

2025

College of Central Florida Foundation, Inc.
A Component Unit of the College of
Central Florida

Financial Statements and
Independent Auditor's Report

December 31, 2025

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

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

**COLLEGE OF CENTRAL FLORIDA FOUNDATION, INC.
OCALA, FLORIDA
A COMPONENT UNIT OF THE
COLLEGE OF CENTRAL FLORIDA**

DECEMBER 31, 2025

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
College of Central Florida Foundation, Inc.

Opinion

We have audited the accompanying financial statements of the College of Central Florida Foundation, Inc. (the Foundation), a component unit of the College of Central Florida, as of and for the year ended December 31, 2025, 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 financial position of the Foundation as of December 31, 2025, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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

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INDEPENDENT AUDITOR'S REPORT

and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Board of Directors
College of Central Florida Foundation, Inc.

INDEPENDENT AUDITOR'S REPORT

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 Information

Management is responsible for the other information included in the annual report. The other information comprises the statement of net position by account and statement of revenues, expenses, and changes in net position by account, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2026, 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 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

June 3, 2026
Ocala, Florida

COLLEGE OF CENTRAL FLORIDA FOUNDATION, INC. – OCALA, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

This section of the College of Central Florida Foundation, Inc.’s (the Foundation) annual financial report presents our discussion and analysis of financial performance for the fiscal periods ending on December 31, 2025 and 2024. Please read it in conjunction with the preceding Independent Auditor’s Report and financial statements following this section.

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position provide information about activities and present a longer-term view of financial position. The Statement of Cash Flows provides information regarding net cash from (used in) various activities.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. These notes are in integral part of these financial statements and should be read as a part of the financial statements in order for the reader to have a clear understanding of the activities and performance.

NET POSITION

	December 2025	December 2024
Current Assets	\$ 6,523,676	\$ 6,337,706
Capital Assets, Net	21,974,314	21,568,993
Non-Current Assets	130,209,960	113,969,528
Total Assets	<u>158,707,950</u>	<u>141,876,227</u>
Current Liabilities	834,247	803,918
Long-Term Liabilities	109,036	18,706
Total Liabilities	<u>943,283</u>	<u>822,624</u>
Total Deferred Inflows of Resources	<u>119,871</u>	<u>106,521</u>
Net Position		
Net Investment in Capital Assets	21,881,722	21,568,993
Restricted:	111,851,143	97,898,818
Board Designated	20,869,458	18,406,304
Undesignated Purpose	3,042,473	3,072,967
Total Net Position at End of Year	<u>\$ 157,644,796</u>	<u>\$ 140,947,082</u>

COLLEGE OF CENTRAL FLORIDA FOUNDATION, INC. – OCALA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

FINANCIAL ANALYSIS

In comparing 2025 activity to 2024 activity, we note the following:

Total assets increased by 11.86%, or \$16.8 million. Current assets increased by 2.93%, or \$185,970. Capital assets increased by 1.88%, or \$405,321. Non-current assets, including the Foundation's investment accounts, increased by \$16.2 million, or 14.25%, during 2025 due primarily to investment growth. There was also a net increase of \$120,659 in total liabilities which includes the long-term subscription renewal of Blackbaud software, an increase in Accounts Payable due to timing of payment to the student housing management company, and deferred interest on new gift annuities.

Deferred inflows of resources increased by \$13,350 to reflect the change in market value of gift annuities and charitable remainder trusts during 2025.

CHANGES IN NET POSITION

	<u>December 2025</u>	<u>December 2024</u>
Revenue:		
Operating - Contributions	\$ 443,690	\$ 368,381
Operating - Investment Income	18,528,121	11,176,176
Operating - Other	<u>77,412</u>	<u>84,225</u>
Total Revenue	<u>19,049,223</u>	<u>11,628,782</u>
Expenses:		
Program Services	<u>5,152,685</u>	<u>6,664,494</u>
Total Expenses	<u>5,152,685</u>	<u>6,664,494</u>
Operating Income	<u>13,896,538</u>	<u>4,964,288</u>
Non Capital Subsidies		
Support from College	<u>264,794</u>	<u>325,894</u>
Total Non-Capital Subsidies	<u>264,794</u>	<u>325,894</u>
Operating Income (loss) and Non-Capital Subsidies	14,161,332	5,290,182
Non-Operating (Expense)	<u>2,536,382</u>	<u>7,622,835</u>
Change in Net Position	16,697,714	12,913,017
Net Position, Beginning of Year	<u>140,947,082</u>	<u>128,034,065</u>
Net Position, End of Year	<u>\$ 157,644,796</u>	<u>\$ 140,947,082</u>

COLLEGE OF CENTRAL FLORIDA FOUNDATION, INC. – OCALA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

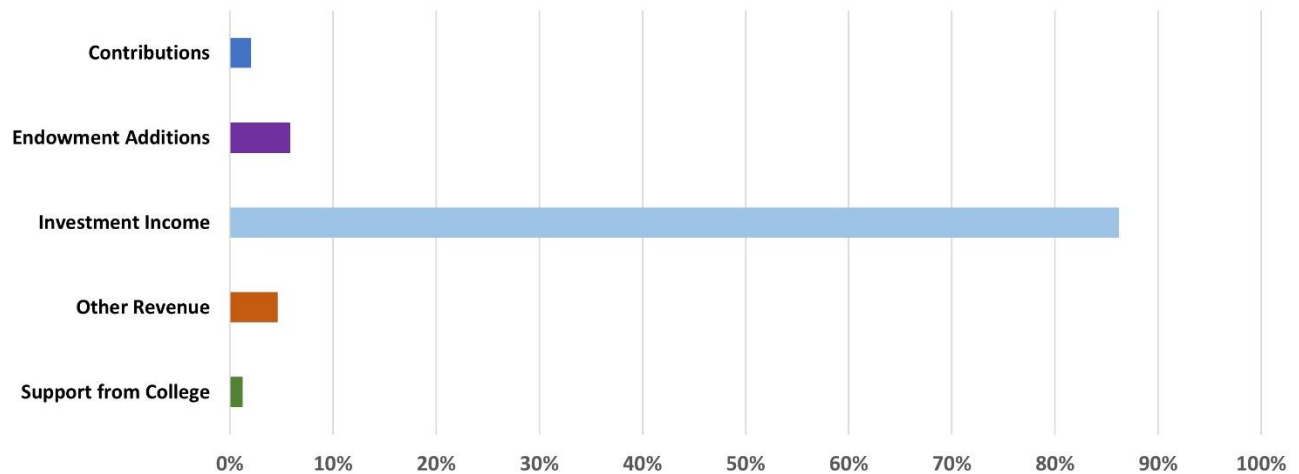
Significant differences between 2025 and 2024 revenues and expenses are discussed below:

REVENUES

Operating Revenue: Overall, operating revenue increased by \$7.4 million compared to 2024, with investment income increasing by \$7.3 million due to favorable market conditions during 2025. In recognizing the effects of GASB Statement 103, *Financial Reporting Model Improvements*, rental income and support from the College of Central Florida (the College) are no longer reported as operating revenues. The Foundation also experienced an increase in private contributions in comparison to 2024.

Endowment Additions Revenue: Permanently restricted contributions to the endowment fund experienced a \$5,099,774 decrease in comparison to 2024, due to the fact that no extraordinarily large gifts were received in 2025 as had been received in previous years.

2025 Revenues



Contributions consists of private, non-endowed contributions.

Endowment Additions - permanently restricted contributions added to the endowment fund.

Investment Income is comprised of investment earnings, changes in values of life insurance and split interest agreements, and gain/loss on land held for investment purposes.

Other Revenue is comprised of revenue from rental income and revenue from special events.

Support from College is comprised of limited salary and program support.

COLLEGE OF CENTRAL FLORIDA FOUNDATION, INC. – OCALA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

EXPENSES

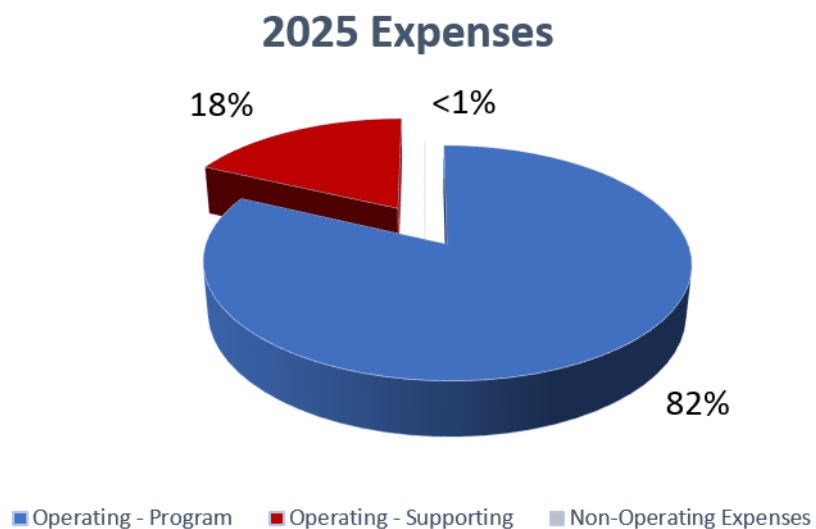
Operating – Program Expenses include scholarships, academic program and institutional support, as well as distributions for temporarily restricted purposes. Also included in this category is general and administrative expenses including personnel costs, insurance, utilities, and maintenance. In 2025, the supporting expenses totaled \$992,366, an increase of 6.7%, or \$62,425, in comparison to 2024 expenses due to an increase in personnel costs and professional fees.

Also included in this category are expenses associated with donor relations, special events, and student housing. In recognizing the effects of GASB Statement 103, *Financial Reporting Model Improvements*, rental income and Support from College are reported as general administration program services. A majority of operating program expenses are funded through earnings on endowments. Although the Foundation's fiscal year is January to December, endowment allocations are made in line with the College's academic and fiscal year which is July to June.

During 2025, the Foundation provided \$1,110,228 in scholarship support, \$1,068,268 in academic program support, and \$776,817 in institutional support. Overall, 2025 program expenses decreased by 22.68% in comparison to 2024, primarily due to the Enterprise Center Building depreciation expense of \$1.5 million recorded in 2024 at the time the building was transferred to the College.

The Foundation's Board of Directors (the Board) approved an endowment-spending rate of 3.5% for endowed scholarship and chair awards during the 2025 academic year, keeping it constant since the 2022 academic year.

Non-Operating Revenue (Expenses), which consists of interest expense of \$1,481 compared to \$9,859 in 2024 due to remaining Enterprise Center depreciation.



COLLEGE OF CENTRAL FLORIDA FOUNDATION, INC. – OCALA, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

NET POSITION

As a result of the foregoing activity, net position increased by 11.85% or \$16,697,714 to \$157,644,796. Included in unrestricted net position are board-designated reserve accounts that have been established as follows:

Scholarship Reserve	\$ 2,613,429
Endowed Chair/Grant Reserve	731,749
Insurance Reserve	32,000
Scholarships	8,557,903
Chairs	8,828,328
Other	106,049
Total Revenue	<u>\$ 20,869,458</u>

DEBT ADMINISTRATION

	December 2025	December 2024
Long-Term Debt:	\$ 50,120	\$ -
Subscription payable	<u> </u>	<u> </u>
Total	<u>\$ 50,120</u>	<u>\$ -</u>

OTHER

In late 2013, the Board approved a 5% investment in core property and alternatives, implemented January 2014. Since inception with the current investment firm, the core endowment has earned 8.11% overall, with core property earning 6.43%. The Foundation’s total portfolio 3-year annualized return is 12.96%.

The Foundation is well positioned to continue to provide the College with resources to assist in carrying out its mission, to provide quality higher educational opportunities to the residents of Citrus, Levy, and Marion counties (our tri-county service area). The Foundation looks back with pride and forward with anticipation to the achievements made possible with the efforts and involvement of the Foundation’s Board and the College’s District Board of Trustees, our donors, volunteers, and community supporters.

REQUESTS FOR INFORMATION

This section of the Foundation’s annual financial report is designed to provide a general overview of the Foundation’s finances. Questions about any of the information provided in this report or requests for additional financial information should be addressed to the Chief Fiscal Officer, CF Foundation, 3001 SW College Rd, The Enterprise Center, 2nd Floor, Ocala, Florida 34474-4415, or by calling 352-873-5808.

BASIC FINANCIAL STATEMENTS

COLLEGE OF CENTRAL FLORIDA FOUNDATION, INC. - OCALA, FLORIDA
STATEMENT OF NET POSITION
DECEMBER 31, 2025

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 6,343,624
Pledge Receivable, Current Portion, Net	40,966
Prepaid Expenses and Other Current Assets	139,086

Total Current Assets

6,523,676

Capital Assets, Net

Capital Assets Not Being Depreciated	20,607,947
Capital Assets Being Depreciated, Net	1,366,367

Total Capital Assets, Net

21,974,314

Non-Current Assets

Cash and Cash Equivalents - Endowment	2,206,691
Investments	127,944,971
Charitable Remainder Trusts	35,675
Cash Surrender Value of Life Insurance	22,623

Total Non-Current Assets

130,209,960

Total Assets

158,707,950

LIABILITIES

Current Liabilities

Accounts Payable and Accrued Expenses	318,916
Scholarship Payable	312,757
Escrow - Housing Deposits	80,995
Unearned Revenue	67,334
Current Portion of Gift Annuity Payable	11,773
Current Portion Subscription Payable	42,472

Total Current Liabilities

834,247

Long-Term Liabilities

Long-Term Portion of Gift Annuity Payable	58,916
Subscription Payable	50,120

Total Long-Term Liabilities

109,036

Total Liabilities

943,283

Deferred Inflows of Resources

Charitable Remainder Trusts	35,675
Gift Annuity	84,196

Total Deferred Inflows of Resources

119,871

NET POSITION

Net Position

Net Investment in Capital Assets	21,881,722
Restricted:	
Non-Expendable	108,527,777
Expendable	3,323,366
Unrestricted:	
Undesignated	3,042,473
Board Designated	20,869,458

Total Net Position

\$ 157,644,796

See accompanying notes.

COLLEGE OF CENTRAL FLORIDA FOUNDATION, INC. - OCALA, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2025

Operating Revenues	
Private Contributions	\$ 443,690
Investment Income	18,528,121
Special Events	77,412
Total Operating Revenues	<u>19,049,223</u>
Operating Expenses	
Program Services:	
Donor Relations	253,004
Institutional Support	776,817
Scholarships	1,110,228
Academic Program Support	1,068,268
Special Events	24,253
Student Housing	927,739
Enterprise Center	10
General Administration	992,366
Total Operating Expenses	<u>5,152,685</u>
Operating Income	<u>13,896,538</u>
Non-Capital Subsidies	
Support from College of Central Florida	264,794
Total Non-Capital Subsidies	<u>264,794</u>
Operating Income and Non-Capital Subsidies	<u>14,161,332</u>
Non-Operating Revenue (Expense)	
Interest Expense	(1,481)
Rental Income and Fees	921,922
Private Endowment Contributions	1,257,141
Capital Contributions - Donated Art Collection	358,800
Total Non-Operating Revenue	<u>2,536,382</u>
Change in Net Position	16,697,714
Net Position, Beginning of Year	<u>140,947,082</u>
Net Position, End of Year	<u><u>\$ 157,644,796</u></u>

See accompanying notes.

COLLEGE OF CENTRAL FLORIDA FOUNDATION, INC. - OCALA, FLORIDA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

Cash Flows from Operating Activities

Cash Received from Donors	\$ 1,902,818
Cash Paid to College of Central Florida, Vendors, and Suppliers	(5,047,899)
Cash Received for Investments and Dividends	3,914,032
Cash Received from Sale of Investments	23,937,513
Cash Paid for Purchases of Investments	(31,671,001)

Net Cash Provided by (Used in) Operating Activities	(6,964,537)
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Cash Flows from Non-Capital Financing Activities

Cash Received from Rental Tenants	921,922
Non-Capital Subsidies Received - Support from College	264,794

Net Cash Provided by Non-Capital Financing Activities	1,186,716
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Cash Flows from Capital and Related Financing Activities

Acquisition and Construction of Capital Assets	(72,893)
Bond, Note and Lease Payable Principal Payments	(44,921)

Net Cash Provided by (Used in) Financing Activities	(117,814)
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Net Increase (Decrease) in Cash and Cash Equivalents	(5,895,635)
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Cash and Cash Equivalents, Beginning of Year	14,445,950
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Cash and Cash Equivalents, End of Year	\$ 8,550,315
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Shown on the Statement of Net Position as:

Cash and Cash Equivalents	\$ 6,343,624
Cash and Cash Equivalents - Endowment	2,206,691

Total Cash and Cash Equivalents	\$ 8,550,315
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Reconciliation of Operating Income to Net Cash

Used in (Provided by) Operating Activities

Operating Income	\$ 13,896,538
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Adjustments to Reconcile Operating Income to Net Cash

Used in (Provided by) Operating Activities:

Depreciation and Amortization	162,404
Transfer of Assets to College	
Net Realized and Unrealized Gain on Investments	(22,360,927)
Private Endowment Contributions	1,257,141

Decrease (Increase) in:

Charitable Remainder Trusts	(4,205)
Pledges Receivable	40,965
Prepaid Expenses and Other Current Assets	2,130

Increase (Decrease) in:

Accounts Payable and Accrued Expenses	34,812
Scholarships Payable	(94,560)
Escrow - Housing Deposits	9,266
Unearned Revenue	32,666
Gift Annuity Payable	45,883
Change in Deferred Inflow of Resources	13,350

Total Adjustments	(20,861,075)
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Net Cash Provided (Used in) by Operating Activities	\$ (6,964,537)
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Significant Transactions Not Affecting Cash

Subscription-Based Information Technology Arrangement	\$ 136,032
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See accompanying notes.

COLLEGE OF CENTRAL FLORIDA FOUNDATION, INC. - OCALA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

Note 1 - Summary of Significant Accounting Policies

Nature of Organization—The College of Central Florida Foundation, Inc. (the Foundation) is a direct support organization as provided for in Section 240.331, Florida Statutes, and is considered a component unit of the College of Central Florida (the College) in Ocala, Florida. The Foundation was formed in 1959 as a 501(c)(3) not-for-profit organization whose objective is to provide students attending the College with funds to pursue their collegiate training and to provide the College with funds to carry on any proper activity at the College.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation—The financial statements of the Foundation have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting.

For financial reporting purposes, the Foundation is considered a special-purpose government engaged only in business-type activities. Accordingly, the Foundation prepares its financial statements using the economic resources measurement focus and the accrual basis of accounting in accordance with GAAP for proprietary funds, which is similar to those 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 available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. All of the Foundation's financial activity is accounted for in a single enterprise fund, which is broken down into the following sub-accounts:

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

Endowment Account—Records non-expendable donations received by the Foundation subject to donor-imposed restrictions and unrestricted donations received by the Foundation subject to designation by the Foundation's Board of Directors (the Board), requiring that the principal be invested in perpetuity and that only income (including appreciation) can be used for scholarships and endowed chair activities. The endowment principal balance fluctuates as investment income, including realized and unrealized appreciation, and is allocated to each endowment on a pro rata basis based on its balance as a percentage of the total endowment fund. Beginning in 1992, the Board approved the unrestricted operating fund to charge up to a 2.5% reinvestment fee against current earnings to recover the costs of administering endowment and general operations. During the 2025 fiscal year, a reinvestment fee of 1.35% was charged. The spending rate for the endowments is set by the Board. During the 2025 fiscal year, a spending rate of 3.5% was approved.

Museum Collection Account—Consists of the artwork and collections of the Appleton Museum of Art. Art acquisitions are recorded at cost if purchased or at market value on the date of receipt if donated, based on a bona fide appraisal. Although the artwork and collections have been capitalized, they are considered inexhaustible and, therefore, not depreciable.

COLLEGE OF CENTRAL FLORIDA FOUNDATION, INC. - OCALA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

Student Housing Account—Includes the student housing facility and related debt to further assist students attending the College. Rental revenues and operating and maintenance expenses are also recorded in the account.

Enterprise Center Account—Includes office building and related debt. Rental revenues and operating expenses are also recorded in the account. The Enterprise Center was transferred to the College in June of 2024.

Net Position—The Foundation classifies its net position into the following three categories:

Net Investment in Capital Assets—Represents the Foundation’s total investment in capital assets, net of accumulated depreciation, reduced by the outstanding debt obligations attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt should also be included in this component of net position.

Restricted—The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

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

Expendable Restricted Net Position—Includes resources in which the Foundation is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Unrestricted—The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the Foundation’s policy is to first apply the expense toward restricted resources, and then toward unrestricted resources.

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

Operating Revenues—Includes the primary activities of contributions from donors, investment income, and special events.

COLLEGE OF CENTRAL FLORIDA FOUNDATION, INC. - OCALA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

Non-Operating Revenues—Include revenues derived from contributions restricted for capital additions or endowments, rental activities, and non-capital subsidies which represent resources received from other governments, organizations, or individuals for purposes other than capital acquisition or construction. Non-operating revenues are reported in accordance with the requirements of GASB Statement No. 103, *Financial Reporting Model Improvements*.

Donor Restricted Endowments—Investment income, including unrealized appreciation and depreciation, is allocated to each endowment account on a pro rata basis based on the non-expendable endowment balance. In accordance with state law, these funds are then available for expenditure when the specific donor criteria are met. The Foundation accounts for endowments using the total return method, which utilizes both income and capital appreciation to be withdrawn for spending. The maximum allowable spending amount is stated in the investment policy.

Cash and Cash Equivalents—Cash and cash equivalents consist of cash, certificates of deposit, money market accounts, and highly liquid fixed income investments with original maturities of three months or less. Cash and cash equivalents that are part of the endowment account are classified as non-current assets in the statement of net position, as they are not intended to be used for current operating costs.

Capital Assets—Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives of the assets, which range from five years for most equipment to forty years for buildings.

Bequest Receivable—Assets left to the Foundation through the provisions of a will or an estate plan that has not been received as of the end of the fiscal year.

Pledges Receivable—Legally enforceable pledges, less an allowance for uncollectible amounts, are recorded as a receivable and revenue in the year made for current period use. Pledges for endowments are considered voluntary non-exchange transactions and the contribution cannot be recognized until all the eligibility requirements are met, including time restrictions. Therefore, pledges for endowments are not recorded on the financial statements until the funds are received.

Investments—The Foundation follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Under this provision, contributed marketable securities are recorded at their fair value at the date of donation. Purchased marketable securities are recorded and carried at fair value with increases and decreases being charged and credited to the statement of revenues, expenses, and changes in net position.

Accrued Compensated Absences—The Foundation accrues accumulated unpaid vacation and sick leave and associated employer-related costs when earned (or estimated to be earned) by the employee. Eligible employees are entitled to annual vacation and sick leave with pay. The employees are generally allowed to accumulate vacation leave. A maximum of 450 hours may be carried over from year to year, of which 330 hours will be paid upon termination. Sick leave balances accrue for employees who are actively employed

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and who have completed ten years of service. However, payment upon termination is limited to the lesser of 60 days or 1/2 of the employee's sick leave balance for those employees who were hired on or after July 1, 1998, or 1/2 of the employee's sick leave balance for those employees hired prior to July 1, 1998.

Estimates—The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes—The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying financial statements. Contributions to the Foundation qualify for the charitable contribution tax deduction.

Donated Property, Materials, and Services—Donated property used to further the purposes of the Foundation is recorded at acquisition value at the time of donation. Donated materials and services used to further the purposes of the Foundation are recorded at the amount it deems it would reasonably pay to obtain such materials and services. The Foundation frequently receives donations of property and materials, which it in turn, contributes to the College. These amounts are not recorded in the Foundation's accounting records.

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

- Assets for Resources Received or Receivable
- A Liability for the Lead Interest That is Assigned to Other Beneficiaries
- A Deferred Inflow of Resources for the Government's Unconditional Remainder Interest

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

For agreements in which the Foundation is the lead interest beneficiary, the Foundation will recognize revenue for the beneficial interest applicable to the reporting period as stipulated in the irrevocable split-interest agreement. For agreements in which the Foundation is the remainder interest beneficiary, the Foundation will recognize revenue for the beneficial interest at the termination of the agreements, as stipulated in the irrevocable split-interest agreement.

Subscription-Based Information Technology Arrangements (SBITA)—The Foundation recognizes SBITA liabilities and an intangible right-to-use asset in the financial statements.

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At the commencement of a SBITA, the Foundation measures the liability at the present value of payments expected to be made during the subscription term. Subsequently, the liability is reduced by the principal portion of the subscription payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for subscription payments made at or before the commencement date, plus certain initial implementation cost. Subsequently, the SBITA asset is amortized on a straight-line basis over its useful life.

Adoption of New Accounting Pronouncement

During the fiscal year ended December 31, 2025, the Foundation adopted GASB Statement No. 103, *Financial Reporting Model Improvements*. Implementation of the Statement resulted in changes to certain financial statement presentation and disclosure requirements, including updates to management's discussion and analysis reporting, and proprietary fund reporting classification. The adoption of this Statement did not have a material impact on Foundation's financial position.

Note 2 - Leasing Activities

The Foundation has various lease agreements to receive rental income for short-term leases that are 12 months or less which are as follows:

- A 99-year lease on property located in Columbus, Ohio, was donated. Rent of \$2,500 is payable in advance every three months. The lease expired in 2022 and is renewable in perpetuity at the option of the lessee.
- Single-family residence located in Ocala, Florida, on a portion of land that was purchased by the Foundation for construction of the student housing facility. Rent of \$1,450 is payable monthly on the 1st of each month. This lease expires on March 31, 2027.
- Single-family residence located in Ocala, Florida, on a portion of land that was purchased by the Foundation for construction of the student housing facility. Rent of \$1,700 is payable on the 1st of each month. The lease expires on May 31, 2026.
- College Square, a 48-unit student residence that houses 192 students, charges monthly rent of between \$480 and \$530, depending on the length of lease. The length of a lease varies, depending on the tenants' needs. The Foundation has contracted with Roberts Real Estate, Inc., since January 2018 to manage the property. The property's daily operations are handled through the management office at College Square.

Note 3 - Cash, Cash Equivalents, and Investments

Investments are recorded at fair value. Securities traded on a national exchange are valued at the last reported sales price. Corporate bonds not traded on a national exchange are based on equivalent values of comparable securities with similar yield and risk. The fair value of real estate investments is based on

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independent appraisals. Investments in hedge funds are generally valued at fair value, by the management of the fund by reference to the value of the underlying fund's assets, if available, or by the valuations of a fund's underlying assets as provided by the general partner or investment manager, if the assets are not publicly traded. Other investments not having an established market are recorded at estimated fair value.

The Foundation has established an investment policy for its endowed investments. The majority of its endowed investments are managed by SEI Investments Management Corp. The Foundation has a separate investment policy for the Edith Marie Appleton Endowment and Arthur Appleton Endowment, which are managed by the Northern Trust Company. The Foundation's investment managers are required to oversee the management of the portfolios pursuant to investment policies adopted by the Board.

In accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, the Foundation's investments in securities and investment funds are reported by investment type at fair value in the composition of investments below:

Endowment Investment	Maturities (Years)	Credit Rating	Fair Value	Fair Value Measurement Level
Edith Marie Appleton Endowment:				
Investment Grade Fixed	4.31	A to AA	\$ 1,237,525	1
High Yield Bonds	2.81	B	354,218	1
Equities	N/A	N/A	3,911,341	1
Global Real Estate	N/A	N/A	58,162	1
Cash and Cash Equivalents	N/A	N/A	379,029	N/A
Commodity ETFs	N/A	N/A	119,289	N/A
Total			<u>6,059,564</u>	
Arthur Appleton Endowment:				
Investment Grade Fixed	4.31	AA	4,126,922	1
High Yield Bonds	2.81	B	1,181,253	1
Equities	N/A	N/A	13,037,194	1
Global Real Estate	N/A	N/A	193,960	1
Cash and Cash Equivalents	N/A	N/A	1,269,561	N/A
Commodity ETFs	N/A	N/A	397,499	N/A
Total			<u>20,206,389</u>	
Other Endowment Investments:				
Investment Grade Fixed Income	5.87	BBB to +	19,378,153	1
Non-Investment Grade Fixed Income	3.86	B+	1,948,816	1
Investment Bonds	10.15	BBB-	1,966,109	1
U.S. Equity Funds	N/A	N/A	28,591,985	1
Equities	N/A	N/A	38,371,959	1
Hedge Funds	N/A	N/A	4,880,231	2
Mutual Fund	1.75	AA	4,846,498	1
Cash and Cash Equivalents	N/A	N/A	558,101	N/A
			<u>100,541,852</u>	
Total Endowment Investment			<u>\$ 126,807,805</u>	

COLLEGE OF CENTRAL FLORIDA FOUNDATION, INC. - OCALA, FLORIDA
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Non-endowed assets held for various temporarily restricted and unrestricted purposes are invested separately and managed in accordance with the Board's approval for non-endowed investments:

Non-Endowment Investment	Maturities (Years)	Credit Rating	Fair Value	Fair Value Measurement Level
Other Investments:				
Investment Grade Fixed Income	5.38	AA- to AA	\$ 2,755,224	1
Non-Investment Grade Fixed Income	3.86	BB	303,019	1
Investment Bonds	10.15	BB	<u>285,614</u>	1
Total Non-Endowment Investment			<u>3,343,857</u>	
Total Investments			<u>\$ 130,151,662</u>	

Both endowed and non-endowed investments are shown in the accompanying statement of net position as follows:

Cash and Cash Equivalents – Endowment	\$ 2,206,691
Investments	<u>127,944,971</u>
Total Investments	<u>130,151,662</u>
Cash and Cash Equivalents	<u>6,343,624</u>
Total Cash and Investments	<u>\$ 136,495,286</u>

The Foundation categorizes the fair value measurements of its investments based on the hierarchy established by GAAP. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs, which are based on matrix pricing or evaluated pricing methodologies; Level 3 inputs are significant unobservable inputs. The Foundation does not have any investments that are Level 3 inputs.

GASB Statement No. 40 establishes disclosure requirements related to the following types of investment risks:

Credit Risk—Credit risk relates to the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit for debt securities of the Foundation are displayed in the above schedule. Investment ratings are from Moody's Investor Services, Inc., Standard & Poor's, and Fitch. SEI Investments Management Corp. manages the other endowed investments and seeks "real return" for the portfolio. Fixed income securities managed by SEI Investments Management Corp. may invest in debt securities of any credit quality and with a broad range of maturities.

Interest Rate Risk—Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. The weighted average maturity for the Arthur Appleton Endowment and the Edith Marie Appleton Endowment and the duration for the Other Endowed Investments are presented in the above schedule.

Custodial Credit Risk—For deposits at December 31, 2025, cash and cash equivalents, including cash and cash equivalents held in endowment, were held by depositories, and the bank balances amounted to \$8,550,315. Cash deposits are held by banks qualified as public depositories under Florida law. All

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deposits are insured by federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes. There are funds that are not insured by the Federal Deposit Insurance Corporation; this primarily includes funds held as investments by the Foundation.

For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Foundation will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

■ **Arthur Appleton Endowment and Edith Marie Appleton Endowment**

All investments are held in a counterparty account for the Northern Trust Company, a trust department, as custodian for the above referenced client accounts.

■ **Other Endowed Investments**

All investments are held by SEI Investments Management Corp., a trust department, as custodian for the above-referenced client accounts.

Concentration of Credit Risk—Disclosure of any issuer of investments that in the aggregate are 5% or more of the portfolio is required to be disclosed as a concentration of credit risk (investments issued by or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are exempt). As of December 31, 2025, there were no concentrations of credit risk.

Foreign Currency Credit Risk—Investments include exposure to international equity securities. Fluctuating exchange rates will have an impact on the performance of those investments. No investments are completed with the sole intent to profit from changes in foreign currency exchange rates.

Note 4 - Charitable Gift and Remainder Annuity Trusts

As of December 31, 2025, the Foundation holds a remainder interest in a charitable remainder trust. Under the terms of the trust, the beneficiaries are to receive annual distributions during the lifetime of the donor(s). Upon the death of the donor(s), the funds remaining will be endowed or spent in accordance with the wishes of the donor(s).

As of December 31, 2025, the Foundation has entered into charitable gift annuity agreements with donors. Under terms of these agreements, the beneficiaries are to receive annual distributions of an amount equal to between 6.1% and 7.3% of the original principal of the trust for the life of the donor(s). The present value of the annuity payment liabilities at December 31, 2025, has been calculated based on the respective payouts and discount rates as determined by the trust documents. This amount is reflected on the balance sheet as a gift annuity liability. Upon the death of the donor(s), any funds remaining will be endowed or spent in accordance with the wishes of the donor(s) (see Note 10 for change in the liability for the fiscal year ended December 31, 2025).

Note 5 - Capital Assets

A summary of Appleton Museum of Art and all other property and equipment of the Foundation is as follows at December 31, 2025:

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	Beginning Balance	Increases	Decreases	Ending Balance
Student Housing and Rental Houses				
Property and Equipment Not Being Depreciated:				
Land	\$ 459,640	\$ -	\$ -	\$ 459,640
Capital Assets Being Depreciated:				
Student Housing Buildings and Improvements	3,808,773	49,693	-	3,858,466
Rental Houses	109,237	-	-	109,237
Total Capital Assets Being Depreciated	3,918,010	49,693	-	3,967,703
Less Accumulated Depreciation:				
Student Housing Buildings and Improvements	(2,517,440)	(119,059)	-	(2,636,499)
Rental Houses	(78,579)	(3,395)	-	(81,974)
Total Accumulated Depreciation	(2,596,019)	(122,454)	-	(2,718,473)
Total Capital Assets Being Depreciated, Net	1,321,991	(72,761)	-	1,249,230
Total Student Housing and Rental Houses, Net	\$ 1,781,631	\$ (72,761)	\$ -	\$ 1,708,870
	Beginning Balance	Increases	Decreases	Ending Balance
Other Capital Assets				
Capital Assets Not Being Depreciated:				
Appleton Collection and Artwork	\$ 19,374,255	\$ 382,000	\$ -	\$ 19,756,255
Other Donated Collections and Artwork	46,201	-	-	46,201
Land - Lot 7, College Park	16,000	-	-	16,000
Land - Ohio Downtown Commercial Property	160,000	-	-	160,000
Land - Orange Lake, Marion County	169,851	-	-	169,851
Total Capital Assets Not Being Depreciated	19,766,307	382,000	-	20,148,307
Capital Assets Being Depreciated:				
Office Equipment	1,250	-	-	1,250
Intangible Right-to-Use Software Agreement	84,226	136,032	-	220,258
Total Capital Assets Being Depreciated	85,476	136,032	-	221,508
Less Accumulated Depreciation:				
Office Equipment	(1,250)	-	-	(1,250)
Intangible Right-to-Use Software Agreement	(63,171)	(39,950)	-	(103,121)
Total Accumulated Depreciation	(64,421)	(39,950)	-	(104,371)
Total Capital Assets Being Depreciated, Net	21,055	96,082	-	117,137
Other Capital Assets, Net	19,787,362	96,082	-	19,883,444
Total Capital Assets - at Cost	24,229,433	567,725		24,797,158
Total Accumulated Depreciation	(2,660,440)	(162,404)		(2,822,844)
Total Capital Assets, Net	\$ 21,568,993	\$ 405,321	\$ -	\$ 21,974,314

Total depreciation expense for the year ended December 31, 2025, was 162,404.

The total value of the artwork and collections at the Appleton Museum of Art exceeds the \$19,756,255 which is recorded in the accounting records of the Foundation, based on a professional appraisal of the top items in the collection, together with acquisitions that have been made since that time. The remaining items in the collection that were not appraised have not been included in the capitalization of the collection. During 2021, the Appleton Museum of Art received the collection of artwork owned by Florida Institute of Technology's Foosaner Art Museum and Ruth Funk Center for Textile Arts. This collection was previously appraised by the donor and valued at \$4.6 million. The Appleton Museum of Art has begun the process of evaluating the collection to determine which items will be accessioned into the permanent collection. At this time, it has been determined that items valued at approximately \$1.4 million will be accessioned, capitalized, and added to the permanent collection.

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Note 6 - Net Position

Net position consists of the following at December 31, 2025:

Operating Account

Unrestricted:

Board Designated Revenue for Scholarships	\$ 2,613,429	
Board Designated Revenue for Chairs	731,749	
Board Designated Revenue for Insurance	32,000	
Undesignated	1,917,897	
Net Investment in Capital Assets	<u>370,396</u>	
Total Unrestricted Operating Account		\$ 5,665,471

Restricted:

Restricted for Annual and Major Gifts Campaign	387,985	
Restricted for Other Uses	<u>2,935,381</u>	
Total Restricted Operating Account		<u>3,323,366</u>

Total Operating Account		<u><u>8,988,837</u></u>
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Endowment Account

Non-Expendable:

Total Endowed for Scholarships	40,194,953	
Total Endowed for Appleton Museum	26,301,606	
Total Endowed for Chairs	36,156,906	
Total Promise for Future Endowment	5,764,640	
Total Endowed for Other Purposes	<u>109,672</u>	
Total Non-Expendable		108,527,777

Board Designated:

Board Designated Scholarships	8,557,903	
Board Designated Chairs	8,828,328	
Board Designated Other	<u>106,049</u>	
Total Board Designated		<u>17,492,280</u>

Total Endowment Account		<u><u>126,020,057</u></u>
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Museum Collection Account

Invested in Capital Assets	<u>19,802,456</u>	
Total Museum Collection Account		<u>19,802,456</u>

Student Housing Account

Invested in Capital Assets	1,708,869	
Unrestricted	<u>1,074,577</u>	
Total Student Housing Account		<u>2,783,446</u>

Enterprise Center Account

Unrestricted	<u>50,000</u>	
Total Enterprise Center Account		<u>50,000</u>

Total Net Position		<u><u>\$ 157,644,796</u></u>
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COLLEGE OF CENTRAL FLORIDA FOUNDATION, INC. - OCALA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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Note 7 - Scholarships

Foundation scholarships are awarded to individuals according to the stipulations placed on the scholarship by the donor or the Foundation. Scholarships are awarded to eligible students through the College Financial Aid Office and certified by the Director of Financial Aid when the requirements in the donor letter of understanding are satisfied.

Scholarship expense was recognized in the following accounts during the year ended December 31, 2025:

From Endowment Accounts	\$ 975,139
From Restricted Accounts	<u>135,089</u>
Total	<u>\$ 1,110,228</u>

Note 8 - Academic Program Support

The Foundation expended a total of \$1,068,268 for academic program support. In 1994, the Foundation began an endowed chairs program. The expenses for academic program support consisted of the following types of expenses:

Endowed Chairs Program	\$ 634,736
Professional Fees	401,208
Other Academic Support	<u>32,324</u>
Total	<u>\$ 1,068,268</u>

All chairs are funded from endowed investment earnings. Currently, there are five endowed chair categories:

- Category 1 - Teaching and Learning Environment
- Category 2 - State-of-the-Art Learning
- Category 3 - Cultural Environment
- Category 4 - Educational Environment
- Category 5 - New Initiative

Note 9 - Support from College of Central Florida

All employees of the Foundation are considered employees of the College. All salaries, benefits, retirement benefits through the Florida Retirement System, and payroll taxes are paid by the College. The Foundation agreed to reimburse the College for a portion of such payroll expenses for the year ended December 31, 2025, based on a memorandum of understanding. Actual expenses of \$877,706 exceeded the payments of \$667,569 made by the Foundation, of which \$210,137 is included as support from the College and personnel expenses in the statement of revenues, expenses, and changes in net position.

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NOTES TO THE FINANCIAL STATEMENTS
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Note 10 - Gift Annuities

The Foundation's long-term liabilities include gift annuities. The following is a schedule of changes in the Foundation's non-current liabilities for the fiscal year ended December 31, 2025:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Business-Type Activities					
Gift Annuity	\$ 24,806	\$ 53,663	\$ (7,780)	\$ 70,689	\$ 11,773
Total Non-Current Liabilities	<u>\$ 24,806</u>	<u>\$ 56,663</u>	<u>\$ (7,780)</u>	<u>\$ 70,689</u>	<u>\$ 11,773</u>

Note 11 - Insurance Policies

The Foundation is the owner of two life insurance policies that have cash surrender values totaling \$22,623.

Note 12 - Risk Management

The Foundation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Foundation or College carries commercial insurance. Insurance against losses are provided through the Florida Community College Risk Management Consortium and others for the following types of risk:

Workers' Compensation
Health

Property Damage
Liability

There was no significant reduction in insurance coverage from the prior year. Also, there were no settlements in excess of coverage for the past three years.

Note 13 - Annual Fund and Major Gifts Campaign

The Foundation, at the request of the College, conducts an annual fund campaign to support growth beyond the traditional revenue sources.

Pledges received for temporarily restricted purposes are recorded when made by the donor, less an uncollectible allowance. Pledge receivable activity is summarized as follows:

Pledges Receivable, December 31, 2024, Gross	\$ 100,000
Additions	12,095
Payments Received	(61,660)
Discount on Pledge Receivable	(5,034)
Current Year Write-Offs	<u>(435)</u>
Pledges Receivable, December 31, 2025, Gross	44,966
Allowance for Uncollectible Pledges	<u>(4,000)</u>
Pledges Receivable, December 31, 2025	<u>\$ 40,966</u>

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All contributions and pledges received for the annual fund and capital campaigns are recorded in the restricted operating account since the Foundation is obligated to spend the resources in accordance with the restrictions imposed by the donors.

Note 14 - Subscription-Based Information Technology Arrangements

The Foundation entered an agreement with Blackbaud for software that requires recognition under GASB Statement No. 96. The agreement is a three-year agreement initiated in the 2022 fiscal year. The Foundation makes annual payments each year, the payment amount escalates by 8% each year. The Foundation has imputed an interest rate of 4.8% to determine the present value of the intangible right-to-use asset and SBITA liability. Initially \$136,032 was recorded as intangible right-to-use software arrangements in capital assets. The asset will be amortized over the lease term Principal and Interest Expected to Maturity:

Fiscal Year	Principal	Interest	Total
2025	\$ 92,592	\$ 1,482	\$ 94,074
Total	\$ 92,592	\$ 1,482	\$ 94,074

OTHER INFORMATION

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	Enterprise Fund						
	Operating		Endowment Account	Museum Collection Account	Student Housing Account	Enterprise Center Account	Total
	Unrestricted Account	Restricted Account					
<u>ASSETS</u>							
Current Assets							
Cash and Cash Equivalents	\$ 1,762,143	\$ 3,304,248	\$ -	\$ -	\$ 1,227,233	\$ 50,000	\$ 6,343,624
Pledges Receivable, Current Portion, Net	-	40,966	-	-	-	-	40,966
Prepaid Expenses and Other Current Assets	51,955	375	86,506	-	250	-	139,086
Total Current Assets	<u>1,814,098</u>	<u>3,345,589</u>	<u>86,506</u>	<u>-</u>	<u>1,227,483</u>	<u>50,000</u>	<u>6,523,676</u>
Capital Assets, Net							
Capital Assets Not Being Depreciated	345,851	-	-	19,802,456	459,640	-	20,607,947
Capital Assets Being Depreciated, Net	<u>117,138</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,249,229</u>	<u>-</u>	<u>1,366,367</u>
Total Capital Assets, Net	<u>462,989</u>	<u>-</u>	<u>-</u>	<u>19,802,456</u>	<u>1,708,869</u>	<u>-</u>	<u>21,974,314</u>
Non-Current Assets							
Cash and Cash Equivalents - Endowment	-	-	2,206,691	-	-	-	2,206,691
Investments	3,343,857	-	124,601,114	-	-	-	127,944,971
Charitable Remainder Trusts	-	-	35,675	-	-	-	35,675
Cash Surrender Value of Life Insurance	-	-	22,623	-	-	-	22,623
Interfund Advances	367,123	11,203	(378,297)	-	(29)	-	-
Total Non-Current Assets	<u>3,710,980</u>	<u>11,203</u>	<u>126,487,806</u>	<u>-</u>	<u>(29)</u>	<u>-</u>	<u>130,209,960</u>
Total Assets	<u>\$ 5,988,067</u>	<u>\$ 3,356,792</u>	<u>\$ 126,574,312</u>	<u>\$ 19,802,456</u>	<u>\$ 2,936,323</u>	<u>\$ 50,000</u>	<u>\$ 158,707,950</u>

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STATEMENT OF NET POSITION BY ACCOUNT
DECEMBER 31, 2025

	Enterprise Fund						
	Operating			Museum	Student	Enterprise	
	Unrestricted	Restricted	Endowment	Collection	Housing	Center	Total
	Account	Account	Account	Account	Account	Account	
LIABILITIES							
Current Liabilities							
Accounts Payable and Accrued Expenses	\$ 162,670	\$ -	\$ 84,364	\$ -	\$ 71,882	\$ -	\$ 318,916
Scholarships Payable	-	33,426	279,331	-	-	-	312,757
Escrow - Housing Deposits	-	-	-	-	80,995	-	80,995
Current Portion Subscription Payable	42,472	-	-	-	-	-	42,472
Unearned Revenue	67,334	-	-	-	-	-	67,334
Current Portion of Gifts Annuity Payable	-	-	11,773	-	-	-	11,773
Total Current Liabilities	272,476	33,426	375,468	-	152,877	-	834,247
Long-Term Liabilities							
Gift Annuity Payable	-	-	58,916	-	-	-	58,916
Subscription Payable	50,120	-	-	-	-	-	50,120
Total Long-Term Liabilities	50,120	-	58,916	-	-	-	109,036
Total Liabilities	\$ 322,596	\$ 33,426	\$ 434,384	\$ -	\$ 152,877	\$ -	\$ 943,283
Deferred Inflows of Resources							
Charitable Remainder Trusts	\$ -	\$ -	\$ 35,675	\$ -	\$ -	\$ -	\$ 35,675
Gift Annuity	-	-	84,196	-	-	-	84,196
Total Deferred Inflows of Resources	\$ -	\$ -	\$ 119,871	\$ -	\$ -	\$ -	\$ 119,871
NET POSITION							
Net Position							
Net Investment in Capital Assets	\$ 370,397	\$ -	\$ -	\$ 19,802,456	\$ 1,708,869	\$ -	\$ 21,881,722
Restricted:							
Non-Expendable	-	-	108,527,777	-	-	-	108,527,777
Expendable	-	3,323,366	-	-	-	-	3,323,366
Unrestricted:							
Undesignated	1,917,896	-	-	-	1,074,577	50,000	3,042,473
Board Designated	3,377,178	-	17,492,280	-	-	-	20,869,458
Total Net Position	\$ 5,665,471	\$ 3,323,366	\$ 126,020,057	\$ 19,802,456	\$ 2,783,446	\$ 50,000	\$ 157,644,796

COLLEGE OF CENTRAL FLORIDA FOUNDATION, INC. - OCALA, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BY ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2024

	Enterprise Fund						
	Operating		Endowment Account	Museum Collection Account	Student Housing Account	Enterprise Center Account	Total
	Unrestricted Account	Restricted Account					
Operating Revenue							
Private Contributions	\$ 26,256	\$ 417,434	\$ -	\$ -	\$ -	\$ -	\$ 443,690
Investment Income	399,237	-	18,084,266	-	44,618	-	18,528,121
Special Events	75,850	1,562	-	-	-	-	77,412
Total Operating Revenue	<u>501,343</u>	<u>418,996</u>	<u>18,084,266</u>	<u>-</u>	<u>44,618</u>	<u>-</u>	<u>19,049,223</u>
Operating Expenses							
Program Services:							
Donor Relations	251,887	1,117	-	-	-	-	253,004
Institutional Support	45,239	130,366	601,212	-	-	-	776,817
Scholarships	-	135,089	975,139	-	-	-	1,110,228
Academic Program Support	-	32,324	1,035,944	-	-	-	1,068,268
Special Events	24,253	-	-	-	-	-	24,253
Student Housing	-	-	-	-	927,739	-	927,739
Enterprise Center	10	-	-	-	-	-	10
General Administration	987,469	-	3,668	-	1,229	-	992,366
Total Operating Expenses	<u>1,308,858</u>	<u>298,896</u>	<u>2,615,963</u>	<u>-</u>	<u>928,968</u>	<u>-</u>	<u>5,152,685</u>
Operating Income (Loss)	<u>\$ (807,515)</u>	<u>\$ 120,100</u>	<u>\$ 15,468,303</u>	<u>\$ -</u>	<u>\$ (884,350)</u>	<u>\$ -</u>	<u>\$ 13,896,538</u>

COLLEGE OF CENTRAL FLORIDA FOUNDATION, INC. - OCALA, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BY ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2024

	Enterprise Fund						Total
	Operating Unrestricted Account	Operating Restricted Account	Endowment Account	Museum Collection Account	Student Housing Account	Enterprise Center Account	
Non-Capital Subsidies							
Support from College of Central Florida	\$ 264,794	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 264,794
Total Non-Capital Subsidies	<u>264,794</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>264,794</u>
Operating Income (Loss) and Non-Capital Subsidies	<u>(542,721)</u>	<u>120,100</u>	<u>15,468,303</u>	<u>-</u>	<u>(884,350)</u>	<u>-</u>	<u>14,161,332</u>
Non-Operating Revenue (Expense)							
Interest Expense	(1,481)	-	-	-	-	-	(1,481)
Rental Income and Fees	10,000	-	-	-	911,922	-	921,922
Private Endowment Contributions	-	-	1,257,141	-	-	-	1,257,141
Interfund Transfers	876,266	2,997	(902,463)	23,200	-	-	-
Capital Contributions	-	-	-	358,800	-	-	358,800
Total Non-Operating Revenue	<u>884,785</u>	<u>2,997</u>	<u>354,678</u>	<u>382,000</u>	<u>911,922</u>	<u>-</u>	<u>2,536,382</u>
Change in Net Position	<u>342,064</u>	<u>123,097</u>	<u>15,822,981</u>	<u>382,000</u>	<u>27,572</u>	<u>-</u>	<u>16,697,714</u>
Net Position, Beginning of Year	<u>5,323,407</u>	<u>3,200,269</u>	<u>110,197,076</u>	<u>19,420,456</u>	<u>2,755,874</u>	<u>50,000</u>	<u>140,947,082</u>
Net Position, End of Year	<u>\$ 5,665,471</u>	<u>\$ 3,323,366</u>	<u>\$ 126,020,057</u>	<u>\$ 19,802,456</u>	<u>\$ 2,783,446</u>	<u>\$ 50,000</u>	<u>\$ 157,644,796</u>

**ADDITIONAL ELEMENTS OF REPORT PREPARED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*, ISSUED BY THE
COMPTROLLER GENERAL OF THE UNITED STATES**

**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
College of Central Florida Foundation, 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 College of Central Florida Foundation, Inc. (the Foundation), a component unit of the College of Central Florida, as of and for the year ended December 31, 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 June 3, 2026.

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 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 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 or significant deficiencies may exist that have not been identified.

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**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**

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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

June 3, 2026
Ocala, Florida

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