

# 2025

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, 2025 and 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, 2025 AND 2024**

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## 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, 2025 and 2024, 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, 2025 and 2024, 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 19, 2025, 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.

*Purvis Gray*

August 19, 2025

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.*

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The following discussion and analysis of the financial statements for the Foundation presents an overview of the Foundation's financial activities for the fiscal years ended June 30, 2025, 2024, and 2023.

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 FY25, changes in net position; and statements of cash flows.

The Foundation had another successful year in FY25. Support for Dream Gala and Dream Cup continued to be excellent with combined revenue for the events being \$610 thousand. Contributions were \$2.8 million with Individual Contributions being \$370 thousand, Corporate Contributions were up \$1.25 million, and Grants were up \$1.1 million. There were eleven new endowed scholarships funded totaling \$520 thousand. 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 10.02%. The Lee Investments return was 9.61% for the fiscal year.

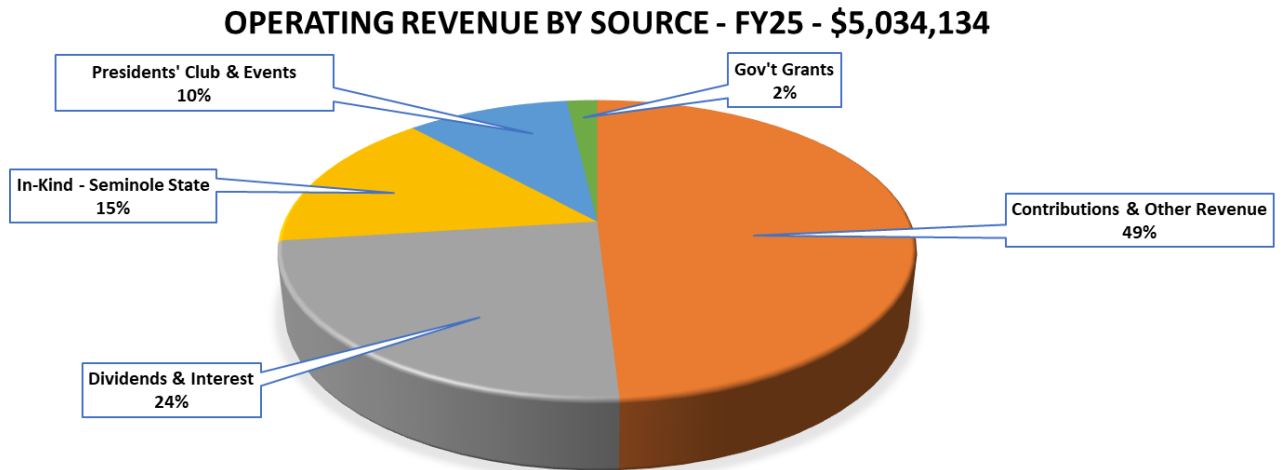
The continued support provided opportunities for the Foundation to further support the College. We can share, with great pride, the following successes, in fiscal year 2025:

1. Total scholarship support to the College \$1.32 million which is the all time high.
2. The funding of 12 new Endowed Accounts during the fiscal year bringing the total number of Permanent and Board Directed Endowed Accounts to 273 established within the Foundation.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

3. Support to the College: \$3.4 million.
4. Combined Revenue for Dream Gala and Dream Cup, \$609,505.
5. Funded \$400 thousand for renovations to the Workforce Trades Building via a donation from Wharton-Smith Inc.

### Financial Highlights



In fiscal year 2025, the Foundation's revenue (excluding realized and unrealized investment gains) was \$5,034,134, which does not include additions to endowed scholarships. Continued strength in the markets also provided the Foundation a realized and unrealized gain on investments, of \$2.5 million.

### 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, 2025, 2024, and 2023, and the variances from year to year:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Increase (Decrease) FY25 vs. FY24</u>	<u>June 30, 2023</u>	<u>Increase (Decrease) FY24 vs. FY23</u>
Current Assets	\$ 8,213,120	\$ 7,258,198	\$ 954,922	\$ 5,508,316	\$ 1,749,882
Non-Current Assets	36,918,565	34,368,544	2,550,021	29,219,651	5,148,893
<b>Total Assets</b>	<b>45,131,685</b>	<b>41,626,742</b>	<b>3,504,943</b>	<b>34,727,967</b>	<b>6,898,775</b>
Current Liabilities	301,154	299,460	1,694	185,515	113,945
<b>Total Liabilities</b>	<b>301,154</b>	<b>299,460</b>	<b>1,694</b>	<b>185,515</b>	<b>113,945</b>
<b>Net Position</b>					
Invested in Capital Assets and Deferred Outflows, Net of Related Debt	1,472,171	1,472,171	-	1,472,171	-
Restricted - Expendable	14,974,593	13,444,846	1,529,747	9,151,002	4,293,844
Restricted - Non-Expendable Endowments	16,121,208	15,401,232	719,976	13,629,161	1,772,071
Unrestricted:					
Undesignated	4,225,571	3,680,817	544,754	3,618,304	62,513
Board Designated	8,036,988	7,328,216	708,772	6,671,814	656,402
<b>Total Net Position</b>	<b>\$ 44,830,531</b>	<b>\$ 41,327,282</b>	<b>\$ 3,503,249</b>	<b>\$ 34,542,452</b>	<b>\$ 6,784,830</b>

The Foundation’s net position increased \$3.5 million in 2025. This is attributed to a combination of continued strong support for the events, personal and corporate contributions, investment returns, and controlling expenses. For 2025, \$3.39 million (which consists of approximately \$2.85 million of scholarships and program support, \$400 thousand towards renovations of the Workforce Trades Building, and \$143 thousand of other operating expenses) in support was provided to the College. The Foundation increased its scholarship support, \$53 thousand to the College in 2025.

In May 2008, the Foundation purchased 3.28 acres 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.

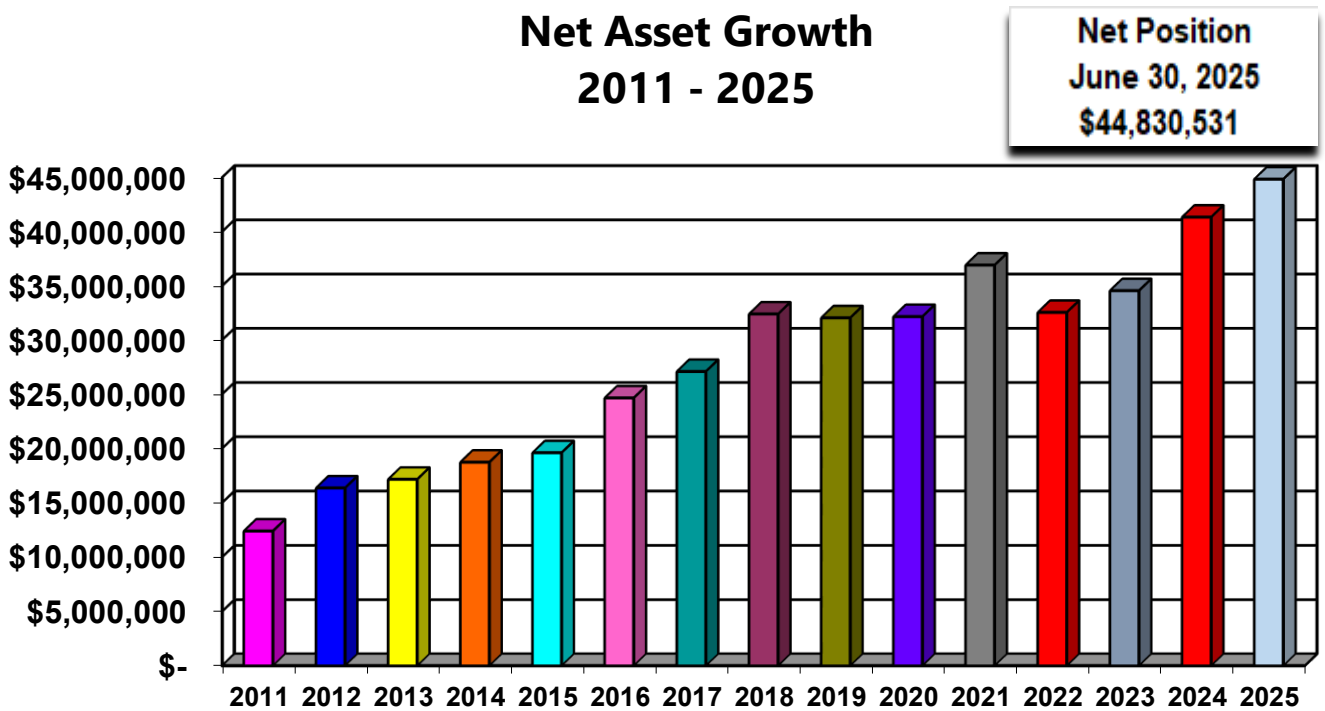
The Foundation’s current assets, restricted by purpose to scholarship or program accounts, were \$4,640,577 in fiscal year 2025, \$4,118,968 in fiscal year 2024, and \$2,165,710 in fiscal year 2023. The increase over the past several years is due to several new multi-year pledges and the \$1 million in matching funds for the State of Florida LINE Grant Program.

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

Non-current assets increased in fiscal year 2025 to \$36,918,565. In fiscal years 2024 and 2023, the amounts were \$34,368,544 and \$29,219,651, respectively. The bulk of the increase in FY25 was due to positive investment returns, \$2.5 million and the establishment of 12 new endowed scholarship accounts.

Current liabilities for fiscal year 2025 were \$301,154. 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 2026.

The following chart shows the ending net position on June 30 for each of the preceding 15 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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

3. 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.
4. Non-Operating Revenues (Expenses) – Revenue from sources that are derived from activities not related to core function, i.e., investment earnings (losses).
5. 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 2025, 2024, and 2023 and the variances from year to year:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Increase (Decrease) FY25 vs. FY24</u>	<u>June 30, 2023</u>	<u>Increase (Decrease) FY24 vs. FY23</u>
<b>Operating Revenues</b>					
Contributions	\$ 2,512,868	\$ 4,120,880	\$ (1,608,012)	\$ 1,515,037	\$ 2,605,843
Program Revenues	297,291	655,548	(358,257)	433,814	221,734
Special Events, Net of Costs	440,915	537,125	(96,210)	397,710	139,415
In-Kind Support - College	770,955	795,914	(24,959)	665,341	130,573
<b>Total Operating Revenues</b>	<b>4,022,029</b>	<b>6,109,467</b>	<b>(2,087,438)</b>	<b>3,011,902</b>	<b>3,097,565</b>
<b>Operating Expenses</b>					
Personnel Services	815,857	778,332	37,525	639,408	138,924
Scholarships and Program Support	3,110,093	2,643,146	466,947	2,586,617	56,529
Contractual Services	321,086	311,832	9,254	296,794	15,038
Materials and Supplies	76,031	97,192	(21,161)	42,565	54,627
Other Services and Expenses	133,391	114,839	18,552	187,444	(72,605)
<b>Total Operating Expenses</b>	<b>4,456,458</b>	<b>3,945,341</b>	<b>511,117</b>	<b>3,752,828</b>	<b>192,513</b>
<b>Operating (Loss) Income</b>	<b>(434,429)</b>	<b>2,164,126</b>	<b>(2,598,555)</b>	<b>(740,926)</b>	<b>2,905,052</b>
<b>Non-Operating Revenues</b>					
State Grants	93,009	95,936	(2,927)	103,209	(7,273)
Realized and Unrealized Gains on Investments	2,360,705	2,237,762	122,943	1,422,066	815,696
Interest and Dividends	1,201,530	1,075,984	125,546	879,835	196,149
Impairment for Loss on Held-for-Sale Assets	-	-	-	-	-
<b>Total Non-Operating Revenues</b>	<b>3,655,244</b>	<b>3,409,682</b>	<b>245,562</b>	<b>2,405,110</b>	<b>1,004,572</b>
<b>Endowment Contributions</b>	<b>282,434</b>	<b>1,211,022</b>	<b>(928,588)</b>	<b>341,690</b>	<b>869,332</b>
<b>Increase (Decrease) in Net Position</b>	<b>3,503,249</b>	<b>6,784,830</b>	<b>(3,281,581)</b>	<b>2,005,874</b>	<b>4,778,956</b>
<b>Net Position, Beginning of Year</b>	<b>41,327,282</b>	<b>34,542,452</b>	<b>6,784,830</b>	<b>32,536,578</b>	<b>2,005,874</b>
<b>Net Position, End of Year</b>	<b>\$ 44,830,531</b>	<b>\$ 41,327,282</b>	<b>\$ 3,503,249</b>	<b>\$ 34,542,452</b>	<b>\$ 6,784,830</b>

## MANAGEMENT’S DISCUSSION AND ANALYSIS

### 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 2025, the Foundation had an operating loss of (\$434 thousand). This loss was due to timing related to the funding and expenses related to the renovations of the Workforce Trades Building. The funding was received in FY24 and the expenses started in FY25. Endowed Scholarship awards are based on the previous year’s investment returns. Recent strong returns allowed for an additional \$53 thousand in scholarship support in FY25.
- In fiscal year 2025, the Foundation received \$2,512,868 in direct operating contributions, sponsorships, and pledges, compared to \$4,120,800 in fiscal year 2024. As mentioned above, the decrease is related to a \$2 million dollar donation received in FY24 for the Workforce Trades Building.
- Special event revenues, net of related expenses, for fiscal years 2025, 2024, and 2023 were \$440,915, \$537,125, and \$397,710, 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 \$44,350, \$40,270, and \$50,318 in fiscal years 2025, 2024, and 2023, respectively. Addition Financial again this year offered a 100% matching opportunity to donors who established or increased his/her endowed scholarship account.
- Direct operating support of \$770,955 was received from the College in fiscal year 2025, a decrease of \$25 thousand over the prior year. The decrease was the result of the Foundation taking on the salary of one employee from the College. Staff full-time equivalents (FTEs) (paid at year-end by the College) were approximately 9.0, 8.0, and 7.0 in fiscal years 2025, 2024, and 2023 respectively.

Direct operating support from the College consists of the following for the years ended June 30, 2025, 2024, and 2023:

	<b>Direct College Operating Support</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
Salary and Benefits	\$ 703,121	\$ 728,080	\$ 597,507
Occupancy and Other	67,834	67,834	67,834
	\$ 770,955	\$ 795,914	\$ 665,341

### Non-Operating Results

- Endowment contributions of \$282,434 for fiscal year 2025, \$1,211,022 for fiscal year 2024, and \$341,690 for fiscal year 2023, 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: fifteen (15) in fiscal year 2023, twelve (12) in fiscal year 2024, and twelve (12) in fiscal year 2025.
- 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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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 \$103,209 and \$95,936 in fiscal years 2023 and 2024. For 2025 the amount was \$93,009.
- Investment income (interest and dividends) was \$1.2 million in FY25 as we saw a continued higher return on cash balances. Interest and Dividend earnings were up \$124 thousand compared to 2024.
- Realized and unrealized gains (losses) and investment fees on investments for the years ended June 30, 2025, 2024, and 2023, are as follows:

	2025	2024	2023
Realized Gains (Losses)	\$ 506,602	\$ 432,385	\$ (276,584)
Unrealized Gains (Losses)	1,999,129	1,929,481	1,810,834
Investment Fees	(145,027)	(124,104)	(112,184)
Net Gains (Losses)	\$ 2,360,704	\$ 2,237,762	\$ 1,422,066

### 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, 2025, 2024, and 2023:

	2025	2024	2023
Faculty Personnel Costs	\$ 591,728	\$ 590,437	\$ 585,269
Program Support	1,192,639	780,311	761,781
Scholarships	1,325,726	1,272,398	1,239,567
Total	\$ 3,110,093	\$ 2,643,146	\$ 2,586,617

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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. The number of students receiving a scholarship in FY25 was 1,492. Average awards per student were \$846 and \$817, respectively, for fiscal years 2025 and 2024.

### 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.

### 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 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:

- Continue working with our health care partners to identify resources to expand nursing and health care programs.
- Finalize funding sources for the renovations of the workforce trades building (D) on the Sanford campus.
- Focus on increasing support for the various programs at the College.
- Implement a new scholarship awarding software to further streamline processes.
- Continue to put a priority on thanking our donors and partners for supporting the Foundation and College.
- Integrate 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](mailto: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, 2025 AND 2024**

	<b>2025</b>	<b>2024</b>
<b>Assets</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 3,442,973	\$ 3,003,182
Restricted Cash and Cash Equivalents	3,935,622	3,624,523
Pledges Receivable, Net	129,530	136,048
Restricted Pledges Receivable, Net	704,995	485,056
Restricted Other Current Assets	-	9,389
Total Current Assets	8,213,120	7,258,198
Non-Current Assets:		
Investments, at Fair Value	2,998,734	2,785,813
Restricted Investments, at Fair Value	31,947,660	29,009,409
Pledges Receivable, Net	-	129,530
Restricted Pledges Receivable, Net	500,000	971,621
Capital Assets Not Being Depreciated	1,472,171	1,472,171
Total Non-Current Assets	36,918,565	34,368,544
<b>Total Assets</b>	45,131,685	41,626,742
<b>Liabilities</b>		
Current Liabilities:		
Accounts Payable and Accrued Expenses	6,310	6,264
Due to Seminole State College of Florida	29,046	17,687
Payable from Restricted Assets:		
Due to Seminole State College of Florida	235,547	251,239
Assets Held for College Clubs	30,251	24,270
<b>Total Liabilities</b>	301,154	299,460
<b>Net Position</b>		
Net Investment in Capital Assets	1,472,171	1,472,171
Restricted:		
Expendable	14,974,593	13,444,846
Non-Expendable Endowments	16,121,208	15,401,232
Unrestricted:		
Undesignated	4,225,571	3,680,817
Board Designated	8,036,988	7,328,216
<b>Total Net Position</b>	\$ 44,830,531	\$ 41,327,282

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, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>Operating Revenues</b>		
Contributions	\$ 2,512,868	\$ 4,120,880
Program Revenues	297,291	655,548
Special Events, Net	440,915	537,125
In-Kind Support - Seminole State College of Florida	770,955	795,914
<b>Total Operating Revenues</b>	<u>4,022,029</u>	<u>6,109,467</u>
<b>Operating Expenses</b>		
Personnel Services	815,857	778,332
Scholarships and Program Support	3,110,093	2,643,146
Contractual Services	321,086	311,832
Materials and Supplies	76,031	97,192
Other Services and Expenses	133,391	114,839
<b>Total Operating Expenses</b>	<u>4,456,458</u>	<u>3,945,341</u>
<b>Operating Gain (Loss)</b>	<u>(434,429)</u>	<u>2,164,126</u>
<b>Non-Operating Revenues</b>		
State Grants	93,009	95,936
Realized and Unrealized Gains/(Losses) on Investments, Net	2,360,705	2,237,762
Interest and Dividends	1,201,530	1,075,984
<b>Total Non-Operating Revenues</b>	<u>3,655,244</u>	<u>3,409,682</u>
<b>Additions to Endowments - Contributions</b>	<u>282,434</u>	<u>1,211,022</u>
<b>Changes in Net Position</b>	3,503,249	6,784,830
<b>Net Position, Beginning of Year</b>	<u>41,327,282</u>	<u>34,542,452</u>
<b>Net Position, End of Year</b>	<u>\$ 44,830,531</u>	<u>\$ 41,327,282</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, 2025 AND 2024**

	<b>2025</b>	<b>2024</b>
<b>Operating Activities</b>		
Receipts from Contributions	\$ 3,384,346	\$ 3,210,456
Receipts from Program Revenues	306,680	656,779
Payments for Scholarships and Program Support	(3,114,426)	(2,535,330)
Payments for Employees	(87,735)	(50,210)
Payments to Suppliers	(524,481)	(517,734)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(35,616)</b>	<b>763,961</b>
<b>Investing Activities</b>		
Receipts from Interest and Dividends	1,201,530	1,075,984
Purchases of Investments	(7,006,697)	(9,200,734)
Proceeds from Sales of Investments and Maturities	6,216,230	7,365,139
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>411,063</b>	<b>(759,611)</b>
<b>Non-Capital Financing Activities</b>		
State Grants	93,009	95,936
Endowment Contributions	282,434	1,211,022
<b>Net Cash Provided by (Used in) Non-Capital Financing Activities</b>	<b>375,443</b>	<b>1,306,958</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>750,890</b>	<b>1,311,308</b>
<b>Cash and Cash Equivalents</b>		
Beginning of Year	6,627,705	5,316,397
End of Year	<b>\$ 7,378,595</b>	<b>\$ 6,627,705</b>
<b><u>Presented in the Accompanying</u></b>		
<b><u>Statement of Net Position as:</u></b>		
Cash and Cash Equivalents	\$ 3,442,973	\$ 3,003,182
Restricted Cash and Cash Equivalents	3,935,622	3,624,523
	<b>\$ 7,378,595</b>	<b>\$ 6,627,705</b>
<b><u>Reconciliation of Operating Gain (Loss) to Cash and</u></b>		
<b><u>Cash Equivalents Provided by (Used in) Operating Activities:</u></b>		
Operating Gain (Loss)	\$ (434,429)	\$ 2,164,126
Adjustments to Reconcile Operating Gain (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Changes in:		
Pledges Receivable	136,048	(93,742)
Restricted Pledges Receivable	261,071	(1,420,368)
Accounts Payable and Accrued Expenses	46	6,264
Due to Seminole State College of Florida	(4,333)	107,816
Assets Held for College Clubs	5,981	(135)
Total Adjustments	<b>398,813</b>	<b>(1,400,165)</b>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ (35,616)</b>	<b>\$ 763,961</b>
<b><u>Supplemental Disclosures</u></b>		
Non-Cash Investing and Financing Activities:		
Unrealized Gain (Loss) on Investments	\$ 1,999,929	\$ 1,929,481
Value of Stock Donated to the Foundation	10,070	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, 2025 AND 2024**

**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, 2025 and 2024.

**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 governmental entities, 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.

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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 and Cash Equivalents, Restricted Cash**

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.

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**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, 2025 and 2024, 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.

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.

**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, 2025. 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.

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**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%, and a target allocation of 20% equities with a minimum of 0% and maximum of 30%.

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, 2025.

**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.

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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.

**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 \$165,000 and \$261,000 in foreign fixed-income bonds at June 30, 2025 and 2024, 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, 2025, 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 to BBB-	4.95 Years	\$ 1,823,100	\$ 1,810,736
U.S. Treasury Bonds	AA+	4.38 Years	2,082,387	2,049,048
Foreign Bonds	A to A-	2.84 Years	<u>161,038</u>	<u>165,122</u>
Total Interest-Sensitive Investments			<u>4,066,525</u>	<u>4,024,906</u>
Alternative Investments:				
U.S. Mortgage-Backed Securities	AAA – AA+	5.34 Years	<u>1,347,462</u>	<u>1,316,850</u>
Total Alternative Investment			<u>1,347,462</u>	<u>1,316,850</u>

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<u>Investment Type</u>	<u>Credit Quality</u>	<u>Average Maturities</u>	<u>Cost</u>	<u>Fair Value</u>
Equity Investments:				
Mutual Funds	N/A	N/A	\$ 9,020,617	\$ 9,202,384
Domestic Equities	N/A	N/A	10,498,228	17,119,582
International Equities	N/A	N/A	<u>2,469,249</u>	<u>3,282,672</u>
Total Equity Investments			<u>21,988,094</u>	<u>29,604,638</u>
Total Investments			27,402,081	34,946,394
Carrying Value of Cash and Cash Equivalents			<u>7,378,595</u>	<u>7,378,595</u>
Total Cash, Cash Equivalents, and Investments			<u>\$ 34,780,676</u>	<u>\$ 42,324,989</u>
Presented in the Accompanying Financial Statements as:				
Cash and Cash Equivalents				\$ 3,442,973
Restricted Cash and Cash Equivalents				3,935,622
Investments – Non-Current				2,998,734
Restricted Investments – Non-Current				<u>31,947,660</u>
				<u>\$ 42,324,989</u>

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>

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For the years ended June 30, 2025 and 2024, realized and unrealized gains/(losses) on investments in the statements of revenues, expenses, and changes in net position are net of investment expenses of approximately \$145,000 and \$124,000, 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:

**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.

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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:

	<b>2025</b>			
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Interest-Sensitive Investments:</b>				
Corporate Bonds	\$ 1,810,736	\$ -	\$ 1,810,736	\$ -
U.S. Treasury Bonds	2,049,048	2,049,048	-	-
Foreign Bonds	165,122	-	165,122	-
<b>Total Interest-Sensitive Investments</b>	<b>4,024,906</b>	<b>2,049,048</b>	<b>1,975,858</b>	<b>-</b>
<b>Alternative Investments:</b>				
U.S. Mortgage-Backed Securities	1,316,850	-	1,316,850	-
<b>Total Alternative Investments</b>	<b>1,316,850</b>	<b>-</b>	<b>1,316,850</b>	<b>-</b>
<b>Equity Investments:</b>				
Mutual Funds	9,202,384	9,202,384	-	-
Domestic Equities	17,119,582	17,119,582	-	-
International Equities	3,282,672	3,282,672	-	-
<b>Equity Investments</b>	<b>29,604,638</b>	<b>29,604,638</b>	<b>-</b>	<b>-</b>
<b>Total Fair Value Measurements</b>	<b>\$ 34,946,394</b>	<b>\$ 31,653,686</b>	<b>\$ 3,292,708</b>	<b>\$ -</b>

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

**FOUNDATION FOR SEMINOLE STATE COLLEGE  
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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, 2025 and 2024:

*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.

**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, 2025. Pledges receivable as of June 30, 2025, are summarized as follows:

	<u>Unrestricted</u>	<u>Restricted</u>
2026	\$ 146,367	\$ 750,000
2027	-	500,000
Total Pledges Receivable	146,367	1,250,000
Less: Present Value Discount	(16,837)	(45,005)
Total Pledges Receivable, Net	129,530	1,204,995
Less: Current Portion of Pledges Receivable	(129,530)	(704,995)
Long-Term Portion of Pledges Receivable	<u>\$ -</u>	<u>\$ 500,000</u>

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, 2025. 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

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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 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, 2025, was as follows:

	<u>July 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2025</u>
Capital Assets Not Being Depreciated:				
Land	\$ 1,472,171	\$ -	\$ -	\$ 1,472,171
Total Capital Assets, Net	<u>\$ 1,472,171</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,472,171</u>

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

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

There were no depreciation expenses for the years ended June 30, 2025 and 2024, respectively.

**Note 7 - Significant Concentrations**

For the years ended June 30, 2025 and 2024, 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 4.5% and 4.0% of the 5-year moving average endowment balance for endowed scholarships during the 2024-2025 and 2023-2024 academic year, respectively.

**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

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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.

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, 2025 and 2024:

	<b>2025</b>	<b>2024</b>
Total Endowment Balance	\$ 22,961,176	\$ 20,723,085
Less: Appreciation Portion Deemed Restricted Expendable	6,839,968	5,321,853
Permanently Restricted Non-Expendable Balance	\$ 16,121,208	\$ 15,401,232

Included in restricted expendable net assets is an accumulation of approximately \$1,124,994 and \$1,097,000 from the U.S. Department of Education from its Title III Program as of June 30, 2025 and 2024, 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, 2025 and 2024, the quasi-endowment balance is approximately \$8,036,988 and \$7,328,000, respectively. These funds are Unrestricted - Board Designated.

**FOUNDATION FOR SEMINOLE STATE COLLEGE  
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**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 \$158,000 and \$124,000 for the years ended June 30, 2025 and 2024, respectively.

**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 \$77,000 and \$84,000 for the years ended June 30, 2025 and 2024, 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 \$337,000 and \$299,000 for the years ended June 30, 2025 and 2024, 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 \$703,000 and \$728,000 for the years ended June 30, 2025 and 2024, 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, 2025 and 2024, 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, 2025**

	Unrestricted	Restricted		Total
		Expendable	Non-Expendable Endowments	
<b>Revenues</b>				
Operating Revenues:				
Contributions	\$ 103,625	\$ 2,409,243	\$ -	\$ 2,512,868
Program Revenues	9,086	288,205	-	297,291
Special Events, Net	440,915	-	-	440,915
In-Kind Support - Seminole State College of Florida	770,955	-	-	770,955
<b>Total Operating Revenues</b>	<b>1,324,581</b>	<b>2,697,448</b>	<b>-</b>	<b>4,022,029</b>
<b>Expenses</b>				
Operating Expenses:				
Personnel Services	815,857	-	-	815,857
Scholarships and Program Support	180,784	2,929,309	-	3,110,093
Contractual Services	321,086	-	-	321,086
Materials and Supplies	76,031	-	-	76,031
Other Services and Expenses	103,328	63	30,000	133,391
<b>Total Operating Expenses</b>	<b>1,497,086</b>	<b>2,929,372</b>	<b>30,000</b>	<b>4,456,458</b>
<b>Operating Gain (Loss)</b>	<b>(172,505)</b>	<b>(231,924)</b>	<b>(30,000)</b>	<b>(434,429)</b>
<b>Non-Operating Revenues (Expenses)</b>				
State Grants	-	93,009	-	93,009
Assessment Fees	329,064	(329,064)	-	-
Realized and Unrealized Gains/(Losses) on Investments, Net	629,640	1,731,065	-	2,360,705
Interest and Dividends	598,037	603,493	-	1,201,530
<b>Total Non-Operating Revenues (Expenses)</b>	<b>1,556,741</b>	<b>2,098,503</b>	<b>-</b>	<b>3,655,244</b>
<b>Change in Net Position Before Endowment Contributions and Transfers</b>				
Interfund Transfers	336,832	(336,832)	-	-
Transfer to Non-Expendable Endowment	(467,542)	-	467,542	-
Endowment Contributions	-	-	282,434	282,434
<b>Total Contributions and Transfers</b>	<b>(130,710)</b>	<b>(336,832)</b>	<b>749,976</b>	<b>282,434</b>
<b>Change in Net Position</b>	<b>1,253,526</b>	<b>1,529,747</b>	<b>719,976</b>	<b>3,503,249</b>
<b>Net Position, Beginning of Year</b>	<b>12,481,204</b>	<b>13,444,846</b>	<b>15,401,232</b>	<b>41,327,282</b>
<b>Net Position, End of Year</b>	<b>\$ 13,734,730</b>	<b>\$ 14,974,593</b>	<b>\$ 16,121,208</b>	<b>\$ 44,830,531</b>

**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, as of and for the year ended June 30, 2025, 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 19, 2025.

**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.

*Purvis Gray*

August 19, 2025  
Ocala, Florida

# PURVIS GRAY

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