

2023

Santa Fe College Foundation, Inc.

Financial Statements and
Independent Auditor's Report

December 31, 2023

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

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

**SANTA FE COLLEGE
FOUNDATION, INC.**

GAINESVILLE, FLORIDA

DECEMBER 31, 2023

TABLE OF CONTENTS

Independent Auditor’s Report	1-3
Management’s Discussion and Analysis	4-14
Financial Statements	
Statement of Net Position	15-16
Statement of Revenues, Expenses, and Changes in Fund Net Position.....	17-18
Statement of Cash Flows	19
Notes to Financial Statements.....	20-37
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 <i>Government Auditing Standards</i>	38-39

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, 2023, 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, 2023, 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.

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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 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 8, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, 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 10, 2024, 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 10, 2024
Gainesville, Florida

SANTA FE COLLEGE FOUNDATION, INC.

Management's Discussion and Analysis
For the Year Ended December 31, 2023

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 2023, 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.

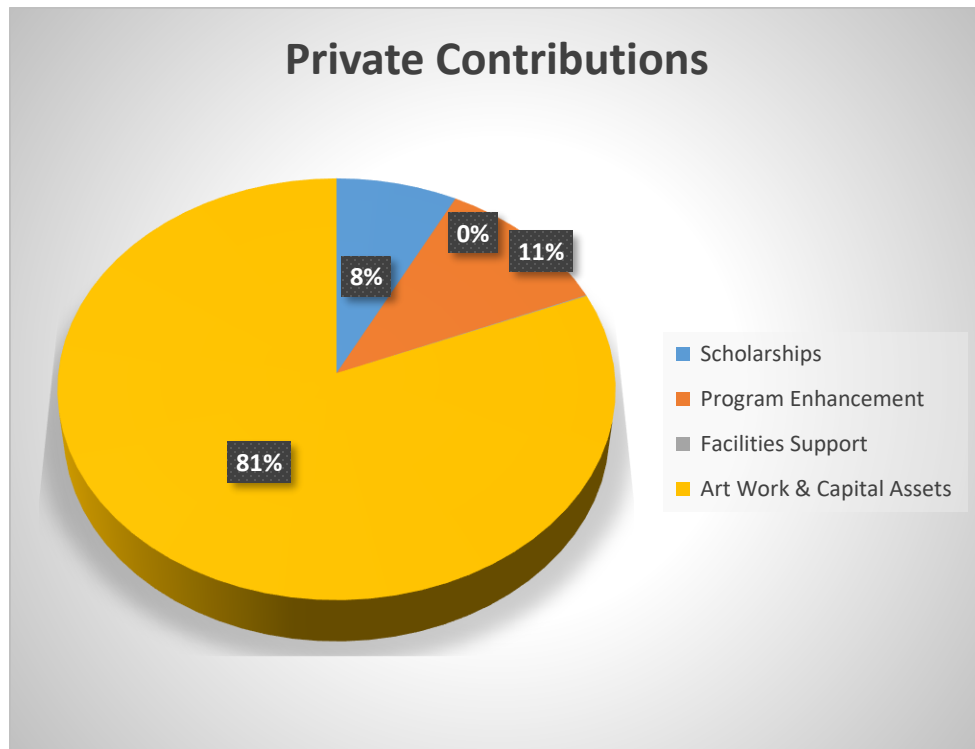
SANTA FE COLLEGE FOUNDATION, INC.

Management's Discussion and Analysis
For the Year Ended December 31, 2023

DURING 2023, THE FOUNDATION ACCOMPLISHED THE FOLLOWING:

- The President's Gala wowed the community and continued the \$12,000,000 TranSForm Campaign.
- The Foundation co-hosted the Women of Distinction Lunch.
- Inventory of the Santos Collection (purchased from Hector Puig) continued in 2023. Pieces of the collection are currently on display at the NW Campus and Blount Hall.
- Purchased the 6th Street Plaza.

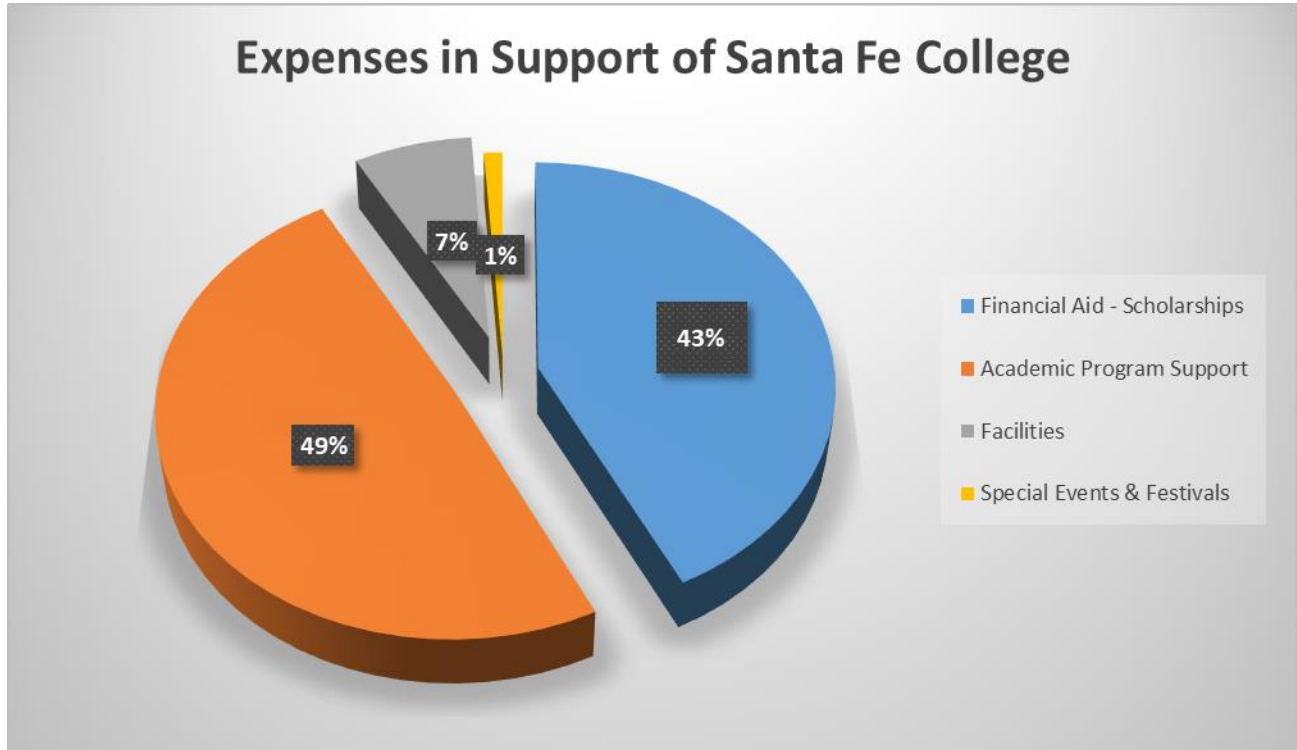
DURING 2023, THE FOLLOWING AMOUNTS WERE RAISED IN SUPPORT OF SCHOLARSHIPS, PROGRAM ENHANCEMENT, AND FACILITIES SUPPORT:



SANTA FE COLLEGE FOUNDATION, INC.

Management's Discussion and Analysis
For the Year Ended December 31, 2023

DURING 2023, 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, 2023, which includes for comparative purposes the fiscal year ended December 31, 2022. 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, 2023

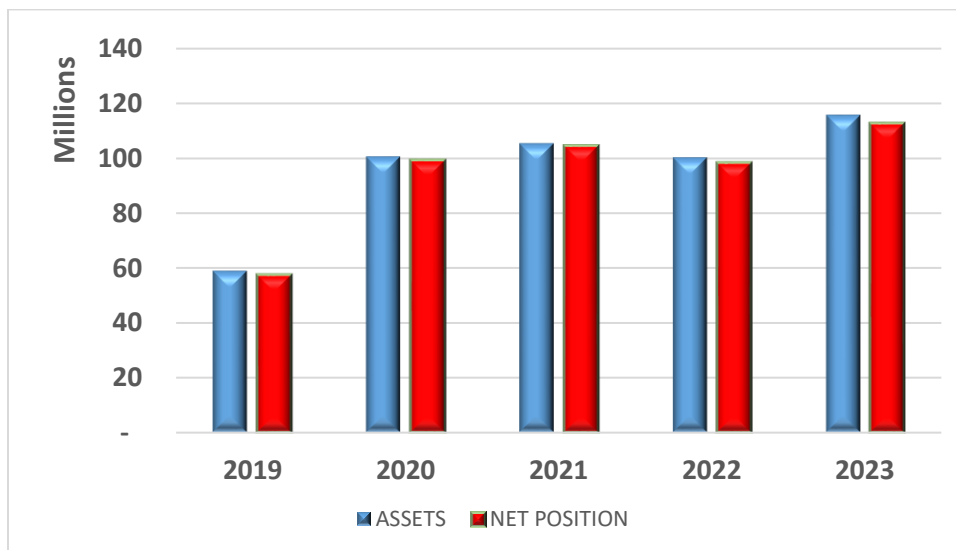
The financial statements include the following:

- 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 increased by \$14,422,086 due to net operating income of \$1,970,418 net deletions/additions to endowment and capital assets totaling \$5,699,651 and net non-operating gain of \$6,752,017. The non-operating income resulted from unrealized gains on investments in the amount of \$6,548,613 and a \$203,404 gain on the disposal of a capital asset. This represented an increase of 14.67% in net position over the prior year.

FIVE YEAR GROWTH IN TOTAL ASSETS AND NET POSITION



- The Foundation's total assets increased by \$15,540,443 as a result of last year's activities. Capital assets not held in endowments or as investments amounted to \$15,294,187 and permanent endowments amounted to \$37,620,846.
- The Foundation received contributions in the amount of \$1,050,552 in support of the various programs at the College. In addition to scholarships and program support, an additional \$305,080 was added to permanent endowments during the year.
- The Foundation provided scholarships totaling \$1,664,877 to students attending the College.

SANTA FE COLLEGE FOUNDATION, INC.

Management's Discussion and Analysis
For the Year Ended December 31, 2023



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.

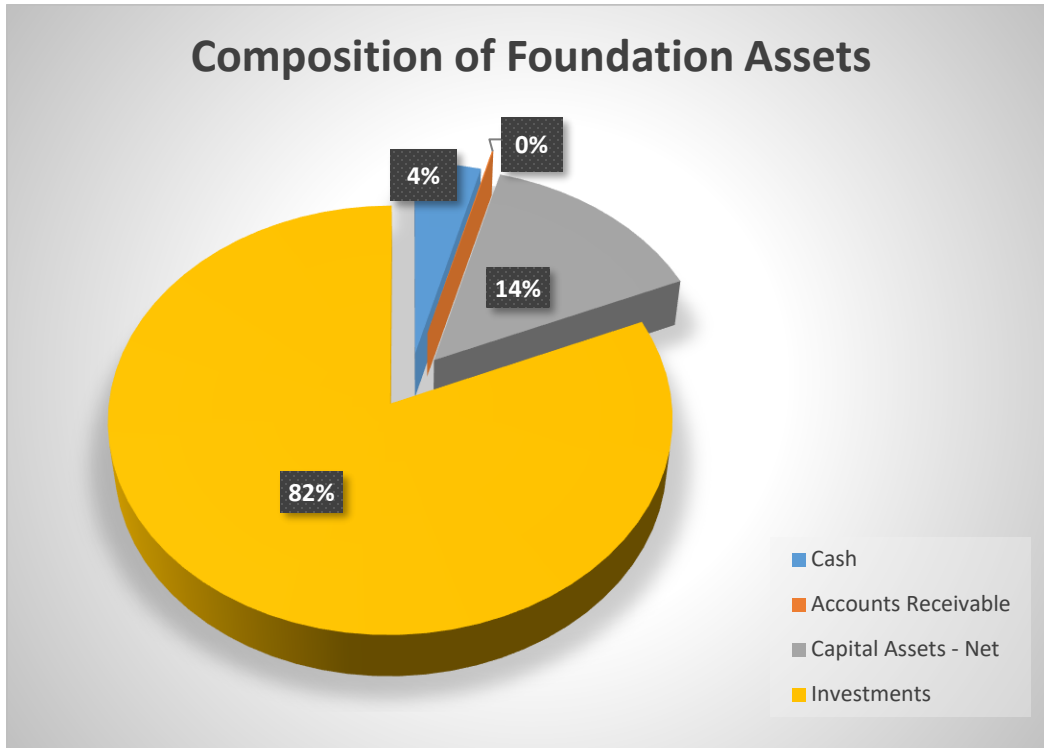
Management's Discussion and Analysis
For the Year Ended December 31, 2023

Condensed Summary of Net Position Information as of December 31, 2023 (in thousands of dollars)

	2023	2022	Increase (Decrease)	% Change
Assets				
Current Assets	\$ 30,576	\$ 22,809	\$ 7,767	34.05%
Non-Current Assets:				
Capital Assets-Net	14,706	14,340	366	2.55%
Investments	70,415	63,007	7,408	11.76%
Total Assets	115,697	100,156	15,541	15.52%
Liabilities				
Current Liabilities	2,310	875	1,435	164.00%
Non-Current Liabilities	230	581	(351)	-60.41%
Total Liabilities	2,540	1,456	1,084	74.45%
Deferred Inflows of Resources				
Split-Interest Agreements	429	394	35	8.88%
Net Position				
Net Investment in				
Capital Assets	14,706	14,007	699	4.99%
Permanent Endowments	37,621	37,316	305	0.82%
Restricted-Expendable	19,953	11,232	8,721	77.64%
Unrestricted	40,448	35,751	4,697	13.14%
Total Net Position	112,728	98,306	14,422	14.67%
Total Liabilities Deferred Inflows and Net Position	\$ 115,697	\$ 100,156	\$ 15,541	15.52%

SANTA FE COLLEGE FOUNDATION, INC.

Management's Discussion and Analysis
For the Year Ended December 31, 2023

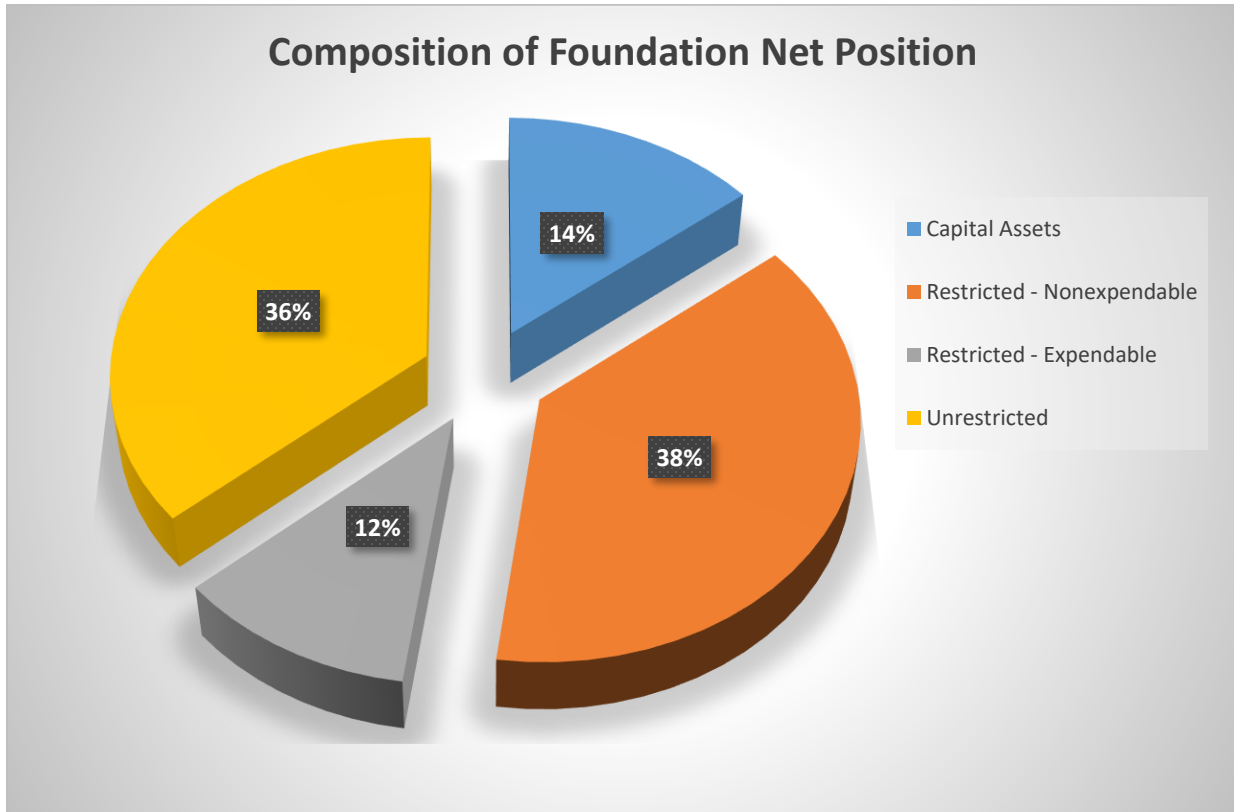


Total assets increased last year by \$15,540,443 to a total of \$115,696,676. This increase was the result of an increase in the amount and carrying value of investments of \$18,823,205, a decrease in cash of \$3,628,028, and a net increase in capital assets of \$365,666. In addition, rents and accounts receivable decreased by \$20,400. Total assets consist primarily of investments, which make up 87% of total assets and capital assets, which make up 13%.

Total liabilities amounted to \$2,540,578, the majority of which relates to contracts payable and annuity trust obligations resulting from charitable gifts. Additionally, the Foundation opened a \$12,000,000 line of credit, of which \$905,426 is outstanding. Deferred inflows in the amount of \$428,555 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, 2023



Changes in Net Position

Net position increased last year by \$14,422,086. This increase was due to net operating income of \$1,970,418, additions to endowments and capital assets of \$5,395,986, and investment gains during the year of \$5,752,017. 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, 2023

Condensed Summary of Revenues, Expenses, and Changes in Net Position for the Year Ended December 31, 2023 (in thousands of dollars)

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
Revenues				
Operating	\$ 6,915	\$ 1,225	\$ 5,690	464.49%
Non-Operating	6,752	(9,730)	16,482	-169.39%
Capital Additions	5,700	5,632	68	1.21%
Total Revenues	<u>19,367</u>	<u>(2,873)</u>	<u>22,240</u>	<u>-774.10%</u>
Expenses				
Operating	<u>(4,945)</u>	<u>(3,340)</u>	<u>(1,605)</u>	<u>48.05%</u>
Total Expenses	<u>(4,945)</u>	<u>(3,340)</u>	<u>(1,605)</u>	<u>48.05%</u>
Changes in Net Position	<u>\$ 14,422</u>	<u>\$ (6,213)</u>	<u>\$ 20,635</u>	<u>-726.05%</u>

Changes in Support and Revenue

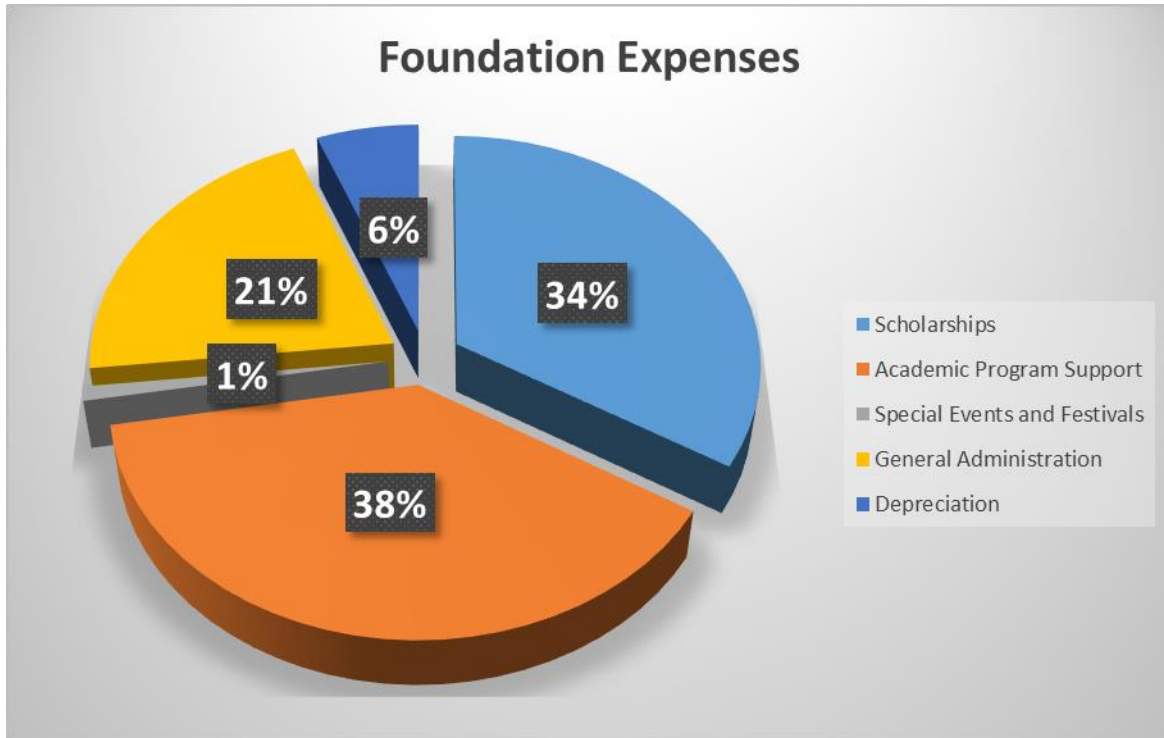
Operating revenue increased by \$5,690,340 over the prior year.

There was an increase in investment income of \$5,286,994 compared with the previous year. This past year, interest rates remained somewhat stable, allowing our investment strategy to produce positive returns. 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 \$6,548,613 is reflected as non-operating income and is made up of gains 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, 2023

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 \$4,945,147 in total operating expenses and transfers for the past year, \$3,625,834 or approximately 73%, 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 79% of total expenses.

Statement of Cash Flows

Total cash provided by operating activities amounted to \$2,461,844 for the past year, compared to total cash used of \$1,286,739 in the previous year.

Cash flows used for investing activities amounted to \$7,245,087 this past year, compared to cash provided of \$525,797 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.

SANTA FE COLLEGE FOUNDATION, INC.

Management's Discussion and Analysis
For the Year Ended December 31, 2023

Cash flows provided for capital and related financing activities amounted to \$1,155,215 this past year, compared to \$333,333 used in the previous year.

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, 2023

WITH SUMMARIZED COMPARATIVE TOTALS FOR DECEMBER 31, 2022

	2023				2022	
	Business-Type Activities					
	Operating					
	Unrestricted Account	Restricted Account	General Plant Account	Endowment Account	Total Fund	Total Fund
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ 11,367	\$ 497,299	\$ 16,000	\$ 100	\$ 524,766	\$ 4,152,794
Accounts and Rents Receivable	4,970	55,135	-	-	60,105	80,505
Investments - Current Portion	545,364	7,671,338	353,294	14,672,091	23,242,087	18,575,932
Total Current Assets	561,701	8,223,772	369,294	14,672,191	23,826,958	22,809,231
Non-Current Assets						
Investments	41,664,075	11,998,761	552,588	22,948,655	77,164,079	63,007,029
Capital Assets (Net)	-	-	14,705,639	-	14,705,639	14,339,973
Total Non-Current Assets	41,664,075	11,998,761	15,258,227	22,948,655	91,869,718	77,347,002
TOTAL ASSETS	42,225,776	20,222,533	15,627,521	37,620,846	115,696,676	100,156,233

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

STATEMENT OF NET POSITION
SANTA FE COLLEGE FOUNDATION, INC.
GAINESVILLE, FLORIDA
DECEMBER 31, 2023
WITH SUMMARIZED COMPARATIVE TOTALS FOR DECEMBER 31, 2022
(Concluded)

	2023				2022	
	Business-Type Activities					Total Fund
	Operating		General Plant Account	Endowment Account	Total Fund	
Unrestricted Account	Restricted Account					
LIABILITIES						
Current Liabilities						
Accounts & Contracts Payable	\$ 872,247	\$ 128,956	\$ 333,334	\$ -	\$ 1,334,537	\$ 805,261
Line of Credit	905,426				905,426	-
Annuity Trust Obligations	-	70,275	-	-	70,275	70,275
Total Current Liabilities	1,777,673	199,231	333,334	-	2,310,238	875,536
Non-Current Liabilities						
Accounts & Contracts Payable	-	-	-	-	-	333,334
Annuity Trust Obligations	-	230,340	-	-	230,340	247,785
Total Non-Current Liabilities	-	230,340	-	-	230,340	581,119
Total Liabilities	1,777,673	429,571	333,334	-	2,540,578	1,456,655
Deferred Inflows of Resources						
Split Interest Agreements	-	428,555	-	-	428,555	394,121
NET POSITION						
Net Investment in Capital Assets	-	-	14,705,639	-	14,705,639	14,006,639
Restricted:						
Non-Expendable	-	-	-	37,620,846	37,620,846	37,315,756
Expendable	-	19,364,407	588,548	-	19,952,955	11,232,206
Unrestricted	40,448,103	-	-	-	40,448,103	35,750,856
Total Net Position	\$ 40,448,103	\$ 19,364,407	\$ 15,294,187	\$ 37,620,846	\$ 112,727,543	\$ 98,305,457

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, 2023
WITH SUMMARIZED COMPARATIVE TOTALS FOR DECEMBER 31, 2022

	2023				2022	
	Business-Type Activities					Total Fund
	Operating		General Plant Account	Endowment Account	Total Fund	
Unrestricted Account	Restricted Account					Total Fund
OPERATING REVENUES						
Contributions:						
Cash and Investments	\$ 103,224	\$ 947,328	\$ -	\$ -	\$ 1,050,552	\$ 724,078
Investment Income (Losses)	1,152,676	3,371,901	-	-	4,524,577	(762,417)
Rental Income and Fees	416,141	133,114	-	-	549,255	577,710
Other Income	419,795	-	-	-	419,795	430,957
Program Income	-	265,645	-	-	265,645	191,497
Special Events and Festivals	105,741	-	-	-	105,741	63,400
TOTAL OPERATING REVENUE	2,197,577	4,717,988	-	-	6,915,565	1,225,225
OPERATING EXPENSES						
Program Services:						
Financial Aid – Scholarships	735,278	929,599	-	-	1,664,877	1,195,061
Academic Program Support	793,422	1,124,652	-	-	1,918,074	812,550
Special Events and Festivals	21,604	-	-	-	21,604	49,125
Fund Raising Expense	21,279	-	-	-	21,279	18,787
Total Program Services	1,571,583	2,054,251	-	-	3,625,834	2,075,523
Supporting Services:						
General Administration	774,628	269,600	-	-	1,044,228	989,475
Depreciation	-	-	275,085	-	275,085	275,085
Total Supporting Services	774,628	269,600	275,085	-	1,319,313	1,264,560
TOTAL OPERATING EXPENSES	2,346,211	2,323,851	275,085	-	4,945,147	3,340,083
OPERATING (LOSS) INCOME	(148,634)	2,394,137	(275,085)	-	1,970,418	(2,114,858)

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, 2023
WITH SUMMARIZED COMPARATIVE TOTALS FOR DECEMBER 31, 2022
(Concluded)

	2023				2022		
	Business-Type Activities					Total Fund	Total Fund
	Operating		General Plant Account	Endowment Account	Total Fund		
Unrestricted Account	Restricted Account						
NON-OPERATING REVENUE (EXPENSES)							
Investment Gains (Losses)	\$ 4,940,172	\$ 1,608,441	\$ -	\$ -	\$ 6,548,613	\$ (9,730,100)	
Gains on Disposal	-	-	203,404	-	203,404	-	
TOTAL NON-OPERATING REVENUE (EXPENSES)	4,940,172	1,608,441	203,404	-	6,752,017	(9,730,100)	
NET INCOME (LOSS) BEFORE CAPITAL ADDITIONS AND TRANSFERS	4,791,538	4,002,578	(71,681)	-	8,722,435	(11,844,958)	
CAPITAL ADDITIONS (DELETIONS) AND TRANSFERS							
Endowment Principal Additions	-	-	-	303,665	303,665	998,908	
Capital Additions	-	4,392,786	1,003,200	-	5,395,986	4,633,527	
Transfers In	575	90,116	356,029	2,000	448,720	793,361	
Transfers Out	(94,866)	(353,279)	-	(575)	(448,720)	(793,361)	
TOTAL CAPITAL ADDITIONS (DELETIONS) AND TRANSFERS	(94,291)	4,129,623	1,359,229	305,090	5,699,651	5,632,435	
NET INCOME (LOSS) AFTER CAPITAL ADDITIONS (DELETIONS) AND TRANSFERS	4,697,247	8,132,201	1,287,548	305,090	14,422,086	(6,212,523)	
NET POSITION, BEGINNING	35,750,856	11,232,206	14,006,639	37,315,756	98,305,457	104,517,980	
NET POSITION, ENDING	\$ 40,448,103	\$ 19,364,407	\$ 15,294,187	\$ 37,620,846	\$ 112,727,543	\$ 98,305,457	

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, 2023
WITH SUMMARIZED COMPARATIVE TOTALS FOR DECEMBER 31, 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Cash Received from:		
Contributions from Donors, Grants, and Match Programs	\$ 1,048,607	\$ 695,050
Investment Income (Losses)	4,524,577	(762,417)
Rental Income	504,289	577,710
Program Income	257,421	191,497
Other	520,566	657,712
Cash Disbursed for:		
Scholarship Awards	(1,615,763)	(961,922)
Program Expense	(1,648,548)	(626,982)
General Administration	(1,086,422)	(989,475)
Other	(42,883)	(67,912)
Total Cash Provided (Used) by Operating Activities	<u>2,461,844</u>	<u>(1,286,739)</u>
Cash Flows from Capital and Related Financing Activities		
Purchases of Capital Assets	(333,333)	(333,333)
Sale of Capital Assets	588,548	-
Financing of Capital Assets	9,746,103	-
Payment of Financing of Capital Assets	(8,846,103)	-
Net Cash (Used) by Capital and Related Financing Activities	<u>1,155,215</u>	<u>(333,333)</u>
Cash Flows from Investing Activities		
Purchases of Investments	(25,979,391)	(12,429,279)
Proceeds from Sales and Maturities of Investments	18,463,905	12,081,049
Endowment Contributions	306,240	998,908
Deferral of Cash Activity - Net Change in Deferred Inflows	34,434	(54,606)
Payments on Annuities and Split Interest Agreements	(70,275)	(70,275)
Net Cash (Used) by Investing Activities	<u>(7,245,087)</u>	<u>525,797</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(3,628,028)	(1,094,275)
Cash and Cash Equivalents at Beginning of Year	4,152,794	5,247,069
Cash and Cash Equivalents at End of Year	<u>\$ 524,766</u>	<u>\$ 4,152,794</u>
<u>Reconciliation of Operating Income to Net Cash</u>		
<u>Provided by Operating Activities</u>		
Operating Income (Loss)	\$ 1,970,418	\$ (2,114,858)
Adjustments to Reconcile Operating Income to Net Cash		
Provided by Operating Activities		
Depreciation Expense	275,085	275,085
Change in Assets and Liabilities		
(Increase) Decrease in Accounts and Rents Receivable	20,400	(29,027)
Increase (Decrease) in Accounts Payable and Contracts	195,941	582,061
Net Cash Provided by Operating Activities	<u>\$ 2,461,844</u>	<u>\$ (1,286,739)</u>
<u>Non-Cash Investing, Capital, and Financing Activities</u>		
Value of Stock Donated to Foundation	\$ -	\$ 50,874
Value of Capital Assets Donated to Foundation	1,000,000	4,633,527
Issuance of Installment Loan	-	1,000,000
Unrealized Investment Gains (Losses)	6,548,612	(9,730,100)

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

NOTES TO FINANCIAL STATEMENTS
SANTA FE COLLEGE FOUNDATION, INC.
GAINESVILLE, FLORIDA
DECEMBER 31, 2023

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, 2023
(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, 2023, was \$524,766 and the related bank balance was \$537,736. 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, 2023
(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, 2023
(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, 2022, 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, 2023, 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, 2023
(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

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). This Statement: (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset and a corresponding subscription liability (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

The provisions of this statement are required to be applied retroactively and subscriptions 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 subscription agreements resulted in recording a right-to-use asset or subscription liability under the provisions of GASB Statement No. 96.

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, 2023
(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, 2023, are reported as follows:

Investments by Fair Value Level	Amount	Fair Value Measurements Using		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Third Party Or Internal Valuation Models (Level 3)
Equities, Bonds, Mutual Funds, and Limited Partnerships				
Mutual Funds/Closed End Funds	\$ 2,196,188	\$ 2,196,188	\$ -	\$ -
Corporate Common Stocks	29,920,287	29,920,287	-	-
Corporate Preferred Stocks	1,996,356	-	1,996,356	-
Corporate Bonds	39,897,888	-	39,897,888	-
U.S. Federal Agency Bonds	4,640,571	-	4,640,571	-
Municipal Bonds	21,330	-	21,330	-
Total Equities, Bonds, and Mutual Funds	78,672,620	32,116,475	46,556,145	-
Real Estate	21,733,546	-	-	21,733,546
Total All Investments	\$ 100,406,166	\$ 32,116,475	\$ 46,556,145	\$ 21,733,546

NOTES TO FINANCIAL STATEMENTS
SANTA FE COLLEGE FOUNDATION, INC.
GAINESVILLE, FLORIDA
DECEMBER 31, 2023
(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 hierarchy adjusted Comparative Market Analysis that was provided by our Property Manager.

	Current Year Unrealized Appreciation (Depreciation)	Fair Value
Mutual/Closed End Funds	\$ 269,409	\$ 2,196,188
Corporate Common Stocks	3,380,549	29,920,287
U.S. Government and Federal Agency Bonds	151,222	4,640,571
Corporate Preferred Stocks	100,511	1,996,356
Corporate Bonds	931,981	39,897,888
Municipal Bonds	(190)	21,330
Real Estate	<u>1,715,131</u>	<u>21,733,546</u>
TOTAL	<u>\$ 6,548,612</u>	<u>\$ 100,406,166</u>

Presented in the accompanying financial statements as:

	Fair Value
Operating Funds	\$ 61,879,538
General Plant Funds	905,882
Endowment Funds	<u>37,620,746</u>
TOTAL	<u>\$ 100,406,166</u>

There was \$3,340,921 in unrealized gains in the fair value of investments during the year ended December 31, 2023. The carrying value of investments at December 31, 2023, 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, 2023:

Interest and Dividends Received	\$ 2,221,611
Net Rental Income	458,820
Net Realized Gain on Investments	2,099,562
Investment Fees	<u>(216,897)</u>
Net Investment Income – Cash Flow	4,563,096
Realized Gain on Capital Assets Held for Sale	203,404
Unrealized Gain	<u>6,548,612</u>
Net Investment Income Reflected in the Statement of Revenues, Expenses, and Changes in Fund Net Position	11,315,112
Add Current Year Net Amounts Recorded as Deferred Inflows in the Statement of Net Position	<u>117,240</u>
Net Investment Income (Loss) – Total Return Basis	<u>\$ 11,432,352</u>

NOTES TO FINANCIAL STATEMENTS
SANTA FE COLLEGE FOUNDATION, INC.
GAINESVILLE, FLORIDA
DECEMBER 31, 2023
(Continued)

NOTE 2 - INVESTMENTS (Continued)

Total cash flow return, exclusive of unrealized gains, amounted to 5.24% and total investment return, representing the combined income plus net unrealized appreciation in the fair value of investments, for the year ended December 31, 2023, was 12.56%.

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, 2023, is as follows:

<u>Rating</u>	<u>% of Total Assets</u>	<u>Total</u>
Aaa/AAA	1.94%	\$ 1,949,793
Aa/AA	9.70%	9,734,404
A/A	19.27%	19,352,865
Baa/BBB	14.75%	14,805,091
Below Investment Grade	0.52%	520,355
Total Rated	46.18%	\$ 46,362,508

NOTES TO FINANCIAL STATEMENTS
SANTA FE COLLEGE FOUNDATION, INC.
GAINESVILLE, FLORIDA
DECEMBER 31, 2023
(Continued)

NOTE 2 - INVESTMENTS (Continued)

Investment Risk Factors (Continued)

<u>Rating</u>	<u>% of Total Assets</u>	<u>Total</u>
Government Backed	0.0%	\$ 147
Corporate Stocks	29.80%	29,920,287
Mutual Funds	2.19%	2,196,188
Municipal Bonds	0.02%	21,330
Preferred Stock	0.17%	172,160
Real Estate	21.64%	21,733,546
Total Non-Rated	<u>53.82%</u>	<u>54,043,658</u>
Total Investments	<u>100%</u>	<u>\$ 100,406,166</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, 2023, are as follows:

<u>Maturity in Years</u>	<u>% of Total Assets</u>	<u>Total</u>
Less than 1	6.67%	\$ 5,249,432
1 to 2	17.15%	13,494,120
3 to 5	19.54%	15,370,991
6 to 10	10.26%	8,071,404
11 to 15	1.91%	1,502,693
16 to 20	1.11%	871,150
21 Plus	2.02%	1,558,906
None	41.34%	32,553,924
	<u>100.00%</u>	<u>\$ 78,672,620</u>

NOTES TO FINANCIAL STATEMENTS
SANTA FE COLLEGE FOUNDATION, INC.
GAINESVILLE, FLORIDA
DECEMBER 31, 2023
(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:

	Balance January 1, 2023	Additions	Disposals	Balance December 31, 2023
Capital Assets Not Being Depreciated:				
Land	\$ 2,605,303	\$ -	\$ (36,141)	\$ 2,569,162
Art Collection	6,403,591	1,025,896	(300)	7,429,187
Art Gallery Equipment	4,375	-	-	4,375
Total Capital Assets Not Being Depreciated:	9,013,269	1,025,896	(36,441)	10,002,724
Capital Assets Being Depreciated:				
Buildings and Improvements	11,604,167	-	(689,749)	10,914,418
Capitalized Film Costs in Production	1,004,645	-	-	1,004,645
Total Capital Assets Being Depreciated:	12,608,812	-	(689,749)	11,919,063
Total Capital Assets	21,622,081	1,025,896	(726,190)	21,921,787
Less Accumulated Depreciation:				
Building and Improvements	(6,307,321)	(270,820)	341,046	(6,237,095)
Capitalized Film Costs	(974,787)	(4,266)	-	(979,053)
Total Accumulated Depreciation	(7,282,108)	(275,086)	341,046	(7,216,148)
Capital Assets, Net	\$ 14,339,973	\$ 750,810	\$ (385,144)	\$ 14,705,639

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, 2023
(Continued)

NOTE 4 - CHARITABLE GIFT AND REMAINDER ANNUITY TRUSTS

As of December 31, 2023, 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, 2023, 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, 2023:

Scholarships	\$ 7,249,248
Program Enhancement	3,101,746
Equipment	1,543,619
Capital Assets	<u>4,824,191</u>
Total Restricted Net Position before Adjustments for Cumulative Unrealized Gain on Investments	16,718,804
Cumulative Unrealized Gain on Investments	<u>2,645,603</u>
Restricted Expendable Net Position	<u>\$ 19,364,407</u>

NOTES TO FINANCIAL STATEMENTS
SANTA FE COLLEGE FOUNDATION, INC.
GAINESVILLE, FLORIDA
DECEMBER 31, 2023
(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 2023.

NOTE 7 - SCHOLARSHIP EXPENSE

A summary of scholarship expense follows:

Mackenzie Scott Fund	\$	735,278
Charles L. Blount Scholarship		75,775
Schwinn Trust Scholarship		73,125
Brightenbroke Scholarship		51,000
AC/SFCC Minority Scholarship		43,128
Veterans Scholarship		42,000
SFC Employees/Dependents		37,466
First Generation Scholarship		35,501
Florida Blue Scholarship		33,953
Foundation Source Scholarship		32,625
Pinkoson Family Scholarship		27,625
Patricia Blount Scholarship		23,375
Daniel Grover Maico Commemorative Scholarship		22,500
Athletic Scholarship		19,038
Farber Trust Matching		15,625
Faculty Prof. Development Fund		15,600
Gainesville Charitable Foundation		15,000
Roszel Trust - Scholarship Fund		14,250
Nursing Education Scholarship (FHCE)		13,500
Al & Aggie Watson Scholarship		12,750
Henry Beck Scholarship		12,000
General Scholarship		11,958
Santa Fe Healthcare/Haven		10,000
Helios Ed First Generation Scholarship		9,528
Chapters Health Hospice Scholarship		9,000
Dream Makers Scholarship		7,427
G. & E. Andrews Scholarship		6,000
Jeanne Johnson Scholarship		6,000

NOTES TO FINANCIAL STATEMENTS
SANTA FE COLLEGE FOUNDATION, INC.
GAINESVILLE, FLORIDA
DECEMBER 31, 2023
(Continued)

NOTE 7 - SCHOLARSHIP EXPENSE (Continued)

Shands AGH Auxiliary Scholarship	\$	6,000
Cecil & Chrstine Shannon Auto		6,000
O'Steen Family Scholarship		5,750
BC/Andrews Min. Scholarship		5,250
Shands at Starke Auxiliary Scholarship		5,125
Campus USA Credit Union Scholarship		4,500
Kiwanis Club of Starke Scholarship		4,500
Leo Hury Scholarship		4,500
Richardson Scholarship		4,500
Women's Career & Tech Education Scholarship		4,500
Florence Smith Nursing Scholarship		4,450
Frank Block Memorial Scholarship		4,250
Gilchrist Co. Endowed Scholarship		4,000
Gilchrist Co. Ed. Health Related		4,000
Ronnie C. & Norita V. Davis Scholarship		3,750
Jones/Johnson Scholarship		3,625
Shands UF Health Related Scholarship		3,625
Civitan/Col. R. James Glikes		3,583
Bussard Scholarship		3,500
Clay County Education Fund		3,450
Opening Doors Campaign Scholarship		3,250
Altrusa Scholarship		3,025
Altrusa of Starke		3,000
Arts & Sciences		3,000
Roxann Kelley Buehn		3,000
S. Clark Butler Scholarship		3,000
Norman K. Jensen Scholarship		3,000
Lennie Kesl Art Scholarship		3,000
Lamar E. Crevasse Scholarship		3,000
Mackinnon-Canard Scholarship		3,000
Medical & Surgical Affil Scholarship		3,000
Larry Noegel Memorial Scholarship		3,000
Jean Bronson Nursing Scholarship		3,000
Nursing & Health Tech.		3,000
Thomas A. Plein Scholarship		3,000
Noah Jacob Rodkin Scholarship		3,000
Whiting-Turner CTE Scholarship		3,000
Zimmerman Memorial Fund		3,000
Mazdak Noorbakhsh Memorial Scholarship		3,000
Displaced Homemakers Program		2,917
HVAC Scholarship		2,905
Margaret F. Knapp Nursing Scholarship		2,900
Ron Carpenter Memorial Scholarship		2,625
J. Block Scholarship		2,500
Village Nursing Scholarship		2,500
Women of Distinction Scholarship		2,500
Bradford Co. General Scholarship		2,250
Andreas Dinopolous Memorial		2,000

NOTES TO FINANCIAL STATEMENTS
SANTA FE COLLEGE FOUNDATION, INC.
GAINESVILLE, FLORIDA
DECEMBER 31, 2023
(Continued)

NOTE 7 - SCHOLARSHIP EXPENSE (Continued)

Hudson Family Scholarship	\$	2,000
Betty Hitchcock Memorial Scholarship		2,000
J. & R. Swick Scholarship		2,000
James Moore Memorial		2,000
Carlos M. Lopes Memorial Scholarship		2,000
John Miller Scholarship		2,000
NBRC Respiratory Care Scholarship		2,000
Amber Peck & John Parker Scholarship		2,000
Knott Wershow Student Government		2,000
Watson Youth Challenge Scholarship		2,000
Dresser Scholarship		1,875
The Spain Keep Your Eye Scholarship		1,750
Automotive Technology		1,750
Dan Alford Baseball Scholarship		1,750
Bruce Walek Scholarship		1,500
C. Ayers Scholarship		1,500
Scarborough Family Scholarship		1,500
Christa Hoyt Memorial		1,500
Paul B. Hamlin Scholarship		1,500
A.W. Fletcher Memorial Scholarship		1,500
Reeda Fullington CVT Scholarship		1,500
Gene Gerber Build Con		1,500
Fiona Gott Memorial Scholarship		1,500
Hogue Family Scholarship		1,500
J.W. Fordyce Scholarship		1,500
Joanie Beth Langford Mem Scholarship		1,500
Mallini Family Scholarship		1,500
Abraham & Etoile Painter Scholarship		1,500
Charles Perry Memorial Scholarship		1,500
Plus One Scholarship		1,500
CPPI/Perry Construction Scholarship		1,500
Becky Reddish Memorial Scholarship		1,500
Sasser Family Scholarship		1,500
Evelyn L. Wenzel Memorial Scholarship		1,500
Disney's Animal Kingdom Scholarship		1,500
Foundation Operations		1,500
Second Career Scholarship		1,468
Rev. Thomas A. Wright Scholarship		1,250
Herron Health Care Scholarship		1,250
Tara McDonald Scholarship		1,200
Adult Education Emergency Fund		1,100
AC Farm Bureau Scholarship		1,067
Margaret R. Clifton Scholarship		1,000
Joanna Hammond Memorial Scholarship		1,000
Jacl & Clara Hazen Scholarship		1,000
Health Sciences Scholarship		1,000
Myers Family Scholarship		1,000
P. Baker Civitan		1,000

NOTES TO FINANCIAL STATEMENTS
SANTA FE COLLEGE FOUNDATION, INC.
GAINESVILLE, FLORIDA
DECEMBER 31, 2023
(Continued)

NOTE 7 - SCHOLARSHIP EXPENSE (Concluded)

Tina and Lee Pinkoson Scholarship	\$	1,000
Thomas A. Plein CTE Scholarship		1,000
J. Ardene Wiggins Family Scholarship		1,000
Eric Thomas Anderson Memorial Scholarship		1,000
George Butler Memorial Scholarship		833
C. O'Connor Scholarship		750
Danielle Kramer Memorial Scholarship		750
Esther Porter Lane Memorial		750
F. Watson Scholarship		550
Joseph Pafchek Jr. Memorial Scholarship		550
American Hometown Veteran		550
Diana Farris Memorial Scholarship		500
Herring Family Scholarship		500
Jessie & Carrie Moses, Sr. Scholarship		500
American Sign Language Scholarship		500
		<u>427</u>
Total Scholarship Expenses	\$	<u>1,664,877</u>

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:

Mackenzie Scott Fund	\$	695,781
Shands LINE Fund		390,000
UF Health Sciences Training		202,986
Industrial Technology Program		85,047
SF College – Miscellaneous		81,186
Athletic Baseball Accounts		50,551
Plum Creek/Blount Center Grant		50,000
Aspen Prize		36,000
Opening Doors Campaign Scholarship		30,087
C. L. Blount Auto Equipment Fund		27,586
Roszel Trust – Equipment Fund		23,116
General Enhancements		21,440
Athletic Program Account		20,632
Athletic Softball Account		20,026
Fine Arts Enhancement Fund		18,000
SFC Nurse Equipment Trust Fund		17,233
Athletic Volleyball Account		14,655
Student Affairs Access Needs		13,500
Athletic Men's Basketball		12,003
Dental Instruct. Equip. Enhance		11,318

NOTES TO FINANCIAL STATEMENTS
SANTA FE COLLEGE FOUNDATION, INC.
GAINESVILLE, FLORIDA
DECEMBER 31, 2023
(Continued)

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

Zoo TPD Grant	\$	11,318
Athletic Women’s Basketball		11,017
Davis Center Comp Tech Lab		10,000
SF Center for Ethics Account		9,300
Student Affairs Emergency Fund		7,579
Foundation Operations		7,155
Library Program Enhancement		5,047
NACCE – Everyday Entrepreneur		5,000
President’s Expense Reimburse		4,085
Institute of Public Safety		3,578
Graphic Design Program		2,650
Planetarium		2,424
Athletic Enhancement		2,325
Florida Hemingway Society		1,986
Natural Sciences Turtle Project		1,831
Take Stock In Children		1,523
International Education – McRae		1,500
Run Walk or Roll with the Cops		1,360
Miscellaneous Programs		1,355
D. Cook and K. Ramer Art Fund		1,216
Geological Field Station		1,125
Nursing Simulated Lab		925
Zoo Program Account		833
Andrews Center Trust		695
S. Fulford/Gainesville Fine Art		450
Heroes & Helpers/Hardship Fund		400
Quiet Time at the Zoo		250
		<hr/>
Total Program Expenses	\$	<u>1,918,074</u>

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.

NOTES TO FINANCIAL STATEMENTS
SANTA FE COLLEGE FOUNDATION, INC.
GAINESVILLE, FLORIDA
DECEMBER 31, 2023
(Continued)

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, 2023, were as follows:

Transfers In	Transfers Out				Total
	Operating Unrestricted	Operating Restricted	General Plant	Endowment	
Operating Unrestricted	\$ -	\$ -	\$ -	\$ 575	\$ 575
Operating Restricted	90,116	-	-	-	90,116
General Plant	4,750	351,279	-	-	356,029
Endowment	-	2,000	-	-	2,000
Total	\$ 94,866	\$ 353,279	\$ -	\$ 575	\$ 448,720

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 2023 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 and self insures. 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 and the second installment payment in 2023 of \$333,333, with a total remaining balance due of \$333,334 of which \$333,334 will be paid in 2024.

NOTES TO FINANCIAL STATEMENTS
SANTA FE COLLEGE FOUNDATION, INC.
GAINESVILLE, FLORIDA
DECEMBER 31, 2023
(Concluded)

NOTE 15 - MERRIL LYNCH REVOLVING LINE OF CREDIT

The Foundation purchased the 6th Street Plaza in December 2023. To accomplish this in the most effective manner possible, the Foundation opened a \$12,000,000 line of credit with Merrill Lynch using our financial investments as collateral. During 2023, the Foundation borrowed \$9,746,103 and repaid \$8,846,103. Interest charges are based on an interest rate determined by adding the spread to the base rate, which resets weekly. Total interest charges during 2023 were \$5,694. The remaining balance will be paid in January 2024.

NOTE 16 - 6th STREET PLAZA

The 6th Street Plaza was purchased with the intention of expanding the footprint of the College in downtown Gainesville. Eventually, this property will be transferred to the College but until then, the Foundation will operate it as an investment property.

**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, 2023, 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 10, 2024.

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*.

The Foundation's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Foundation's response to the finding identified in our audit. The Foundation's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 10, 2024
Gainesville, Florida

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