Community Colleges, Inc. provides 100% in matching funds for every private dollar contributed. Contributions and matching funds are not required to be endowed but must be used for scholarships in business education. The Foundation did not receive any matching funds from this program in 2022.

**NOTE 7 - SCHOLARSHIP EXPENSE**

A summary of scholarship expense follows:

Mackenzie Scott Scholarships	\$	233,139
Schwinn Trust Scholarship		89,350
Charles L. Blount Scholarship		73,146
AC/SFCC Minority Scholarship		54,277
Patricia Blount Scholarship		44,750
Veterans Scholarship		39,750
SFC Employee/Dependents Scholarship		37,843
Pinkoson Family Scholarship		36,000
First Generation		35,375
Florida Blue Scholarship		33,417
Daniel Grover Maico Commemorative Scholarship		26,625
Foundation Source Scholarship		25,828
Henry Beck Scholarship		25,000
Athletic Scholarship		19,557
General Scholarship		16,577
Nursing Ed Scholarship		16,500
Al & Aggie Watson Scholarship		16,375
Rozel Trust Scholarship		15,750
Helios Ed First Generation Scholarship		15,144
Gainesville Charitable Foundation Scholarship		13,917
Brightenbroke Scholarship		12,000
Farber Trust Matching Scholarship		11,500
Faculty Prof. Development Scholarship		8,400
Fast Track Enroll Now Scholarship		7,886
Cecil & Christine Shannon Auto Scholarship		7,500
O’Steen Family Scholarship		7,500
G & E Andrews Scholarship		7,000
BC/Andrews Minority Scholarship		6,750

**NOTES TO FINANCIAL STATEMENTS**  
**SANTA FE COLLEGE FOUNDATION, INC.**  
**GAINESVILLE, FLORIDA**  
**DECEMBER 31, 2022**  
**(Continued)**

**NOTE 7 - SCHOLARSHIP EXPENSE (Continued)**

Dream Makers Scholarship	\$	6,628
Richardson Scholarship		6,000
Shands at Starke Aux Scholarship		6,000
Shands AGH Aux Scholarship		5,500
Frank Block Memorial Scholarship		5,000
Ronnie & Norita Davis Scholarship		4,900
Shands UF Health Scholarship		4,833
Bussard Scholarship		4,817
Altrusa Scholarship		4,500
Brasear Nursing Scholarship		4,500
Bruce Walek Scholarship		4,500
Campus USA Credit Union Scholarship		4,500
Thomas A. Plein Scholarship		4,500
Disney's Animal Kingdom Scholarship		4,417
Evelyn L. Wenzel Mem Scholarship		4,375
Jones/Johnson Scholarship		4,125
Finish At The Top Scholarship		4,017
James Moore Memorial Scholarship		4,000
Becky Reddish Memorial Scholarship		3,875
Women's Career & Tech Edu Scholarship		3,634
Gilchrist Co. Ed. Health Related Scholarship		3,500
HVAC Scholarship		3,400
Mallini Family Scholarship		3,125
Altrusa of Starke Scholarship		3,000
Arts & Science Scholarship		3,000
C. Ayers Scholarship		3,000
Carlos M. Lopes Memorial Scholarship		3,000
Chapters Health Hospice Scholarship		3,000
Civitan/ Col. R. James Glikes Scholarship		3,000
Clark Butler Scholarship		3,000
Dan Alford Baseball Scholarship		3,000
Florence Smith Nursing Scholarship		3,000
Gene Gerber Building Construction Scholarship		3,000
Leo Hury Scholarship		3,000
MacKinnon-Canard Scholarship		3,000
Margaret F. Knapp Nursing Scholarship		3,000
Medical & Surgical Affil Scholarship		3,000
Roxanne Kelley Buehn Scholarship		3,000
Clay County Education Fund		2,750
Watson Youth Challenge Scholarship		2,625
Lamar E. Crevasse Scholarship		2,581
B. Diane Farb Health Related Scholarship		2,500
Charles Perry Memorial Scholarship		2,500
Kiwanis Club of Starke Scholarship		2,500
Larry Noegel Memorial Scholarship		2,500
Noah Jacob Rodkin Scholarship		2,500
Norman K. Jensen Scholarship		2,500
Plus One Scholarship		2,333

**NOTES TO FINANCIAL STATEMENTS**  
**SANTA FE COLLEGE FOUNDATION, INC.**  
**GAINESVILLE, FLORIDA**  
**DECEMBER 31, 2022**  
**(Continued)**

**NOTE 7 - SCHOLARSHIP EXPENSE (Continued)**

Tina and Lee Pinkoson Scholarship	\$	2,083
AC FarmBureau Scholarship		2,000
Betty Hitchcock Memorial Scholarship		2,000
Gilchrist Co. Endowed Scholarship		2,000
J. Ardene Wiggins Family Scholarship		2,000
Joanna Hammond Memorial Scholarship		2,000
John Miller Scholarship		2,000
Lee Family IPS Scholarship		2,000
Mazdak Noorbakhsh Memorial Scholarship		2,000
The Spain Keep Your Eye Scholarship		2,000
Thomas A. Plein CTE Scholarship		2,000
Amber Peck and John Parker Scholarship		1,917
L. Stump Nurse/Health Scholarship		1,875
Jack & Clara Hazen Scholarship		1,750
Dresser Scholarship		1,667
Athletic Softball		1,577
Christa Hoyt Memorial Scholarship		1,500
CPPI/Perry Construction Scholarship		1,500
J. Fordyce Scholarship		1,500
Jeanne Johnson Scholarship		1,500
Joanie Beth Langford Mem Scholarship		1,500
Nursing & Health Tech Scholarship		1,500
Rev. Thomas A. Wright Scholarship		1,500
Scarborough Family Scholarship		1,500
Village Nursing Scholarship		1,500
Whiting-Turner CTE Scholarship		1,500
Women of Distinction Scholarship		1,500
Zimmerman Memorial Fund		1,500
Unrestricted		1,433
P. Baker Civitan Scholarship		1,300
Second Career Scholarship		1,250
Danielle Kramer Memorial Scholarship		1,167
Herron Health Care Scholarship		1,150
FREE/EPI Scholarship		1,125
Esther Porter Lane Memorial Scholarship		1,100
Tara McDonald Scholarship		1,100
Andreas Dinopolous Memorial Scholarship		1,000
Athletic Volleyball		1,000
Automotive Technology Scholarship		1,000
BC D. Riherd Pub Health Nurse Scholarship		1,000
Health Sciences Scholarship		1,000
Hogue Family Scholarship		1,000
Husdon Family Scholarship		1,000
J & R Swick Scholarship		1,000
J. Block Scholarship		1,000
Margaret R. Clifton Scholarship		1,000
Morgan Nursing Scholarship		1,000
My Brother's Keeper		1,000

**NOTES TO FINANCIAL STATEMENTS**  
**SANTA FE COLLEGE FOUNDATION, INC.**  
**GAINESVILLE, FLORIDA**  
**DECEMBER 31, 2022**  
**(Continued)**

**NOTE 7 - SCHOLARSHIP EXPENSE (Concluded)**

Paul B. Hamlin Scholarship	\$	1,000
Professional Retail Associate Scholarship		1,000
Reeda Fullington Scholarship		1,000
Ron Carpenter Memorial Scholarship		1,000
Sasser Family Scholarship		1,000
Starke Rotary Scholarship		1,000
Verdell & Johnie Mae Harris Scholarship		1,000
Bradford General Scholarship		999
Abraham & Etoile Painter Scholarship		750
C. O'Connor Scholarship		750
Career Services Book Scholarship		700
AACTE Scholarship		625
Adult Education Emergency Fund		614
Knott Werkshow Student Gov Scholarship		573
F. Watson Scholarship		550
Hung-sen Wu Memorial Scholarship		550
Eric Thomas Anderson Memorial Scholarship		375
Myers Family Scholarship		150
Herring Family Scholarship		140
Joel & Stella Keen Memorial Scholarship		(1,000)
		<hr/>
<b>Total Scholarship Expenditures</b>	<b>\$</b>	<b><u>1,195,061</u></b>

These amounts are paid to the College for the benefit of students attending the College.

**NOTE 8 - CONTRACT, GRANT, AND PROGRAM EXPENSES**

Program expenses consist of the following:

UF Health Sciences Training	\$	167,701
SF Achieve		127,303
Aspen Prize		82,500
Industrial Technology Program		61,204
ACB Excel		50,688
Teaching & Learning		46,396
Fine Arts Enhancement		40,800
Zoo TPD Grant		31,333
SF College Miscellaneous		31,103
Roszel Trust		25,186
Athletic Program		23,968
Athletic Baseball		19,874
SFC Nurse Equipment Trust		12,672
Dental Instruct. Equipment		11,580
Athletic Softball		10,972
ACB Excel - Mackenzie Scott		9,378
International Education		9,000
Athletic Women's Basketball		6,154

**NOTES TO FINANCIAL STATEMENTS**  
**SANTA FE COLLEGE FOUNDATION, INC.**  
**GAINESVILLE, FLORIDA**  
**DECEMBER 31, 2022**  
**(Continued)**

**NOTE 8 - CONTRACT, GRANT, AND PROGRAM EXPENSES (Concluded)**

Student Affairs Emergency Fund	\$	6,093
Planetarium		5,120
Athletic Volleyball		4,355
Institute of Public Safety		4,269
SF Center for Ethics		3,346
Saints Food Pantry		3,159
Miscellaneous Programs		3,000
Athletic Program Enhancement		2,539
Graphic Design		2,400
Opening Door Campaign		2,112
Blount Center Food Pantry		2,025
President's Expense Reimbursement		1,072
Athletic Men's Basketball		1,000
Geological Field Station (Bat Cave)		899
S Fulford Fine Art		886
Run Walk or Roll with the Cops		713
Florida Hemingway Society		550
Lee Crane Account		500
Nursing Simulated Lab		400
Quiet Time at the Zoo		300
		300
<b>Total Program Expenses</b>	<b>\$</b>	<b>812,550</b>

**NOTE 9 - MAJOR GIFT CAMPAIGNS**

From time to time, the Foundation conducts major gift campaigns to raise funds for scholarships, program enhancement, and the construction of buildings to be used by the College. In many cases these campaigns result in pledges for contributions to be made over several years.

These pledges are structured as voluntary non-exchange transactions and cannot be recognized until the eligibility requirements are met. Therefore, pledges related to these campaigns are not recorded on the financial statements until the funds are received.

**NOTE 10 - TRANSFERS**

Transfers between unrestricted, restricted and endowed funds are initiated to repay interfund loans, to increase endowed net position, and to reclassify net position amounts as the nature and purpose of those amounts are redefined. Net transfers between funds of differing classifications for the year ended December 31, 2022, were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>				<u>Total</u>
	<u>Operating Unrestricted</u>	<u>Operating Restricted</u>	<u>General Plant</u>	<u>Endowment</u>	
Operating Unrestricted	\$ -	\$ 668	\$ 5,206	\$ -	\$ 5,874
Operating Restricted	16,100	-	-	2,100	18,200
General Plant	1,296	666,665	-	-	667,961
Endowment	34,226	67,100	-	-	101,326
<b>Total</b>	<b>\$ 51,622</b>	<b>\$ 734,433</b>	<b>\$ 5,206</b>	<b>\$ 2,100</b>	<b>\$ 793,361</b>

**NOTES TO FINANCIAL STATEMENTS**  
**SANTA FE COLLEGE FOUNDATION, INC.**  
**GAINESVILLE, FLORIDA**  
**DECEMBER 31, 2022**  
**(Concluded)**

**NOTE 10 - TRANSFERS (Concluded)**

The transfer from Operating Fund Restricted to General Plant Fund was for the purchase of the Santos Collection.

**NOTE 11 - LEASES**

The Foundation leases certain properties to the College to operate as Educational Centers throughout its service district. These facilities are leased to the College at varying annual rates. The terms of the leases are designed to meet the criteria for State of Florida funding of the various centers. The Foundation received a total amount of \$51,776 from the College for 2022 lease payments. The leases with the College contain cancellation clauses that cause the agreements to not meet the definition of a lease asset under the provisions of GASB Statement No. 87.

**NOTE 12 - RISK MANAGEMENT**

The Foundation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Foundation carries commercial insurance. There have been no losses in excess of coverage in the last three years. Insurance against losses are provided for the following types of risk:

- Commercial Liability
- Real and Personal Property Damage
- Directors and Officers Liability

**NOTE 13 - CONTINGENCIES AND COMMITMENTS**

The Foundation is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. It is the opinion of management that resolution of these matters will not have a material adverse effect on the financial condition of the Foundation.

**NOTE 14 - CONTRACT PAYABLE**

The Foundation was gifted an artwork collection in 2022 appraised at \$5,453,800 for \$1,000,000 to be paid in three equal installments in 2022, 2023, and 2024. The Foundation made the first installment payment in 2022 of \$333,333 with a total remaining balance due of \$666,667 of which \$333,333 will be paid in 2023 and \$333,334 in 2024.

**INDEPENDENT AUDITOR'S 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  
Santa Fe College Foundation, Inc.  
Gainesville, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Santa Fe College Foundation, Inc. (the Foundation), which comprise the statement of net position as of December 31, 2022, and the related statements of revenues, expenses, and changes in fund net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated May 8, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing 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. 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 or significant deficiencies may exist that were not identified.

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Board of Directors  
Santa Fe College Foundation, Inc.  
Gainesville, Florida

**INDEPENDENT AUDITOR'S 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*  
(Concluded)**

**Report on 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, non-compliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



May 8, 2023  
Gainesville, Florida

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