

2024

Foundation for Seminole State College of
Florida, Inc. (A Component Unit of
Seminole State College of Florida)

Financial Statements and
Independent Auditor's Report

June 30, 2024

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

**FOUNDATION FOR SEMINOLE STATE COLLEGE
OF FLORIDA, INC.
(A COMPONENT UNIT OF
SEMINOLE STATE COLLEGE OF FLORIDA)**

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

JUNE 30, 2024

TABLE OF CONTENTS

Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-11
Financial Statements	
Statements of Net Position.....	12
Statements of Revenues, Expenses, and Changes in Net Position.....	13
Statements of Cash Flows.....	14
Notes to Financial Statements.....	15-27
Supplementary Information	
Schedule of Revenues, Expenses, and Changes in Net Position.....	28
Other Report - <i>Government Auditing Standards</i>	
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>	29-30

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Foundation for Seminole State College
of Florida, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Foundation for Seminole State College of Florida, Inc. (the Foundation) (a non-profit organization), a component unit of Seminole State College of Florida, which comprise the statements of net position as of June 30, 2024 and 2023, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended and the related notes to financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2024 and 2023, and the changes in financial position and its cash flows thereof for the years 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 for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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To the Board of Directors
Foundation for Seminole State College
of Florida, Inc.

INDEPENDENT AUDITOR'S REPORT

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 on pages 4 through 11 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

To the Board of Directors
Foundation for Seminole State College
of Florida, Inc.

INDEPENDENT AUDITOR'S REPORT

essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Foundation's basic financial statements. The supplementary information on page 28 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 13, 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 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 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.



August 13, 2024
Ocala, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

Mission Statement

The Foundation for Seminole State College of Florida, Inc.'s (the "Foundation") mission is to enhance Seminole State College of Florida's programs and services through the development and management of private contributions and community partnerships. The Foundation provides resources that support academic excellence, increased access, and vital community outreach, which assist in the advancement of the institution, students, faculty, and staff.

The following discussion and analysis of the financial statements for the Foundation for Seminole State College of Florida, Inc. presents an overview of the Foundation's financial activities for the fiscal years ended June 30, 2024, 2023, and 2022.

Established in 1968, the Foundation is a direct support organization and discrete component unit of Seminole State College of Florida (a governmental agency), hereafter referred to as the "College."

Management has prepared the financial statements and related footnote disclosures, along with the discussion and analysis, and assumes full responsibility for this information. The Foundation presents its financial statements under the governmental reporting model promulgated by the Governmental Accounting Standards Board ("GASB"). The Foundation's financial information is included within the College's reporting entity as a discretely presented component unit. Any requests for additional information should be directed to the Executive Director or the Director of Finance at the Foundation for Seminole State College, 1055 AAA Drive, Suite 209, Heathrow, Florida 32746.

The management's discussion and analysis focuses on current activities, resulting changes, and currently known information, which provide the reader of this report with an overall summary of the accompanying financial statements. It should be read in combination with the basic financial statements and accompanying notes that follow this section. The basic financial statements include the statements of net position; statements of revenues, expenses, and for FY24, changes in net position; and statements of cash flows.

The Foundation had its most successful year ever. Support for Dream Gala and Dream Cup continued to be excellent with combined revenue for the events being up \$93 thousand. Contributions were \$3.4 million higher than last year. Individual Contributions were up \$900 thousand, Corporate Contributions were up \$1.6 million, and Grants were up \$800 thousand. There were twelve new endowed scholarships funded totaling \$1.27 million. As is our standard practice, for our investments, a 4% return (including dividends and interest) was budgeted. The Foundation continued to see strong returns on its investments. The combined returns for the fiscal year, with Bank of America were 9.54%. The Lee Investments return was 14.50% for the fiscal year.

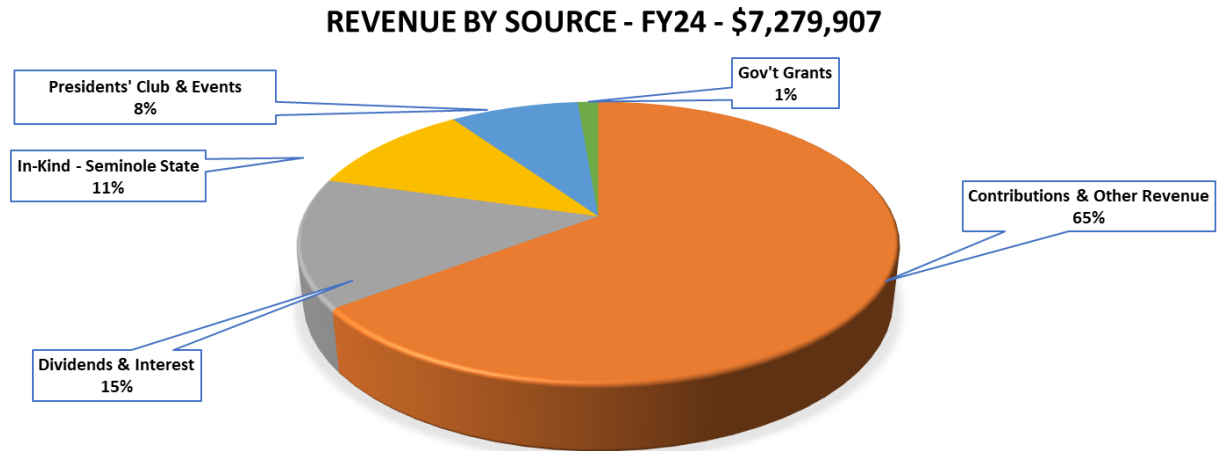
The continued support provided opportunities for the Foundation to further support the College. We can share, with great pride, the following successes in fiscal year 2024:

1. Total scholarship support to the College \$1.27M. This was the second highest amount (\$1.28M in FY20).
2. The funding of 12 new Endowed Accounts during the fiscal year bringing the total number of Permanent and Board Directed Endowed Accounts to 261 established within the Foundation.

MANAGEMENT'S DISCUSSION AND ANALYSIS

3. Support to the College: \$2.88M.
4. Combined Revenue for Dream Gala and Dream Cup the most ever, \$661,005.
5. Secured several multi-year pledges of support totaling \$2.8M.

Financial Highlights



In fiscal year 2024, the Foundation's revenue (excluding realized and unrealized investment gains) was \$7,279,907, which does not include additions to endowed scholarships. This is an increase of \$3.3M compared to FY23. The increase was spread out over multi-year sponsorship pledges, grants for workforce programs and higher interest and dividend yields. Continued strength in the markets also provided the Foundation a realized and unrealized gain on investments of \$2.3M.

Statements of Net Position

The statements of net position present all the Foundation's assets and liabilities, with the difference between the two reported as "net position." Over time, increases or decreases in the net assets may serve as one useful indicator of whether the financial position of the Foundation is improving or deteriorating. Many other non-financial factors receive consideration when assessing the overall health of the Foundation.

Net position is listed as one of four classifications:

1. Net Investment in Capital Assets – This is comprised of capital assets, net of accumulated depreciation, where applicable, and deferred outflows related to future capital assets, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of capital assets of the Foundation.
2. Restricted Expendable – This represents amounts restricted by donors by use or time, which are available for spending in accordance with specific parameters as outlined by the donor.
3. Restricted Non-Expendable Endowments – This represents funds held by the Foundation in perpetuity as required by the donor. These are restricted permanent funds.
4. Unrestricted – Amounts available to the Foundation for any purpose that supports its mission.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The change in net position equals the excess of funds (contributions, investment income, and other revenue) over expenses. All revenues and expenses are taken into account regardless of when cash is received or paid. When revenues and other support exceed expenses, the result is an increase in net position. When the reverse occurs, the result is a decrease in net position. This relationship between revenues and expenses is similar to what is considered the "operating profit" or "loss" in a private-sector institution.

The following schedule is a summary of the Foundation's statements of net position as of June 30, 2024, 2023, and 2022, and the variances from year to year:

	June 30, 2024	June 30, 2023	Increase (Decrease) FY24 vs. FY23	June 30, 2022	Increase (Decrease) FY23 vs. FY22
Current Assets	\$ 7,258,198	\$ 5,508,316	\$ 1,749,882	\$ 3,235,188	\$ 2,273,128
Non-Curent Assets	34,368,544	29,219,651	5,148,893	29,592,350	(372,699)
Total Assets	41,626,742	34,727,967	6,898,775	32,827,538	1,900,429
Current Liabilities	299,460	185,515	113,945	290,960	(105,445)
Total Liabilities	299,460	185,515	113,945	290,960	(105,445)
Net Position					
Invested in Capital Assets and Deferred Outflows, Net of Related Debt	1,472,171	1,472,171	-	4,072,171	(2,600,000)
Restricted - Expendable	13,444,846	9,151,002	4,293,844	12,774,015	(3,623,013)
Restricted - Non-Expendable Endowments	15,401,232	13,629,161	1,772,071	13,094,440	534,721
Unrestricted	-	-	-	2,595,952	(2,595,952)
Undesignated	3,680,817	3,618,304	62,513	-	3,618,304
Board Designated	7,328,216	6,671,814	656,402	-	6,671,814
Total Net Position	\$ 41,327,282	\$ 34,542,452	\$ 6,784,830	\$ 32,536,578	\$ 2,005,874

The Foundation's net position increased \$6.8M in 2024 compared to 2023. This is attributed to a combination of additional support for the events, increased contributions, investment returns, and controlling expenses. For 2024, \$2.88M (which consists of approximately \$2.67M of scholarships and program support and \$206K of other operating expenses) in support was provided to the College. The Foundation increased its scholarship support, \$33K to the College in 2024.

In May 2008, the Foundation purchased 3.28 acres at the northern gateway to the College near Lake Mary Boulevard for \$828,741. Site development increased the value of the land to \$872,171. On August 11, 2014, for \$600,000, the Foundation acquired 1.5673 acres of undeveloped land in Lake Mary, Florida, adjacent to the 3.28-acre parcel already owned by the Foundation. There is no outstanding debt on either of these properties, with final debt payments made in June 2014 and August 2018, respectively.

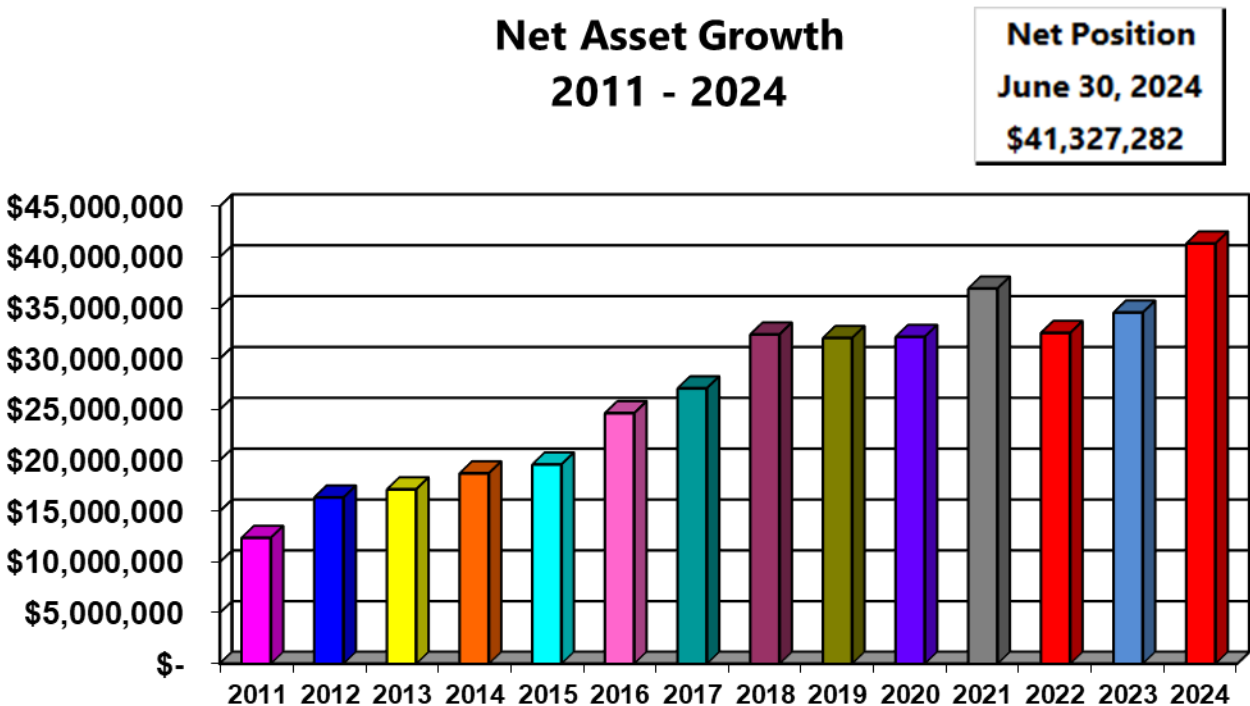
The Foundation's current assets, restricted by purpose to scholarship or program accounts, were \$4,118,968 in fiscal year 2024, \$2,165,710 in fiscal year 2023, and \$2,801,931 in fiscal year 2022. The increase in FY24 was due to several new multi-year pledges, \$600K, plus the matching funds for the State of Florida LINE Grant Program, \$1M.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Non-current assets increased in fiscal year 2024 to \$34,368,544. In fiscal years 2023 and 2022, the amounts were \$29,219,651 and \$29,592,350, respectively. The bulk of the increase in FY24 was due to investment returns, \$2.3M, and the establishment of new endowed scholarship accounts, \$1.2M.

Current liabilities for fiscal year 2024 were \$299,460. Current liabilities are mostly payables owed to Seminole State College for student scholarships and program support. The payables were paid the first week of fiscal year 2025.

The following chart shows the ending net position on June 30 for each of the preceding 14 years:



Statements of Revenues, Expenses, and Changes in Net Position

The purpose of the statements of revenues, expenses, and changes in net position is to provide details of the Foundation's operating and non-operating activities for the fiscal year. This statement includes the following sections:

1. Operating Revenues – Contributions from donors, College in-kind support, and other revenue.
2. Operating Expenses – Those expenses paid to acquire or produce the goods and services provided in return for operating revenues and to carry out the mission of the Foundation; they are detailed by expenditure type.
- 3.
4. Net Operating Income (Loss) – Represents the amount of operating revenues in excess of the year's operating expenses; it does not reflect non-operating revenues.
5. Non-Operating Revenues (Expenses) – Revenue from sources that are derived from activities not related to core function, i.e., investment earnings (losses).

MANAGEMENT'S DISCUSSION AND ANALYSIS

6. Change in Net Position – The result of the fiscal year's excess or deficiency of revenues over expenses, which is also the change in total net position.

The following schedule shows the Foundation's statements of revenues, expenses, and changes in net position for the years ended 2024, 2023, and 2022 and the variances from year to year:

	June 30, 2024	June 30, 2023	Increase (Decrease) FY24 vs. FY23	June 30, 2022	Increase (Decrease) FY23 vs. FY22
Operating Revenues					
Contributions	\$ 4,120,880	\$ 1,515,037	\$ 2,605,843	\$ 1,137,893	\$ 377,144
Sponsorship Revenue	176,455	-	176,455	-	-
Other Revenues	479,093	433,814	45,279	340,344	93,470
Special Events, Net of Costs	537,125	397,710	139,415	323,811	73,899
In-Kind Support - College	795,914	665,341	130,573	600,462	64,879
Total Operating Revenues	6,109,467	3,011,902	3,097,565	2,402,510	609,392
Operating Expenses					
Personnel Services	778,332	639,408	138,924	605,043	34,365
Scholarships and Program Support	2,643,146	2,586,617	56,529	2,476,871	109,746
Contractual Services	311,832	296,794	15,038	284,084	12,710
Fundraising	-	-	-	1,883	(1,883)
Materials and Supplies	97,192	42,565	54,627	61,193	(18,628)
Other Services and Expenses	114,839	187,444	(72,605)	98,074	89,370
Total Operating Expenses	3,945,341	3,752,828	192,513	3,527,148	225,680
Operating (Loss) Income	2,164,126	(740,926)	2,905,052	(1,124,638)	383,712
Non-Operating Revenues					
State Grants	95,936	103,209	(7,273)	110,283	(7,074)
Realized and Unrealized Gains on Investments	2,237,762	1,422,066	815,696	(3,758,931)	5,180,997
Interest and Dividends	1,075,984	879,835	196,149	573,172	306,663
Impairment for Loss on Held-for-Sale Assets	-	-	-	(500,000)	500,000
Total Non-Operating Revenues	3,409,682	2,405,110	1,004,572	(3,575,476)	5,980,586
Endowment Contributions	1,211,022	341,690	869,332	334,224	7,466
Increase (Decrease) in Net Position	6,784,830	2,005,874	4,778,956	(4,365,890)	6,371,764
Net Position, Beginning of Year	34,542,452	32,536,578	2,005,874	36,902,468	(4,365,890)
Net Position, End of Year	\$ 41,327,282	\$ 34,542,452	\$ 6,784,830	\$ 32,536,578	\$ 2,005,874

Operating Results

- The Foundation's relationship between revenues and expenses is not linear. Dollars are raised over multiple years and funds are spent over multiple years, not necessarily always matching up. For fiscal year 2024, the Foundation had an operating gain of \$2.16M, an increase of \$2.9M from fiscal year 2023. Endowed Scholarship awards are based on the previous year's investment returns. Recent strong returns allowed for an additional \$33K in scholarship support in FY24.
- In fiscal year 2024, the Foundation received \$4,120,800 in direct operating contributions, sponsorships, and pledges, compared to \$1,515,037 in fiscal year 2023. The increase in support is due to new multi-year pledges and matching funds for the State of Florida LINE Grant supporting nursing.

MANAGEMENT’S DISCUSSION AND ANALYSIS

- Special event revenues, net of related costs, for fiscal years 2024, 2023, and 2022 were \$537,125, \$397,710, and \$323,811, respectively. These funds are raised from two events held annually by the Foundation, the Dream Gala and the Dream Cup Challenge Golf Tournament. The annual scholarship auction, which has been an important component of the Dream Gala since 2011, yielded \$40,270, \$50,318, and \$48,356 in fiscal years 2024, 2023, and 2022, respectively. Addition Financial this year offered a 100% matching opportunity to donors who established or increased his/her endowed scholarship account.
- Direct operating support of \$795,914 was received from the College in fiscal year 2024, an increase of \$130K over the prior year. The increase was the result open positions in FY23 plus the Foundation added a Scholarship Specialist to assist in the awarding and management of student scholarships. Staff full-time equivalents (FTEs) (paid at year-end by the College) were approximately 8.0, 7.0, and 6.0 in fiscal years 2024, 2023, and 2022, respectively.

Direct operating support from the College consists of the following for the years ended June 30, 2024, 2023, and 2022:

	Direct College Operating Support		
	2024	2023	2022
Salary and Benefits	\$ 728,080	\$ 597,507	\$ 532,628
Occupancy and Other	67,834	67,834	67,834
	\$ 795,914	\$ 665,341	\$ 600,462

Non-Operating Results

- Endowment contributions of \$1,211,022 for fiscal year 2024, \$341,690 for fiscal year 2023, and \$334,224 for fiscal year 2022, are donor-permanently-restricted contributions. The Foundation has focused on this area with 39 endowments being established over the past 3 years. Here is the breakdown per year: nine (9) in fiscal year 2021, fifteen (15) in fiscal year 2022, and fifteen (15) in fiscal year 2023.
- Beginning with fiscal year 2009, the Dr. Philip Benjamin Matching Grant Program has not been funded by the state of Florida; the program was officially suspended for all future contributions received after June 29, 2011. Unmatched contributions received during the period from February 2, 2007, to June 29, 2011, remain in queue with the state. These matching funds will be paid if and when state funding permits; \$3,236,870 in state matching funds are pending for the Foundation.
- While the Dr. Philip Benjamin Matching Grant Program has been suspended, the state does still offer matching grant funds for scholarships for First Generation in College students. The amounts were \$110,283 and \$103,209 in fiscal years 2022 and 2023, respectively. For 2024 the amount was \$95,936.
- Investment income (interest and dividends) increased \$196K in 2024 as we saw a continued higher return on cash balances. Dividends led the way increasing \$369K due to Bank of America rotating to income producing investments. Interest Earnings was up \$110K compared to 2023.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Realized and unrealized gains (losses) and investment fees on investments for the years ended June 30, 2024, 2023, and 2022, are as follows:

	2024	2023	2022
Realized Gains (Losses)	\$ 432,385	\$ (276,584)	\$ 784,231
Unrealized Gains (Losses)	1,929,481	1,810,834	(4,424,864)
Investment Fees	(124,104)	(112,184)	(118,290)
Net Gains (Losses)	\$ 2,237,762	\$ 1,422,066	\$ (3,758,923)

Operating Expenses

- Most of the programs and services generally associated with the Foundation's basic financial statements consist of institutional support and scholarships as the primary focus and consist of the following for the years ended June 30, 2024, 2023, and 2022:

	2024	2023	2022
Faculty Personnel Costs	\$ 590,437	\$ 585,269	\$ 510,685
Program Support	780,311	761,781	788,475
Scholarships	1,272,398	1,239,567	1,175,540
Total	\$ 2,643,146	\$ 2,586,617	\$ 2,474,700

Beginning in fiscal year 2013, the Foundation has provided salary support to the College consistently for the Nursing program. The Foundation increased its support for program in 2018, when the College began offering a Bachelor of Science degree in Nursing during the spring semester. Over the years, additional assistance has been supplied for Academic Advising for First Generation in College students, the Theater program, and for support of Athletics Coaching.

As highlighted earlier, the Foundation's endowed portfolio continues to grow, generating more award dollars each year. Non-endowed scholarships in 2022 and 2023 were \$683,485 and \$754,460, respectively. In 2024 the amount was \$745,995. Average awards per student were \$817 and \$769, respectively, for fiscal years 2024 and 2023.

Capital Assets and Long-Term Debt

In May 2008, the Foundation recorded its first capital asset at \$828,741. This represents a 3.28-acre parcel of land located at the northern entrance to the College's Sanford/Lake Mary Campus. In fiscal year 2009, site development work of \$43,430 brought the asset value to \$872,171. This acquisition was financed in 2008 and was paid in full by fiscal year 2014. In fiscal year 2015, the Foundation acquired 1.5673 acres of undeveloped land in Lake Mary, Florida, adjacent to the 3.28-acre parcel already owned by the Foundation, with a note of \$600,000 payable over five years. The Foundation currently has no debt.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Future Economic Outlook

The Foundation is always thankful to our donors and friends and will continue to recognize their contributions and impact on our students and community. We believe there are many opportunities to further engage and support the Foundation across Central Florida. The area is still one of the fastest growing regions in the country, and Seminole County specifically, continues to attract organizations with higher wages and quality of life. We are excited about the future but will continue to a measured and slightly conservative approach to our work. We will follow our budgets closely to ensure we have another year of positive support to the College.

We look forward to further expanding our fundraising base and support for the College. For this next fiscal year, our focus will be to:

- Work with our health care partners to identify resources to expand nursing and health care programs.
- Working with industry partners to upgrade our workforce trades building (D) on the Sanford campus.
- Focus on increasing support for the various programs at the College.
- Utilizing a new CRM for better donor recognition and engagement.
- Continue to put a priority on thanking our donors and partners for supporting the Foundation and College.
- Integrating new staffing positions to assist in the growth of the Foundation via social media, technology and donor recognition.

This financial report is designed to provide the College, our donors, stakeholders, and creditors with a general overview of the Foundation's finances and to show the Foundation's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Foundation at foundation@seminolestate.edu.

FINANCIAL STATEMENTS

FOUNDATION FOR SEMINOLE STATE COLLEGE OF FLORIDA, INC.
(A COMPONENT UNIT OF SEMINOLE STATE COLLEGE OF FLORIDA)
STATEMENTS OF NET POSITION
JUNE 30, 2024 AND 2023

	2024	2023
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 3,003,182	\$ 3,170,770
Restricted Cash and Cash Equivalents	3,624,523	2,145,627
Pledges Receivable, Net	136,048	171,836
Restricted Pledges Receivable, Net	485,056	9,463
Restricted Other Current Assets	9,389	10,620
Total Current Assets	7,258,198	5,508,316
Non-Current Assets:		
Investments, at Fair Value	2,785,813	1,874,397
Restricted Investments, at Fair Value	29,009,409	25,847,468
Pledges Receivable, Net	129,530	-
Restricted Pledges Receivable, Net	971,621	25,615
Capital Assets Not Being Depreciated	1,472,171	1,472,171
Total Non-Current Assets	34,368,544	29,219,651
Total Assets	41,626,742	34,727,967
Liabilities		
Current Liabilities:		
Accounts Payable and Accrued Expenses	6,264	-
Due to Seminole State College of Florida	17,687	32,277
Payable from Restricted Assets:		
Due to Seminole State College of Florida	251,239	128,833
Assets Held for College Clubs	24,270	24,405
Total Liabilities	299,460	185,515
Net Position		
Net Investment in Capital Assets	1,472,171	1,472,171
Restricted:		
Expendable	13,444,846	9,151,002
Non-Expendable Endowments	15,401,232	13,629,161
Unrestricted:		
Undesignated	3,680,817	3,618,304
Board Designated	7,328,216	6,671,814
Total Net Position	\$ 41,327,282	\$ 34,542,452

See accompanying notes.

FOUNDATION FOR SEMINOLE STATE COLLEGE OF FLORIDA, INC.
(A COMPONENT UNIT OF SEMINOLE STATE COLLEGE OF FLORIDA)
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Operating Revenues		
Contributions	\$ 4,120,880	\$ 1,515,037
Program Revenues	655,548	433,814
Special Events, Net	537,125	397,710
In-Kind Support - Seminole State College of Florida	795,914	665,341
Total Operating Revenues	<u>6,109,467</u>	<u>3,011,902</u>
Operating Expenses		
Personnel Services	778,332	639,408
Scholarships and Program Support	2,643,146	2,586,617
Contractual Services	311,832	296,794
Materials and Supplies	97,192	42,565
Other Services and Expenses	114,839	187,444
Total Operating Expenses	<u>3,945,341</u>	<u>3,752,828</u>
Operating Gain (Loss)	<u>2,164,126</u>	<u>(740,926)</u>
Non-Operating Revenues		
State Grants	95,936	103,209
Realized and Unrealized Gains/(Losses) on Investments, Net	2,237,762	1,422,066
Interest and Dividends	1,075,984	879,835
Total Non-Operating Revenues	<u>3,409,682</u>	<u>2,405,110</u>
Additions to Endowments - Contributions	<u>1,211,022</u>	<u>341,690</u>
Changes in Net Position	6,784,830	2,005,874
Net Position, Beginning of Year	<u>34,542,452</u>	<u>32,536,578</u>
Net Position, End of Year	<u>\$ 41,327,282</u>	<u>\$ 34,542,452</u>

See accompanying notes.

FOUNDATION FOR SEMINOLE STATE COLLEGE OF FLORIDA, INC.
(A COMPONENT UNIT OF SEMINOLE STATE COLLEGE OF FLORIDA)
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
Operating Activities		
Receipts from Contributions	\$ 3,210,456	\$ 2,782,262
Receipts from Program Revenues	656,779	430,394
Payments for Scholarships and Program Support	(2,535,330)	(2,688,653)
Payments for Employees	(50,210)	(106,780)
Payments to Suppliers	(517,734)	(530,212)
Net Cash Provided by (Used in) Operating Activities	763,961	(112,989)
Investing Activities		
Receipts from Interest and Dividends	1,075,984	879,835
Proceeds from Sales of Capital Assets	-	2,600,000
Purchases of Investments	(9,200,734)	(9,229,277)
Proceeds from Sales of Investments and Maturities	7,365,139	8,278,617
Net Cash Provided by (Used in) Investing Activities	(759,611)	2,529,175
Non-Capital Financing Activities		
State Grants	95,936	103,209
Endowment Contributions	1,211,022	341,690
Net Cash Provided by (Used in) Non-Capital Financing Activities	1,306,958	444,899
Net Change in Cash and Cash Equivalents	1,311,308	2,861,085
Cash and Cash Equivalents		
Beginning of Year	5,316,397	2,455,312
End of Year	\$ 6,627,705	\$ 5,316,397
<u>Presented in the Accompanying</u>		
<u>Statement of Net Position as:</u>		
Cash and Cash Equivalents	\$ 3,003,182	\$ 3,170,770
Restricted Cash and Cash Equivalents	3,624,523	2,145,627
	\$ 6,627,705	\$ 5,316,397
<u>Reconciliation of Operating Gain (Loss) to Cash and</u>		
<u>Cash Equivalents Provided by (Used in) Operating Activities:</u>		
Operating Gain (Loss)	\$ 2,164,126	\$ (740,926)
Adjustments to Reconcile Operating Gain (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Changes in:		
Pledges Receivable	(93,742)	271,934
Restricted Pledges Receivable	(1,420,368)	461,448
Accounts Payable and Accrued Expenses	6,264	(1,976)
Due to Seminole State College of Florida	107,816	(102,036)
Assets Held for College Clubs	(135)	(1,433)
Total Adjustments	(1,400,165)	627,937
Net Cash Provided by (Used in) Operating Activities	\$ 763,961	\$ (112,989)
<u>Supplemental Disclosures</u>		
Non-Cash Investing and Financing Activities:		
Unrealized Gain (Loss) on Investments	\$ 1,929,481	\$ 1,809,529
Value of Stock Donated to the Foundation	78,112	-

See accompanying notes.

**FOUNDATION FOR SEMINOLE STATE COLLEGE
OF FLORIDA, INC.
(A COMPONENT UNIT OF SEMINOLE STATE COLLEGE OF FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

Note 1 - Organization and Purpose

Foundation for Seminole State College of Florida, Inc. (the Foundation) was chartered under Chapter 617 of the Florida Statutes as a not-for-profit and incorporated as a direct support organization, as provided for in Section 240.331, Florida Statutes. The Foundation was established in 1968 in Sanford, Florida. The Foundation's principal function is to receive, hold, invest, and administer charitable contributions for Seminole State College of Florida (the College). The Foundation is a non-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from federal and state income taxes pursuant to Section 509(a) of the IRC.

The Foundation complies with accounting principles generally accepted in the United States of America. The Foundation applies all relevant Governmental Accounting Standards Board pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in Note 2. The remainder of the notes are organized to provide explanations, including required disclosures of the Foundation's financial activities for the fiscal years ended June 30, 2024 and 2023.

Note 2 - Summary of Significant Accounting Policies

Financial Reporting Entity

The Foundation functions as a direct support organization of the College, as defined in Section 1004.70, Florida Statutes. Although the Foundation is legally separate from the College, it is financially accountable to the College. The Foundation is managed independently, outside the College budgeting process, and its powers generally are vested in a governing board pursuant to various state statutes. The Foundation holds, invests, and administers property and makes expenditures to, or for the benefit of, the College. The Foundation is considered a component unit of the College.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Foundation prepares its financial statements using the economic resources measurement focus and on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for proprietary funds, which is similar to those principles used for private business enterprises. Accordingly, revenues are recorded when earned and expenses are recorded when incurred.

Fund Accounting

To ensure observance of limitations and restrictions placed on the use of resources, 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. Separate accounts are maintained for each fund. For reporting purposes, these funds are combined into one column.

When both restricted and unrestricted resources are available for use, it is the Foundation's policy to use restricted resources first, then unrestricted resources as they are needed.

**FOUNDATION FOR SEMINOLE STATE COLLEGE
OF FLORIDA, INC.
(A COMPONENT UNIT OF SEMINOLE STATE COLLEGE OF FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

The net position of the Foundation is reported in three fund groups as follows:

Net Investment in Capital Assets—Represents funds that consist of capital assets, including restricted capital assets, net of accumulated depreciation.

Restricted—Within restricted, there are two fund types as follows:

- *Expendable*—Representing funds that are subject to donor, grantor, or other outside party restrictions to use for the benefit of various programs at the College, including the expendable portion of endowment funds.
- *Non-Expendable*—Representing the non-expendable portion of endowment funds that are subject to donor, grantor, or other outside party restrictions to use for the benefit of various programs at the College. Net earnings and losses on endowment funds are included in expendable funds.

Unrestricted—Representing funds that are available without restriction for carrying out the Foundation’s objectives including internal board designated restrictions.

Operating and Non-Operating Activities

Operating revenues and expenses represent ongoing activities of the Foundation, as well as ongoing activities which are in support of the College’s programs. Operating activities directly relate to the Foundation’s principal functions, which are to receive, hold, and invest and administer charitable contributions for the College. All revenues and expenses not meeting this definition or those earned and incurred on a passive basis, such as investments, are reported as non-operating revenues and expenses.

Revenue Recognition

Contributions are recognized as increases in net position when received or when pledged unconditionally. Assets donated to the Foundation are recorded at their estimated fair value at the date of donation. Donated services subject to objective measurement and valuation such as payroll and rent are recognized as revenue by the Foundation. Other donated services are not recognized as revenue by the Foundation.

Cash, Restricted Cash, and Cash Equivalents

For purposes of reporting cash flows, the Foundation considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Restricted cash consists of cash and cash equivalents subjected to donor, grantor, or other outside party restrictions.

Investments

Investments are carried at fair value and realized, and unrealized gains and losses are reflected in the statements of revenues, expenses, and changes in net position. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Investments that are expected to be sold or redeemed within the next 12 months are classified as current investments while investments expected to be held over the next 12 months are classified as non-current investments.

**FOUNDATION FOR SEMINOLE STATE COLLEGE
OF FLORIDA, INC.
(A COMPONENT UNIT OF SEMINOLE STATE COLLEGE OF FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

Pledges Receivable

All unconditional pledges that are verifiable, probable, and measurable are recorded at their estimated realizable value on a discounted basis. Restricted pledges receivable consists of pledges receivable subjected to donor, grantor, or other outside party restrictions. Pledges receivable potentially subject the Foundation to credit risk due to the uncertain nature of collectability. Management of the Foundation monitors the collectability of the pledges receivable and, if applicable, provides for allowances for doubtful pledges based on this assessment and specific identification. As of June 30, 2024 and 2023, the Foundation had not established an allowance account as all pledges were considered collectible.

Capital Assets

Capital assets, which include land and capitalized costs, are reported in the statements of net position. Capital assets are defined by the Foundation as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Assets acquired by gift or bequests are recorded at their fair market value at the date of transfer. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized and are charged to expense. Depreciation, where applicable, on assets is provided on the straight-line basis over their estimated useful lives. Capital assets being depreciated consist of buildings and improvements which are depreciated over estimated useful lives of 15 to 30 years.

In the prior year, capital assets held for sale consisted of 9.32 acres of land containing six buildings totaling approximately 79,500 square feet located in Longwood, Florida (see Note 6). This property was sold in the previous year and the proceeds from the sale are being held in an internally restricted fund. Capital assets are classified as held for sale when management's intent is to sell the property and the applicable accounting criteria are satisfied. This determination requires management to make estimates and assumptions, including assessing the probability that potential sales transactions may or may not occur. Actual results could differ from those assumptions. Upon designation as held for sale, the carrying values of the assets are recorded at the lower of the carrying value or the estimated fair value, less estimated selling costs. Assets held for sale are no longer depreciated.

The Foundation reviews its capital assets and considers impairment whenever indicators of impairment are present, such as when the decline in service utility of the capital asset is large in magnitude and the event or change in circumstances is outside the normal life cycle of the capital asset.

Assets Held for College Clubs

As a service to the College, the Foundation provides certain accounting services to various college clubs and other organizations which are involved with various college-related activities. The Foundation records all cash receipts and disbursements of the clubs in individual liability accounts called "assets held for college clubs" in the statements of net position to reflect the cumulative balance due to these organizations. No other amounts which affect the club accounts are reflected in the accompanying financial statements.

**FOUNDATION FOR SEMINOLE STATE COLLEGE
OF FLORIDA, INC.
(A COMPONENT UNIT OF SEMINOLE STATE COLLEGE OF FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

Income Taxes

The Foundation is a non-profit corporation under Section 501(c)(3) of the IRC and is exempt from federal and state income taxes in accordance with Section 509(a) of the IRC.

Accounting principles generally accepted in the United States of America prescribe requirements for the recognition of income taxes in financial statements, and the amounts recognized are affected by income tax positions taken by the Foundation in its tax returns. The Foundation's status as an exempt organization is defined as an income tax position under these requirements. While management believes it has complied with the IRC, the sustainability of some income tax positions taken by the Foundation in its tax returns may be uncertain. There are minimum thresholds of likelihood that uncertain tax positions are required to meet before being recognized in the financial statements. Management does not believe that the Foundation has any material uncertain tax positions at June 30, 2024. In the event interest and penalties were due relating to an unsustainable tax position, they would be treated as a component of income tax expense.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Note 3 - Deposits and Investments

Generally, the goals of the Foundation's investment program for endowments are set forth in the investment policy as approved by the Foundation's Board of Directors and Finance Committee. The objective is to provide a steady growing income stream to support the Foundation's mission while providing sufficient reinvestment to protect the endowment from inflation. For investments of endowed funds, except Title III funds, the investment policy includes target allocations of 55% equities, with a maximum of 70% (up to 70% and 25% of the total managed portfolio can be domestic and international) respectively, a target allocation of 30% fixed income with a maximum of 85%, and a target allocation of 15% alternative investments with a maximum of 25%. For investments of non-endowed funds, the investment policy includes target allocations of 25% equities with a maximum 45% (up to 30% and 15% of the total managed portfolio can be domestic and international) respectively, a target allocation of 75% fixed income with a maximum of 100%, and a target allocation of 0% alternative investments, with a maximum of 5%. For Title III endowed funds, the investment policy includes target allocations of 80% fixed income with a minimum of 70% and maximum of 100%, a target allocation of 20% equities with a minimum of 0% and maximum of 30%.

**FOUNDATION FOR SEMINOLE STATE COLLEGE
OF FLORIDA, INC.
(A COMPONENT UNIT OF SEMINOLE STATE COLLEGE OF FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

In 2017, the Foundation received a contribution in the form of an investment portfolio endowment. The objective is to maximize investment returns with a primary focus on income generation from equity securities while maintaining prudent levels of risk to meet those objectives. Investments and earnings in this portfolio are subject to certain investment policies as stipulated by the donor. The investment policy includes a total target allocation of 90% equities, with an allowable range of 0% – 100% as defined (at least 50% of the total managed portfolio must be domestic equities), a target allocation of 5% cash equivalents or certificates of deposits, with an allowable range of 0% – 30%, and allowable ranges for various other security types, as defined, of 0% to a maximum of 30%, as defined.

Management believes the Foundation is in compliance with its investment policies for the year ended June 30, 2024.

Custodial Credit Risk

The *Florida Security for Public Deposits Act* (the Act) establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements, and characteristics of eligible collateral. Under the Act, Foundation deposits in qualified public depositories are fully insured. The qualified public depository must pledge at least 50% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance.

Additional collateral, up to a maximum of 125%, may be required, if deemed necessary under the conditions set forth in the Act. Obligations pledged to secure deposits must be delivered to the State Treasurer, or with the approval of the State Treasurer, to a bank, savings association, or trust company provided a power of attorney is delivered to the State Treasurer.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The Foundation's investment policy requires diversification of investments sufficient to reduce the potential of a single security, single sector of securities, or single style of management having a disproportionate or significant impact on the portfolio. No more than 5% of the Foundation's investments can be invested with a single company, and no more than 30% of investments can be in one equity industry.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The tables on the following pages summarize the ratings of the Foundation's debt instruments using the higher of Standard & Poor's or Moody's, nationally recognized statistical rating organizations. The Foundation's investment policy requires investment grade bonds and commercial papers to be rated B+ and A1 or better, respectively.

**FOUNDATION FOR SEMINOLE STATE COLLEGE
OF FLORIDA, INC.
(A COMPONENT UNIT OF SEMINOLE STATE COLLEGE OF FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates between the U.S. dollar and foreign currencies could adversely affect an investment's fair value. The Foundation had approximately \$261,000 and \$289,000 in foreign fixed-income bonds at June 30, 2024 and 2023, respectively.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt instruments will adversely affect the fair value of an investment. The Foundation's investment policy provides guidelines such as duration maximums and collateralization requirements to reduce its interest rate risk.

The Foundation's investments at June 30, 2024, were as follows:

<u>Investment Type</u>	<u>Credit Quality</u>	<u>Average Maturities</u>	<u>Cost</u>	<u>Fair Value</u>
Interest-Sensitive Investments:				
Corporate Bonds	AAA – BBB-	5.56 Years	\$ 1,789,144	\$ 1,745,040
U.S. Treasury Bonds	AA+	4.68 Years	1,711,876	1,607,716
Foreign Bonds	A – A-	5.37 Years	<u>267,695</u>	<u>260,975</u>
Total Interest-Sensitive Investments			<u>3,768,715</u>	<u>3,613,731</u>
Alternative Investments:				
U.S. Mortgage-Backed Securities	AAA – AA+	5.34 Years	<u>1,823,316</u>	<u>1,751,128</u>
Total Alternative Investment			<u>1,823,316</u>	<u>1,751,128</u>
Equity Investments:				
Mutual Funds	N/A	N/A	8,150,951	7,985,003
Domestic Equities	N/A	N/A	10,550,318	16,032,411
International Equities	N/A	N/A	<u>1,958,621</u>	<u>2,412,949</u>
Total Equity Investments			<u>20,659,890</u>	<u>26,430,363</u>
Total Investments			26,251,921	31,795,222
Carrying Value of Cash and Cash Equivalents			<u>6,627,705</u>	<u>6,627,705</u>
Total Cash, Cash Equivalents, and Investments			<u>\$ 32,879,626</u>	<u>\$ 38,422,927</u>
Presented in the Accompanying Financial Statements as:				
Cash and Cash Equivalents				\$ 3,003,182
Restricted Cash and Cash Equivalents				3,624,523
Investments – Non-Current				2,785,813
Restricted Investments – Non-Current				<u>29,009,409</u>
				<u>\$ 38,422,927</u>

**FOUNDATION FOR SEMINOLE STATE COLLEGE
OF FLORIDA, INC.
(A COMPONENT UNIT OF SEMINOLE STATE COLLEGE OF FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

The Foundation's investments at June 30, 2023, were as follows:

<u>Investment Type</u>	<u>Credit Quality</u>	<u>Average Maturities</u>	<u>Cost</u>	<u>Fair Value</u>
Interest-Sensitive Investments:				
Corporate Bonds	AAA – BBB-	5.67 Years	\$ 1,518,854	\$ 1,444,890
U.S. Treasury Bonds	AA+	4.17 Years	1,652,488	1,576,157
Foreign Bonds	AAA – BBB	5.44 Years	<u>500,728</u>	<u>481,167</u>
Total Interest-Sensitive Investments			<u>3,672,070</u>	<u>3,502,214</u>
Alternative Investments:				
U.S. Mortgage-Backed Securities	AAA – AA+	5.00 Years	<u>1,553,333</u>	<u>1,474,313</u>
Total Alternative Investment			<u>1,553,333</u>	<u>1,474,313</u>
Equity Investments:				
Mutual Funds	N/A	N/A	5,317,187	6,418,283
Domestic Equities	N/A	N/A	11,758,731	14,219,253
International Equities	N/A	N/A	<u>1,795,334</u>	<u>2,107,802</u>
Total Equity Investments			<u>18,871,252</u>	<u>22,745,338</u>
Total Investments			24,096,656	27,721,865
Carrying Value of Cash and Cash Equivalents			<u>5,316,397</u>	<u>5,316,397</u>
Total Cash, Cash Equivalents, and Investments			<u>\$ 29,413,052</u>	<u>\$ 33,038,262</u>
Presented in the Accompanying Financial Statements as:				
Cash and Cash Equivalents				\$ 3,170,770
Restricted Cash and Cash Equivalents				2,145,627
Investments – Non-Current				1,874,397
Restricted Investments – Non-Current				<u>25,847,468</u>
				<u>\$ 33,038,262</u>

For the years ended June 30, 2024 and 2023, realized and unrealized losses on investments in the statements of revenues, expenses, and changes in net position are net of investment expenses of approximately \$124,000 and \$112,000, respectively.

Note 4 - Fair Value Measurements

The Foundation's estimates of fair value for investments are based on the framework established in the fair value measurements and disclosures accounting guidance. The framework is based on the inputs used in the valuation and requires that observable inputs be used in the valuations when available. The disclosure of fair value estimates in the fair value accounting guidance includes a hierarchy based on whether significant valuation inputs are observable. In determining the level of the hierarchy in which the estimate is disclosed, the highest priority is given to unadjusted quoted prices in active markets and the lowest priority to unobservable inputs that reflect the Foundation's significant market assumptions. The three levels of the hierarchy are as follows:

**FOUNDATION FOR SEMINOLE STATE COLLEGE
OF FLORIDA, INC.
(A COMPONENT UNIT OF SEMINOLE STATE COLLEGE OF FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

Level 1—Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities traded in active markets.

Level 2—Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3—Valuations based on models where significant inputs are not observable. The unobservable inputs reflect the Foundation’s own assumptions about the inputs that market participants would use.

Fair values are based on quoted market prices when available (Level 1). When market prices are not available, fair value is generally estimated using current market inputs for similar financial instruments with comparable terms and credit quality, commonly referred to as matrix pricing (Level 2). In instances where there is little or no market activity for the same or similar instruments, the Foundation estimates fair value using methods, models, and assumptions that management believes are relevant to the particular asset or liability. This may include discounted cash flow analysis or other income-based approaches (Level 3). These valuation techniques involve some level of management estimation and judgment. Where appropriate, adjustments are included to reflect the risk inherent in a particular methodology, model, or input used and are reflective of the assumptions that market participants would use in valuing assets or liabilities.

The following tables present the levels within the fair value hierarchy in which the Foundation’s financial instruments are measured on a recurring basis at June 30:

	2024			
	Total	Level 1	Level 2	Level 3
Interest-Sensitive Investments:				
Corporate Bonds	\$ 1,745,040	\$ -	\$ 1,745,040	\$ -
U.S. Treasury Bonds	1,607,716	1,607,716	-	-
Foreign Bonds	260,975	-	260,975	-
Total Interest-Sensitive Investments	3,613,731	1,607,716	2,006,015	-
Alternative Investments:				
U.S. Mortgage-Backed Securities	1,751,128	-	1,751,128	-
Total Alternative Investments	1,751,128	-	1,751,128	-
Equity Investments:				
Mutual Funds	7,985,003	7,985,003	-	-
Domestic Equities	16,032,411	16,032,411	-	-
International Equities	2,412,949	2,412,949	-	-
Equity Investments	26,430,363	26,430,363	-	-
Total Fair Value Measurements	\$ 31,795,222	\$ 28,038,079	\$ 3,757,143	\$ -

**FOUNDATION FOR SEMINOLE STATE COLLEGE
OF FLORIDA, INC.
(A COMPONENT UNIT OF SEMINOLE STATE COLLEGE OF FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

	2023			
	Total	Level 1	Level 2	Level 3
Interest-Sensitive Investments:				
Corporate Bonds	\$ 1,444,890	\$ -	\$ 1,444,890	\$ -
U.S. Treasury Bonds	1,576,157	1,576,157	-	-
Foreign Bonds	481,167	-	481,167	-
Total Interest-Sensitive Investments	<u>3,502,214</u>	<u>1,576,157</u>	<u>1,926,057</u>	<u>-</u>
Alternative Investments:				
U.S. Mortgage-Backed Securities	1,474,313	-	1,474,313	-
Total Alternative Investments	<u>1,474,313</u>	<u>-</u>	<u>1,474,313</u>	<u>-</u>
Equity Investments:				
Mutual Funds	6,418,283	6,418,283	-	-
Domestic Equities	14,219,253	14,219,253	-	-
International Equities	2,107,802	2,107,802	-	-
Equity Investments	<u>22,745,338</u>	<u>22,745,338</u>	<u>-</u>	<u>-</u>
Total Fair Value Measurements	<u>\$ 27,721,865</u>	<u>\$ 24,321,495</u>	<u>\$ 3,400,370</u>	<u>\$ -</u>

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

The following are descriptions of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used at June 30, 2024 and 2023:

Common Stocks (Equities)—Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual Funds—Funds valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-end mutual funds that are registered with the Securities and Exchange Commission. The mutual funds held by the Foundation are deemed to be actively traded.

Bonds (Corporate, U.S. Treasury, and Foreign)—Valued using pricing models maximizing the use of observable inputs for the same or similar securities. This includes basing value on yields currently available on comparable securities of issuers with the same or similar credit ratings.

U.S. Mortgage-Backed Securities—Funds valued using pricing models maximizing the use of observable inputs for similar securities.

The carrying value of cash and cash equivalents, due from and to the College, and accounts payable are reasonable estimates of their fair value due to the short-term nature of the financial instruments.

**FOUNDATION FOR SEMINOLE STATE COLLEGE
OF FLORIDA, INC.
(A COMPONENT UNIT OF SEMINOLE STATE COLLEGE OF FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

Note 5 - Pledges Receivable

Unrestricted and restricted pledges receivable are recorded in the statements of net position at their estimated net realizable value. The pledges receivable were discounted using a risk-free interest rate ranging from 4.058% to 4.920% as of June 30, 2024. Pledges receivable as of June 30, 2024, are summarized as follows:

	Unrestricted	Restricted
2025	\$ 146,367	\$ 510,000
2026	146,367	1,010,000
2027	-	10,000
Total Pledges Receivable	292,734	1,530,000
Less: Present Value Discount	27,156	73,323
Total Pledges Receivable, Net	265,578	1,456,677
Less: Current Portion of Pledges Receivable	136,048	485,056
Long-Term Portion of Pledges Receivable	\$ 129,530	\$ 971,621

In July 2014, the Foundation executed a sponsorship agreement with a local credit union. Under the terms of this agreement, the credit union will make annual contributions of up to \$225,000 but not less than \$175,000 through June 30, 2024. An extension was signed for the period starting July 1, 2024, through August 31, 2026, with a minimum annual contribution to the Foundation of \$146,367. Future amounts to be paid under this agreement have been included in pledges receivable, net of discount, in the statements of net position. Revenues recognized under this agreement have been recorded as contributions and sponsorship revenues in the statements of revenues, expenses, and changes in net position.

Note 6 - Capital Assets

In August 2015, the Foundation received an unrestricted contribution of approximately 9.32 acres of land containing six buildings totaling approximately 79,500 square feet located in Longwood, Florida. The property's fair value was estimated at \$4,100,000 at the time of the transfer of which \$1,855,878 was allocated to land and \$2,244,122 was allocated to buildings and improvements. This property was sold during the fiscal year ended June 30, 2023.

In May 2008, the Foundation purchased 3.28 acres at the northern gateway to the College. Site development began on this property in fiscal year 2009 but has been dormant since then. In August 2014, the Foundation purchased an additional 1.5673 acres adjacent to the land purchased in 2008 for \$600,000. As of June 30, 2023, no future development plans for the land have been finalized.

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

	July 1, 2023	Increases	Decreases	June 30, 2024
Capital Assets Not Being Depreciated:				
Land	\$ 1,472,171	\$ -	\$ -	\$ 1,472,171
Total Capital Assets, Net	\$ 1,472,171	\$ -	\$ -	\$ 1,472,171

**FOUNDATION FOR SEMINOLE STATE COLLEGE
OF FLORIDA, INC.
(A COMPONENT UNIT OF SEMINOLE STATE COLLEGE OF FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	<u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2023</u>
Capital Assets Not Being Depreciated:				
Land	\$ 1,472,171	\$ -	\$ -	\$ 1,472,171
Capital Assets Held for Sale:				
Land	1,855,878	-	(1,855,878)	-
Buildings and Improvements	1,315,044	-	(1,315,044)	-
Accumulated Depreciation	(570,922)	-	570,922	-
Total Capital Assets Held for Sale	<u>2,600,000</u>	<u>-</u>	<u>(2,600,000)</u>	<u>-</u>
Total Capital Assets, Net	<u>\$ 4,072,171</u>	<u>\$ -</u>	<u>\$ (2,600,000)</u>	<u>\$ 1,472,171</u>

There were no depreciation expenses for the years ended June 30, 2024 and 2023, respectively.

Note 7 - Significant Concentrations

For the years ended June 30, 2024 and 2023, the Foundation had no significant revenue concentrations.

Note 8 - Endowments

The Foundation's endowment funds are donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America, assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Foundation's Board of Directors approved an endowment-spending rate of 4.0% of the 5-year moving average endowment balance for endowed scholarships during the 2023-2024 academic year.

Interpretation of Relevant Law

The Board of Directors of the Foundation has interpreted *the Florida Uniform Prudent Management of Institutional Funds Act* (UPMIFA) as requiring the preservation of the original gift amount of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation designates the following as non-expendable endowments: (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not categorized within non-expendable endowments' restricted net position is characterized as an expendable restricted net position. This classification persists until these amounts are allocated for expenditure by the Foundation, aligning with the prudent standard specified by UPMIFA.

**FOUNDATION FOR SEMINOLE STATE COLLEGE
OF FLORIDA, INC.
(A COMPONENT UNIT OF SEMINOLE STATE COLLEGE OF FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the endowment fund.
- The purpose of the Foundation and the donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation or deflation.
- The expected total return from income and the appreciation of investment.
- Other resources of the Foundation.
- The investment policies of the Foundation.

Note 9 - Restrictions of Net Position

Investment income, including unrealized appreciation and depreciation, is allocated to the restricted expendable account on a pro rata basis based on the non-expendable balance. In accordance with UPMIFA and absent any donor restrictions, these funds are then available for expenditure when appropriated for expenditure by the Board of Directors.

The following displays the total permanent endowment balance as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Total Endowment Balance	\$ 20,723,085	\$ 17,230,623
Less: Appreciation Portion Deemed Restricted Expendable	5,321,853	3,601,462
Permanently Restricted Non-Expendable Balance	<u>\$ 15,401,232</u>	<u>\$ 13,629,161</u>

Included in restricted expendable net assets is an accumulation of approximately \$1,097,000 and \$1,042,000 from the U.S. Department of Education from its Title III Program as of June 30, 2024 and 2023, respectively. The purpose of this grant is to establish or increase endowment challenge funds, provide additional incentives to promote fundraising activities, and to foster increased independence and sufficiency. The Foundation raised matching funds dollar for dollar from October 1, 2003 through September 30, 2008. The Foundation must also invest the Foundation contribution toward the match, the federal matching funds, and at least half of the investment income from it, for a period of 20 years from the start of the grant project date on October 1, 2008. Additionally, the Foundation maintains quasi-endowment funds designated by the Board. As of June 30, 2024 and 2023, the quasi-endowment balance is approximately \$7,328,000 and \$6,672,000, respectively. These funds are Unrestricted - Board Designated.

Note 10 - Special Events

The Foundation holds two fundraising events every year, a Dream Gala and a Dream Cup Challenge Golf Tournament. Special event revenues are reported in the statements of revenues, expenses, and changes in net position, net of related costs of approximately \$124,000 and \$170,000 for the years ended June 30, 2024 and 2023, respectively.

**FOUNDATION FOR SEMINOLE STATE COLLEGE
OF FLORIDA, INC.
(A COMPONENT UNIT OF SEMINOLE STATE COLLEGE OF FLORIDA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

Note 11 - Assessment Fees

In order to support its operations, the Foundation assesses a revenue fee and an endowment fee. The revenue fee represents an assessment for fundraising, processing, administration, and management of monies received by the Foundation and generally totals 2% of donations and other contributions received or approximately \$84,000 and \$63,000 for the years ended June 30, 2024 and 2023, respectively.

The endowment fee represents an assessment for management and administration of endowed funds and is assessed on all endowments except for the Title III quasi-endowment. The endowment fee is assessed on a quarterly basis, is based on the fair market value of the fund, and generally totals an annual rate of 1.5% for all endowed funds (except for the Title III quasi-endowment or funds where the donor specifically designated a different allowable fee in the endowment agreement), resulting in fees of approximately \$299,000 and \$263,000 for the years ended June 30, 2024 and 2023, respectively. The fees for endowment funds are deducted from earnings of the fund and not from the corpus.

Note 12 - Related-Party

In-Kind Contributions

The College paid salaries and benefits for Foundation staff in the amounts of approximately \$728,080 and \$598,000 for the years ended June 30, 2024 and 2023, respectively, and these have been recorded as in-kind support. The College also provides occupancy and rent support to the Foundation free of charge, which has an estimated fair value of approximately \$68,000 and \$68,000 for the years ended June 30, 2024 and 2023, respectively, and has also been recorded as in-kind support.

Note 13 - Contingencies

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

SUPPLEMENTARY INFORMATION

FOUNDATION FOR SEMINOLE STATE COLLEGE OF FLORIDA, INC.
(A COMPONENT UNIT OF SEMINOLE STATE COLLEGE OF FLORIDA)
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024

	Unrestricted	Restricted		Total
		Expendable	Non-Expendable Endowments	
Revenues				
Operating Revenues:				
Contributions	\$ 112,812	\$ 4,008,068	\$ -	\$ 4,120,880
Program Revenues	176,455	479,093	-	655,548
Special Events, Net	537,125	-	-	537,125
In-Kind Support - Seminole State College of Florida	795,914	-	-	795,914
Total Operating Revenues	<u>1,622,306</u>	<u>4,487,161</u>	<u>-</u>	<u>6,109,467</u>
Expenses				
Operating Expenses:				
Personnel Services	778,332	-	-	778,332
Scholarships and Program Support	167,067	2,476,079	-	2,643,146
Contractual Services	311,832	-	-	311,832
Materials and Supplies	97,192	-	-	97,192
Other Services and Expenses	114,839	-	-	114,839
Total Operating Expenses	<u>1,469,262</u>	<u>2,476,079</u>	<u>-</u>	<u>3,945,341</u>
Operating Gain (Loss)	<u>153,044</u>	<u>2,011,082</u>	<u>-</u>	<u>2,164,126</u>
Non-Operating Revenues (Expenses)				
State Grants	-	95,936	-	95,936
Assessment Fees	301,608	(301,608)	-	-
Realized and Unrealized Losses on Investments, Net	498,404	1,739,358	-	2,237,762
Interest and Dividends	539,248	536,736	-	1,075,984
Total Non-Operating Revenues (Expenses)	<u>1,339,260</u>	<u>2,070,422</u>	<u>-</u>	<u>3,409,682</u>
Change in Net Position Before Endowment Contributions and Transfers				
Interfund Transfers	(212,340)	212,340	-	-
Transfer to Non-Expendable Endowment	(561,049)	-	561,049	-
Endowment Contributions	-	-	1,211,022	1,211,022
Total Contributions and Transfers	<u>(773,389)</u>	<u>212,340</u>	<u>1,772,071</u>	<u>1,211,022</u>
Change in Net Position	718,915	4,293,844	1,772,071	6,784,830
Net Position, Beginning of Year	<u>11,762,289</u>	<u>9,151,002</u>	<u>13,629,161</u>	<u>34,542,452</u>
Net Position, End of Year	<u>\$ 12,481,204</u>	<u>\$ 13,444,846</u>	<u>\$ 15,401,232</u>	<u>\$ 41,327,282</u>

Notes:

1. This schedule is provided in accordance with the basis of accounting used by the Foundation in the preparation of the internal financial statements.
2. Unrestricted net position includes amounts in net investment in capital assets.

OTHER REPORT – *GOVERNMENT AUDITING STANDARDS*

**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**

To the Board of Directors
Foundation for Seminole State College
of Florida, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Foundation for Seminole State College of Florida, Inc. (the Foundation), a component unit of Seminole State College of Florida (the College), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements and have issued our report thereon dated August 13, 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 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 Foundation's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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To the Board of Directors
Foundation for Seminole State College
of Florida, Inc.

**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**

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free of 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 Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



August 13, 2024
Ocala, Florida

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