



NORTHWEST FLORIDA STATE COLLEGE

Memo

To: Board of Trustees
From: Dr. Devin Stephenson, President
Date: November 15, 2022
Re: Foundation Audit and IRS Form 990

The Foundation Board approved the Fiscal Year 2022 Northwest Florida State College Foundation Audited Financial Statements and IRS Form 990 informational return. Both documents have been prepared by the independent auditing firm Mauldin & Jenkins, Certified Public Accountants of Bradenton, Florida. The audit reflects a clean opinion.

Highlights of the audit:

- Net position was \$57,356,216 at the close of the fiscal year. This reflects a decrease of 12.35% over the previous fiscal year. Of the \$57.36 million in total assets, \$13 thousand rested in capital assets. Total liabilities were \$140 thousand, with \$132 thousand due to the College and \$8 thousand due to other outside vendors.
- The Foundation's investments declined 7.25% from July 1, 2021, to June 30, 2022, after a reported increase of 29.35% from July 1, 2020, to June 30, 2021. The increase and subsequent decline were principally due to financial market conditions.
- The Foundation disposed of capital assets totaling \$3.45 million in FY22. The asset dispositions included an apartment complex that was used to support housing for student athletes. The \$2.5 million gain on the sale allowed the Foundation to provide additional program support to the college in support of on-campus student housing initiatives.
- At June 30, 2022, the number of funds in underwater status was 18. All 18 were endowments established in the prior two fiscal years and were impacted by FY22 market conditions. Endowments with a fair market value below corpus will receive no spending allocation. The deficits can only be overcome through positive investment earnings.
- Total gifts, contributions, grants, and other income decreased \$281 thousand from 2021 to 2022, totaling \$855 thousand at June 30, 2022.
- Additions to permanent endowments totaled \$607 thousand at year-end.
- Total College support was \$5.2 million. These payments reflected \$636 thousand in scholarship expenses, and \$4.6 million in program and other support to the College.

RECOMMENDATION:

The Board of Trustees accepts the FY 2022 Audited Financial Statements and IRS Form 990, as presented.