NEW COLLEGE FOUNDATION, INC.
(A Component Unit of New College of Florida)

FINANCIAL STATEMENTS

JUNE 30, 2024

MAULDIN & JENKINS

CPAs & ADVISORS

NEW COLLEGE FOUNDATION, INC.

FINANCIAL STATEMENTS
JUNE 30, 2024

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MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
New College Foundation, Inc.
Sarasota, Florida

Report on the Audit of the Financial Statements

Opinion
We have audited the accompanying financial statements of New College Foundation, Inc. (the "Foundation"), a component unit of New College of Florida, 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 as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Foundation, as of June 30, 2024, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2024, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Bradenton, Florida
December 11, 2024

NEW COLLEGE FOUNDATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

(Unaudited)

INTRODUCTION

The following management's discussion and analysis (MD&A) provides an overview of the financial position and activities of New College Foundation, Inc. (the "Foundation") for the fiscal year ended June 30, 2024, with comparative information for fiscal year ending 2023, and should be read in conjunction with the financial statements and notes thereto. This report includes financial statements presented and prepared with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB) as this is the presentation used in the Foundation's annual financial report. The Foundation's management has prepared the financial statements and related note disclosures along with the MD&A. The responsibility for the completeness and fairness of this information rests with the Foundation's management.

The Foundation is a 501(c)(3) organization. The Foundation is a Direct Support Organization and a component unit of New College of Florida (the "College"). The Foundation converted from reporting under the Financial Accounting Standards Board (FASB) to reporting under GASB as of July 1, 2018, as mandated by the Florida Legislature for all Direct Support Organizations of the 12 State Universities. The mission of the Foundation is to support the priorities of New College of Florida, Florida's designated Honors College. This is accomplished by securing funds as a result of cultivating and stewarding individuals, foundations, and corporations and through the prudent management of assets.

FINANCIAL HIGHLIGHTS

The Foundation's financial position at June 30, 2024 contained total assets of $50,064,126 and liabilities and deferred inflows of resources of $1,076,838, resulting in a net position of $48,987,288 at June 30, 2024. Net position increased from July 1, 2023 to June 30, 2024 by 1.9%.

The Foundation's financial position at June 30, 2023 contained total assets of $49,806,812 and liabilities and deferred inflows of resources of $1,742,599, resulting in a net position of $48,064,213 at June 30, 2023. Net position increased from July 1, 2022 to June 30, 2023 by 5.7%.

The Foundation's investments showed a return (net of fees) of approximately 7.5% from July 1, 2023 to June 30, 2024 and 12.1% from July 1, 2022 to June 30, 2023.

USING THIS ANNUAL REPORT

The financial statements consist of three basic financial statements: (1) the statement of net position; (2) the statement of revenues, expenses, and changes in net position; and (3) the statement of cash flows. These financial statements are prepared in accordance with GASB accounting principles and guidelines, which establish standards for external financial reporting for public colleges, universities, and other governmental entities. The Foundation is required to prepare its annual report in accordance with GASB due to its formation under Florida Statute 1004.70 and the component unit relationship with the College. These statements present a long-term view of the Foundation's finances.

THE STATEMENT OF NET POSITION

The statement of net position presents the financial position of the Foundation at the end of the fiscal year and includes all assets, liabilities and deferred inflows of resources of $48,987,288. Net position, the difference between total assets and total liabilities and deferred inflows of resources, is an indicator of the current financial condition of the Foundation. The change in net position is an indicator of whether the overall financial condition has improved or worsened during the year. Assets and liabilities are generally measured using current values. One notable exception is capital assets, which are stated at historical costs less an allowance for depreciation.

A summarized comparison of the Foundation's assets, liabilities, deferred inflows of resources and net position at June 30, 2024 and 2023 is presented in the following table:

NET POSITION

	For the years ended	
	June 30, 2024	June 30, 2023
Assets		
Current assets	**$ 4,481,300**	$ 6,114,606
Capital assets, net	**1,055,899**	1,095,943
Other noncurrent assets	**44,526,927**	42,596,263
Total assets	**$ 50,064,126**	$ 49,806,812
Liabilities		
Current liabilities	**$ 546,942**	$ 986,066
Noncurrent liabilities	**365,784**	546,483
Total liabilities	**$ 912,726**	$ 1,532,549
Deferred inflows of resources	**$ 164,112**	$ 210,050
Net position		
Invested in capital assets	**$ 742,939**	$ 774,684
Restricted	**46,470,515**	49,392,966
Unrestricted	**1,773,834**	(2,103,437)
Total net position	**48,987,288**	48,064,213
Total liabilities, deferred inflows and net position	**$ 50,064,126**	$ 49,806,812

Current assets primarily consist of cash, cash equivalents, prepaid expenses and investments. Noncurrent assets consist of net capital assets and endowment investments. A review of the Foundation's statement of net position at June 30, 2024 and June 30, 2023, shows that the Foundation's net position increased by 1.9% from 2023 to 2024.

LOANS FROM DIRECT BORROWINGS

In fiscal year 2021, the Foundation incurred a $340,000 mortgage debt secured by the real estate purchased. The mortgage is at 4.5% for five years, adjusted to 3.25% over the treasury rate for the next five years. The term is ten years, and the amortization period is 25 years.

CAPITAL ASSETS

The Foundation capitalizes assets with a value of $1,000 for financial reporting purposes. As of June 30, 2024, there was $1,055,899 invested in capital assets net of accumulated depreciation. Capital assets of the Foundation at June 30, 2024 and 2023 are presented in the following table:

CAPITAL ASSETS

	For the years ended	
Capital assets	**June 30, 2024**	June 30, 2023
Nondepreciable capital assets:		
Real estate	**$ 421,832**	$ 421,832
Total nondepreciable capital assets	**$ 421,832**	$ 421,832
Depreciable capital assets:		
Buildings	**$ 1,520,611**	$ 1,520,611
Equipment	**125,756**	115,772
Total depreciable capital assets	**$ 1,646,367**	$ 1,636,383
Accumulated depreciation	**$ (1,012,300)**	$ (962,272)
Capital assets, net of depreciation	**$ 1,055,899**	$ 1,095,943

THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The statement of revenues, expenses, and changes in net position presents the Foundation's results of operations. In accordance with GASB reporting principles, revenues and expenses are classified as either operating or nonoperating. A summary of the Foundation's revenues, expenses, and changes in net position for the fiscal years ended June 30, 2024 and 2023 is presented in the following table:

REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	For the years ended	
	June 30, 2024	June 30, 2023
Operating revenues		
Contributions	**$ 1,937,992**	$ 1,678,723
Fundraising support and revenue	**494,111**	519,813
Other revenue	**106,605**	76,673
Total operating revenues	**2,538,708**	2,275,209
Less operating expenses	**5,481,071**	5,969,411
Operating income (loss)	**(2,942,363)**	(3,694,202)
Nonoperating revenues		
Investment income, net	**565,444**	269,214
Unrealized gain (loss) on investments	**3,905,745**	3,855,455
Realized gain (loss) on investments	**(1,129,113)**	1,042,402
Changes in value of trust agreements	**(28,738)**	(30,885)
Nonoperating income, net	**3,313,338**	5,136,186
Gain before additions to permanent endowments	**370,975**	1,441,984
Additions to permanent endowments	**552,100**	1,142,107
Increase in net position	**923,075**	2,584,091
Net position, beginning of year	**48,064,213**	45,480,122
Net position, end of year	**$ 48,987,288**	$ 48,064,213
	1.9%	5.7%

Operating revenue from fiscal year 2023 to 2024 increased by $263,499. Total gifts, contributions, and grants increased by $259,269 from 2023 to 2024. Additions to permanent endowments decreased by $590,007 from 2023 to 2024. Investment income showed a significant decrease of $1,822,848 from 2023 to 2024, which is attributed to general investment market conditions and loss resulted from liquidating investment portfolio in certain foreign market.

In fiscal year 2023, the Foundation received new pledges in the amount of $300,000. In fiscal year 2024, the Foundation received a $500,000 new pledge; however, since not all eligibility requirements under GASB have been met, no pledges were recorded.

Overall operating expenses decreased by $488,340 from 2023 to 2024. In total, program support increased by $221,835 and scholarship expenses paid to the College decreased by $1,132,575 from fiscal year 2023 to 2024. Allocations for both types of expenses, program support and scholarships, are funded primarily by endowment earnings in accordance with the Foundation's spending policy – awards of up to 1.25%, calculated by using the 20-quarter rolling average balances with the end date of December 31st for each endowment when earnings are available. This decrease in spending from 2023 to 2024 is mainly due to lower spending allocations coming from the endowment.

The Foundation's operating expenses increased by $422,400, of which $361,291 is increase in fundraising expenses, from 2022 to 2023. The increase is primarily due to rising cost for goods and services that reflects high inflation and utilizing professional services for grant writing, consulting, and temporary employees to fill positions that remained vacant for an extended time. In addition to new fundraising initiatives, the annual fund campaign remains a focus of the Foundation.

THE STATEMENT OF CASH FLOWS

The statement of cash flows provides additional information about the Foundation's financial results by reporting the major sources and uses of cash. Its primary purpose is to provide relevant information about the cash receipts and cash payments of an entity during a period. The statement of cash flows also helps users assess:

- An entity's ability to generate future net cash flows.
- Its ability to meet its obligations as they come due.
- Its need for external financing.

A comparative summary of the statement of cash flows for the Foundation for the fiscal years ended June 30, 2024 and 2023 is shown in the following table:

CASH FLOWS

	For the years ended	
	June 30, 2024	June 30, 2023
Cash provided (used) by:		
Operating activities	**$ (3,041,738)**	$ (4,414,325)
Investing activities	**1,208,649**	2,305,248
Noncapital financing activities	**552,100**	1,142,107
Capital and related financing	**(21,130)**	(8,633)
Net increase (decrease) in cash and cash equivalents	**(1,302,119)**	(975,603)
Cash and cash equivalents, beginning of the year	**5,617,747**	6,593,350
Cash and cash equivalents, end of year	**$ 4,315,628**	$ 5,617,747

The Foundation's liquidity remained stable during the reporting year. For the purpose of cash flows, the Foundation considers cash equivalents to include time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less. The following discussion presents an overview of cash flows:

During the fiscal year ended June 30, 2024, cash and cash equivalents decreased by $1,302,119. The decrease is due to the general increase in expenses. The Foundation has adequate funds on hand to pay invoices upon demand and approval.

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

The economic position of the Foundation is closely tied to the needs of the College and the investment markets for the endowment.

Investment income plays a key role in generating revenues for the Foundation. Also tied to investment earnings is the ability to provide scholarships and program support to the College through various endowments. The Foundation's investment accounts remain well-diversified and moderately invested, target in, 65% Global Equities, 18% Fixed Income, 14% Alternative Investments and 3% Cash, within the range established for each investment type per the Foundation's Investment Policy.

The Foundation's Board of Directors and management carefully monitor the status of all endowed funds, particularly those underwater funds in which the total fund balance is less than the corpus, or principal. This deficit can only be overcome through positive investment earnings UPMIFA allows for spending of current interest and dividends. As of June 30, 2024, the Foundation held 68 endowed funds and 15 quasi-endowed funds. Of these funds, four were in an underwater status as of the end of the fiscal year due to the temporary investment market conditions.

In fiscal year 2024, the Foundation created initiatives, which include Coaches Club and three signature events focusing on top three fundraising priorities, to support the newly created athletic department, mission critical projects, and the areas of greatest need at the College. As a direct support organization of the College, the Foundation is committed to the growth plan established by the College and its Board of Trustee and is making major efforts to assist in this growth.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the New College Foundation, Inc.'s finances for all those with an interest in the Foundation's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Sydney Gruters, Vice President of Advancement.

NEW COLLEGE FOUNDATION, INC.

STATEMENT OF NET POSITION
JUNE 30, 2024

ASSETS		
CURRENT ASSETS		
Cash	$	4,315,628
Beneficial interest in remainder trusts, net		81,015
Prepaid expenses and other assets		84,657
Total current assets		4,481,300
NONCURRENT ASSETS		
Investments		44,526,927
Capital assets, net		1,055,899
Total noncurrent assets		45,582,826
TOTAL ASSETS	$	50,064,126
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$	214,555
Gift annuities payable		10,470
Note payable		8,693
Unearned revenue		313,224
Total current liabilities		546,942
NONCURRENT LIABILITIES		
Gift annuities payable, net of current portion		61,517
Note payable, net of current portion		304,267
Total noncurrent liabilities		365,784
DEFERRED INFLOWS OF RESOURCES		
Gift annuities and charitable remainder unitrust		164,112
NET POSITION		
Net investment in capital assets		742,939
Restricted, nonexpendable, endowment		36,570,592
Restricted, expendable		9,899,923
Unrestricted		1,773,834
Total net position		48,987,288
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$	50,064,126

See Notes to Financial Statements.

NEW COLLEGE FOUNDATION, INC.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

OPERATING REVENUES		
Contributions	$	1,937,992
Fundraising support and revenue		494,111
Other revenue		106,605
Total operating revenues		2,538,708
OPERATING EXPENSES		
Program		
Scholarships and grants		530,913
Enhancements for programs		2,061,660
College support		983,476
General and administrative		1,020,583
Fundraising		884,439
Total operating expenses		5,481,071
Operating loss		(2,942,363)
NONOPERATING REVENUES (EXPENSES)		
Investment income, net		565,444
Unrealized gain on investments		3,905,745
Realized loss on investments		(1,129,113)
Changes in value of trust agreements		(28,738)
		3,313,338
Gain before permanent endowment contributions		370,975
Contributions to permanent endowments		552,100
Change in net position		923,075
Net position, beginning of the year		48,064,213
Net position, end of the year	$	48,987,288

See Notes to Financial Statements.

NEW COLLEGE FOUNDATION, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Received from private donors	$ 1,685,428
Received from other sources	174,705
Payments for College programs	(3,667,045)
Payments to suppliers for goods and services	(1,234,826)
Net cash used in operating activities	(3,041,738)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income, net	565,444
Proceeds from sale of investments	2,262,088
Purchase of investments	(1,618,883)
Net cash provided by investing activities	1,208,649
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Endowment contributions	552,100
Net cash provided by noncapital financing activities	552,100
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(12,831)
Payments on notes payable	(8,299)
Net cash used in capital and related financing activities	(21,130)
Net change in cash	(1,302,119)
Cash, beginning of year	5,617,747
Cash, end of year	$ 4,315,628
Reconciliation of operating loss to net cash used in operating activities	
Operating loss	$ (2,942,363)
Adjustments to reconcile operating loss to net cash used in operating activities	
Depreciation	59,875
Deferred inflow of resources related to gift annuities	(45,938)
Changes in assets and liabilities	
Prepaid expenses and other assets	(25,170)
Accounts receivable	168,484
Pledges receivable	304,427
Beneficial interest in remainder trusts	42,373
Accounts payable and other accrued expenses	(433,608)
Unearned revenue	(169,818)
Net cash used in operating activities	$ (3,041,738)
Noncash investing activities	
Net unrealized gain on investments	$ 3,905,745

See Notes to Financial Statements.

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New College Foundation, Inc. (the "Foundation") is a not-for-profit corporation organized under the laws of the State of Florida and operates exclusively for charitable and educational purposes within the meaning of 501(c)(3) of the Internal Revenue Code. The Foundation's mission is to provide aid in the form of money and other forms of property and services to New College of Florida (the "College"). The Foundation also promotes education and encourages learning and dissemination of information about which the College is involved. As of November 3, 2006, the Foundation has elected to organize and operate as a university direct-support organization as defined in Section 1004.28, Florida Statutes. The Foundation is considered a discrete component unit of the College due to the College's budgetary oversight responsibility and due to the Foundation's significant operational and financial relationships with the College.

Basis of Accounting and Presentation

The Foundation's accounting policies conform to accounting principles generally accepted in the United States of America applicable to colleges and universities as prescribed by the Governmental Accounting Standards Board (GASB).

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The Foundation's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange activities are generally recognized when all applicable eligibility requirements, including time requirements, are met.

The statement of net position is presented in a classified format to distinguish between current and noncurrent assets and liabilities. When both restricted and unrestricted resources are available to fund certain programs, it is the Foundation's policy to first apply the restricted resources to such programs followed by the use of the unrestricted resources.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers amounts on hand in checking accounts and money market accounts as cash unless held for the purpose of reinvestment. The Foundation considers all short-term, highly liquid investments with original maturities of 90 days or less to be cash equivalents.

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of net position. Realized and unrealized gains and losses are included in the statement of revenues, expenses, and changes in net position. Investment income includes interest and dividend income, net of fees, and is included in the statement of revenues, expenses and changes in net position separate from gains and losses. Investment fees were $302,263 for the year ended June 30, 2024.

Pledges Receivable

The Foundation accounts for its pledges receivable in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. GASB Statement No. 33 establishes reporting standards for nonexchange transactions, whereby unrestricted and restricted contributions receivable are recorded in the statement of net position and endowment contributions receivable are excluded from the statement of net position.

Promises to give are recorded at net realizable value. Unconditional promises to give are recognized as contribution revenue in the period received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. An allowance for doubtful accounts is established based on specific assessment of all amounts that remain unpaid following normal payment periods. All amounts deemed to be uncollectible are charged against the allowance for doubtful accounts in the period the determination is made.

Beneficial Interest in Remainder and Perpetual Trusts

The Foundation's split-interest agreements with donors consist of charitable gift annuities and charitable remainder uni-trusts, which are presented on the statement of net position as gift annuities payable and beneficial interest in remainder trusts. Contributions of split-interest agreements are recorded when the Foundation is informed of the contribution and its interest is irrevocable. Assets are invested and payments are made to donors and/or other beneficiaries in accordance with the respective agreements.

Trust assets, for which the Foundation has been designated trustee, totaled $155,084 at June 30, 2024 and are recorded in investments on the statement of net position. The related liabilities under trust agreements totaled $71,987 at June 30, 2024.

The present values of payments to beneficiaries under these charitable gift annuities are calculated using an applicable tax discount rate at year-end of 5.2% for the year ended June 30, 2024.

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Beneficial Interest in Remainder and Perpetual Trusts (Continued)

Charitable remainder uni-trusts are classified as restricted net position. Once the beneficial interest is passed to the Foundation, the remaining assets are released for unrestricted use. Charitable gift annuities are classified as unrestricted or restricted net position based upon the individual gift agreements as appropriate. Distributions of the annuities are paid from income first then as a release of principal, if necessary.

Gains or losses resulting from changes in actuarial assumptions and accretions of the discount are recorded as changes in the value of trust agreements in the statement of revenues, expenses and changes in net position and resulted in a net loss of approximately $28,738 for the year ended June 30, 2024. The change in the value of trust agreements and the related assets and liabilities are based on estimated maturity of the agreements. Actual results could differ from those estimates.

Unearned Revenue

Amounts received under contracts with third parties are considered unearned revenue until such a time as the Foundation expends amounts on eligible items and recognizes the amount as revenue.

Capital Assets

The Foundation's capital assets consist of land, buildings, furniture, and equipment and are stated at historical cost or acquisition value for donated assets or acquired at nominal cost. The Foundation has a capitalization threshold of $1,000 for capital assets. Depreciation is computed on the straight-line basis over the following estimated useful lives:

Buildings	40 Years
Equipment	3-5 Years

The Foundation owns real estate received through a gift of approximately 188 acres of land on Tidy Island situated in Manatee County, Florida during the year ended June 30, 1984. The conveyance was subject to deed restrictions including that the land not be built upon and that it be used solely for educational, research and study purposes. This property is used as an outdoor classroom by the New College Environmental Studies Program.

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When assets are impaired, asset values are reduced for this impairment. There was no impairment recognized on capital assets for the year ended June 30, 2024.

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Foundation has one item that meets the criterion for this category related to gift annuity payments. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Contributions

Contributions are recognized as increases in net position when pledged provided all eligibility requirements have been met, with the exception of contributions to endowments which are recognized when received. Assets donated to the Foundation are recorded at their estimated acquisition value at the date of donation. Revenues associated with irrevocable split-interest agreements are recognized when the resources become applicable to the reporting period.

Donated services are only recorded if the services received create or enhance nonfinancial assets or required specialized skills and would typically need to be purchased if not provided by donation. Other volunteer services are not recorded as revenue and expense since they do not create or enhance financial assets or require specialized skills. In-kind donations for services of approximately $612,005 were recognized in the year ended June 30, 2024, and are included in contributions on the accompanying statement of revenues, expenses and changes in net position.

Net Position

Net position, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net position and changes therein are classified and reported as follows:

Net Investment in Capital Assets – Net investment in capital assets includes capital assets, net of accumulated depreciation and reduced by any outstanding debt balances that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – Restricted net position includes funds externally restricted by donors that are expendable and nonexpendable endowments. Expendable includes funds that are subject to donor-imposed stipulations that can be fulfilled by actions of the Foundation pursuant to those stipulations, or that expire by passage of time. Nonexpendable endowments includes funds subject to donor-imposed stipulations that they be maintained permanently by the Foundation to use all or part of the related investment return for general or specific purposes in support of the College.

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unrestricted – Unrestricted net position includes funds that do not meet the definition of restricted or invested in capital assets.

Tax Status

The Foundation is generally exempt from federal income and state income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law. The Foundation is required to pay income taxes on the excess of revenues derived from activities unrelated to the tax exempt purpose of the Foundation over the related expenses.

Operating and Nonoperating Activities

The Foundation's operating income includes all revenues and expenses associated with the Foundation's daily activities. Interest and net investment earnings are excluded from operating income and classified as nonoperating revenues. Contributions received for endowments or from state matching funds are also excluded from operating and nonoperating activities and are classified as endowment contributions.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred inflows of resources 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. Actual results could differ from those estimates.

Subsequent Events

The Foundation has evaluated all subsequent events through December 11, 2024 the date the financial statements were available to be issued.

NOTE 2. COMMITMENTS TO NEW COLLEGE FOR 2024-2025 ACADEMIC YEAR

For the academic year ending June 30, 2024, the Foundation has budgeted to provide direct support to the College as follows:

Academic programs and enhancements	$ 2,375,085
Endowed chairs, professorships and fellowships	90,030
New College library and library association	23,632
Scholarship and student grants	500,000
Other	360,000
	$ 3,348,747

The Foundation will fulfill this obligation using anticipated endowment income and designated contributions.

NOTE 3. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2024 is shown as follows:

	Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024
Capital assets not being depreciated:				
Real estate	$ 421,832	$ -	$ -	$ 421,832
Total capital assets not being depreciated	421,832	-	-	421,832
Capital assets being depreciated:				
Buildings	1,520,611	-	-	1,520,611
Equipment	115,772	19,831	(9,847)	125,756
Total capital assets being depreciated	1,636,383	19,831	(9,847)	1,646,367
Less accumulated depreciation for:				
Buildings	(852,264)	(49,155)		(901,419)
Equipment	(110,008)	(10,720)	9,847	(110,881)
	(962,272)	(59,875)	9,847	(1,012,300)
Total capital assets being depreciated, net	674,111	(40,044)	-	634,067
Total capital assets, net	$ 1,095,943	$ (40,044)	$ -	$ 1,055,899

NOTE 4. RESTRICTED NET POSITION

Expendable restricted net position is restricted for scholarships or other similar purposes and totaled $9,899,923 for the year ended June 30, 2024.

Nonexpendable restricted net position (endowments) is donor-directed contributions restricted in perpetuity for a variety of purposes to provide support to the College. Nonexpendable restricted net position totaled $36,570,592 for the year ended June 30, 2024.

The Board of Directors of the Foundation has interpreted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund, absent donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as nonexpendable restricted net position: (a) the original value of the gift 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 Foundation has adopted investment and spending policies for endowment assets that attempt to protect the principal of the fund, provide consistent long-term income returns and protect the Foundation against long-term inflation trends. The desired investment objective is a long-term real rate of return on assets that is 7.5-8.0%. The target rate of return for the Foundation has been based upon an analysis of historical returns supplemented with an economic and structural review for each asset class. The objective is based on a ten-year investment horizon, so that interim fluctuations should be viewed with appropriate perspective.

Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Foundation has a spending policy of annually appropriating for distribution a percentage of its endowment funds based on the average endowment fair value of the five preceding years, as computed on December 31st. In establishing this policy, the Foundation considered the long-term expected return on its endowment. The spending policy established for the year ended June 30, 2024 was 3.50% (1.25% to the College and 2.25% to the Foundation for an administrative fee). This is consistent with the Foundation’s objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE 5. RELATED PARTY TRANSACTIONS

Beginning in November 2013, employees of the Foundation became employees of the College, an affiliated entity, and the Foundation began reimbursing the College for the cost of services received from personnel of the College. Salaries reimbursed to the College totaled $472,307 for the year ended June 30, 2024.

The Foundation received $607,913 of in-kind services for payroll, grounds maintenance and custodial services for the year ended June 30, 2024. In July 2023, the Foundation provided office space for a department of the College. The fair market value of the donated office space and the associated expenses is estimated at $62,581 for the year ended June 30, 2024.

The Foundation provided direct support to the College in the amount of $2,592,573 for the year ended June 30, 2024. Of that amount, $259,456 was provided for lobbyists. At June 30, 2024, the Foundation had an outstanding balance of $112,202 payable to the College.

NOTE 6. NONCURRENT LIABILITIES

The Foundation manages charitable gift annuities. These annuities are irrevocable split-interest agreements where the Foundation is the remainder interest beneficiary that makes distributions to the annuitants. Noncurrent liabilities consist of gift annuities payable as of June 30, 2024. GASB Statement No. 81 established financial reporting standards for irrevocable split-interest to include assets, liabilities, and deferred inflows of resources. The asset is the market value of resources received; the liability is the present value of future payments to annuitants; the deferred inflow of resources is the difference between the asset and the liability. There is also a portion of unearned revenue that is not expected to be recognized as revenue in the upcoming year.

A summary of the changes in the noncurrent liabilities is as follows:

	Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024	Current Portion
Unearned revenue	$ 483,042	$ 16,555	$ (186,373)	$ 313,224	$ 313,224
Gift annuities payable	80,085	-	(8,098)	71,987	10,470
	$ 563,127	$ 16,555	$ (194,471)	$ 385,211	$ 323,694

NOTE 7. NOTE PAYABLE

During 2021, the Foundation entered into an agreement with a local financial institution to borrow $340,000 to acquire real property in Sarasota, Florida. The note payable is due in 60 monthly payments of $1,902 including interest at 4.50% followed by 59 monthly payments estimated at $1,773 including interest at the prevailing U.S. Treasury Note Yield plus 3.25% with a balloon payment in February 2031 and is secured by certain real property. The balance on the note from a direct borrowing at June 30, 2024 was $312,960. Total principal paid during the year ended June 30, 2024 was $8,299.

Aggregate maturities on the long-term debt at June 30, 2024 are as follows:

	Principal	Interest
2025	$ 8,693	14,132
2026	9,378	12,932
2027	10,366	10,913
2028	10,733	10,547
2029	11,172	10,108
2030-2031	262,618	15,933
	$ 312,960	$ 74,565

NOTE 8. FAIR VALUE MEASUREMENTS

Deposits – Custodial credit risk is the risk that in the event of a bank failure, the Foundation's deposits may not be returned. The Foundation's policy regarding custodial risk is to hold noninvested cash in a financial institution covered by the Federal Deposit Insurance Corporation (FDIC) not exceeding the limit of FDIC coverage.

Noninvested cash in excess of FDIC coverage will be held in a certified Qualified Public Depository (QPD) as identified by the Florida Security for Public Deposits Act, Chapter 280, Florida Statute. At June 30, 2024, the bank balance was approximately $1,175,644. Of the bank balance, $925,644 was in excess of the amount covered by the FDIC and thus collateralized under the Florida Security for Public Deposits Act.

The Foundation has an account with the State Treasury Special Purpose Investment Account (SPIA). This account represents ownership of a share of the Florida Treasury Investment Pool, not the underlying securities. At June 30, 2024, the Florida Treasury Investment Pool carried a credit rating of AA-f by Standard & Poor's and had an effective duration of 3.23. At June 30, 2024, the Foundation had cash equivalents of $3,221,511 with the State Treasury SPIA.

NOTE 8. FAIR VALUE MEASUREMENTS (CONTINUED)

Investments – The Foundation's investment policy allows for investments in domestic equities, international equities, fixed income and alternatives. For fixed income instruments, the Foundation's investment policy allows for investment in domestic, global, U.S. inflation projected, U.S. high yield, emerging market bonds, short-term bonds, multi-sector bonds, unconstrained bonds, and cash equivalents. For alternative instruments, the Foundation's investment policy allows for private equity, absolute return (hedge funds), real assets and commodities.

The following methods and assumptions were used by the Foundation in estimating the fair value of its financial instruments:

Mutual Funds – The fair value is measured based on quoted prices in principal active markets for identical assets as of the valuation date (Level 1).

Alternative Foreign Equity and Private Equity Funds – These investments are valued using the NAV provided by the administrator of the fund, as a practical expedient. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities and then divided by the number of shares outstanding. The NAV is excluded from the valuation hierarchy.

Investments held by the Foundation are reported at fair value and were as follows at June 30, 2024:

	Level 1	Level 2	Level 3	Net Asset Value	Total at June 30, 2024
Investments					
Cash and cash equivalents	$ 1,214,656	$ -	$ -	$ -	$ 1,214,656
Mutual funds - fixed income	8,158,157	-	-	-	8,158,157
Mutual funds - equities	153,334	-	-	-	153,334
Domestic equities	17,602,846	-	-	-	17,602,846
International equities	11,472,008	-	-	-	11,472,008
Total mutual funds - fixed income	38,601,001	-	-	-	38,601,001
Investments at net asset value					
Alternative foreign equity, private equity and other funds	-	-	-	5,925,926	5,925,926
Total investments	$ 38,601,001	$ -	$ -	$ 5,925,926	$ 44,526,927

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

NOTE 8. FAIR VALUE MEASUREMENTS (CONTINUED)

Custodial Credit Risk – The Foundation utilizes the services of an investment advisor and several investment managers to manage its portfolio. For an investment, custodial credit risk is the risk that, in the event of a failure of the counterparty, the Foundation will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The investment in mutual funds are not categorized as to custodial credit risk as they are not evidenced by securities that exist in physical or book entry form. These mutual funds are not rated by a nationally statistical rating organization. There were no losses due to default by counterparties to investment transactions during the year ended June 30, 2024.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Foundation's investment policy manages credit risk by limiting the Foundation to investment in mutual funds as opposed to direct investment in bonds.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Foundation's investment policy requires that investments are to be diversified to the extent that no more than 7% of the funds may be invested in any one security and a maximum of 5% may be invested in the obligations of a single issuer (excluding U.S. Government and its agencies).

Other Information – For management control, investments are pooled. Gains, losses and investment income from the pool are allocated monthly to the funds that participate in the pool based upon each fund's average monthly balance.

NOTE 9. FUNCTIONAL CLASSIFICATION OF EXPENSES

The expenses recognized by the Foundation in the statement of revenues, expenses and changes in net position are classified by function, that is, the purpose for which they are incurred. The Foundation's expenses based on function classification are as follows as of June 30, 2024:

	Program Services	General and Administrative	Fundraising	Total
Enhancements	$ 1,802,204	$ -	$ -	$ 1,802,204
Lobbyist	259,456	-	-	259,456
Scholarships - College budget	433,954	-	-	433,954
Grants	96,959	-	-	96,959
Salaries	344,595	379,956	209,077	933,628
Depreciation	-	59,875	-	59,875
Insurance	-	12,610	-	12,610
Interest	-	14,527	-	14,527
Admin fees	-	1,105	-	1,105
Bank service fees	1,265	7,412	10,772	19,449
Dues and subscriptions	5,458	5,661	576	11,695
Professional services	-	208,698	136,127	344,825
Miscellaneous Expense	-	-	7,396	7,396
Audit fees	-	38,000	-	38,000
In-kind professional services	-	146,592	-	146,592
Postage and shipping	495	2,072	-	2,567
Telephone expense	-	66	-	66
Office supplies	122	5,407	1,053	6,582
Software/software upgrades	-	49,792	32,105	81,897
Storage	-	6,954	-	6,954
Equipment	-	4,604	-	4,604
Maintenance and repair	1,397	1,799	-	3,196
Rental	-	5,078	4,561	9,639
Taxes - property	-	325	-	325
Donor cultivation major gifts	37,018	2,315	20,374	59,707
Development - Regional Gathering	3,608	-	-	3,608
Printing	-	44,476	1,190	45,666
Utilities - TKC	12,584	8,499	-	21,083
Promotional expense	9,143	-	-	9,143
Development and entertainment	-	867	600	1,467
Sponsorship expense	50,711	5,000	3,203	58,914
Advertising	57,167	6,200	8,257	71,624
Catering	4,503	578	131,286	136,367
Travel - airfare/training	1,871	-	-	1,871
Travel - lodging	1,334	-	-	1,334
Mileage and toll reimbursement	-	5	-	5
Travel - auto rental	326	-	-	326
Donation Expense	448,038	-	-	448,038
Gift-in-kind expense	3,841	-	13,071	16,912
Board of Directors expense	-	2,110	364	2,474
Pledge write offs	-	-	304,427	304,427
	$ 3,576,049	$ 1,020,583	$ 884,439	$ 5,481,071

OTHER INDEPENDENT AUDITOR'S REPORT

MAULDIN & JENKINS
CPAs & ADVISORS

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

Board of Directors
New College Foundation, Inc.
Sarasota, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of New College Foundation, Inc. (the "Foundation"), a component unit of New College of Florida, 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 December 11, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of 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 noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Bradenton, Florida
December 11, 2024