THE UNIVERSITY OF NORTH FLORIDA FINANCING CORPORATION, INC.

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

THE UNIVERSITY OF NORTH FLORIDA FINANCING CORPORATION, INC.
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JUNE 30, 2024

JAMESMOORE

INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
The University of North Florida Financing Corporation, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the University of North Florida Financing Corporation, Inc. (the Financing Corporation), a direct support organization and component unit of University of North Florida, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Financing Corporation's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Financing Corporation as of June 30, 2024, and the changes in 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 (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Financing Corporation 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 Financing Corporation'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.

Auditors' 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 auditors' 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 GAAS and GAS 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 GAAS and GAS, 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 Financing Corporation'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 Financing Corporation'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 management's discussion and analysis, as listed in the table of contents, 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 September 4, 2024, on our consideration of the Financing Corporation'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 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 Financing Corporation's internal control over financial reporting and compliance.

James Moore & Co., P.L.

Gainesville, Florida
September 4, 2024

THE UNIVERSITY OF NORTH FLORIDA FINANCING CORPORATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

The University of North Florida Financing Corporation, Inc. (the "Financing Corporation") presents its financial statements for the fiscal years ended June 30, 2024. The Financing Corporation is a direct support organization and component unit of the University of North Florida (the "University" or "UNF"), a governmental agency.

The Financing Corporation's financial statements are presented on an accrual basis, which include 1) assets and liabilities as current and non-current; 2) revenues and expenses as operating and non-operating; 3) the use of the direct method for statements of cash flows; 4) a management's discussion and analysis (MD&A) of the financial results.

The MD&A focuses on current activities, resulting changes and currently known facts to provide the reader with an overall summary of the accompanying financial statements. It should be read in conjunction with the basic financial statements and accompanying notes.

The financial statements include the following:

1. Basic financial statements-

   a. Statement of Net Position
   b. Statement of Revenues, Expenses, and Changes in Net Position
   c. Statement of Cash Flows
   d. Notes to Financial Statements

FINANCIAL HIGHLIGHTS

- The Financing Corporation's 2024 principal payments and other debt service obligations were paid as scheduled:

Revenue Bonds and Note	**Amount**
Student Housing Project, Series 2016	$ 3,685,000
Student Housing Note (November 2016)	$ 2,540,000
Student Union Project, Series 2016	$ 675,000

- *East Park Warehouse*

  The Financing Corporation had two mortgages related to the East Park Warehouse, which was opened in December 2014. The UNF Physical Facilities Department is located in the Warehouse. Two notes were executed to assist in funding the purchase and renovation of the building. The note to TD Bank was paid as of December 31, 2023.

  1) The $1.2 million loan agreement with the Foundation has a loan term of 10 years at an interest rate of 3.00% and quarterly mortgage payments of $34,848.
  2) The $2.725 million mortgage with TD Bank has a loan term of 10 years at an interest rate of 2.32% and monthly mortgage payments of $25,506.

  At June 30, 2024, all mortgage payments were current.

- *Net Position* at June 30, 2024, was a deficit of $21,242,575, which was an increase of 15.7% from the 2023 net deficit position of approximately $25.1 million. The change in net position is the result of debt payments.

Statements of Net Position

The purpose of the Statements of Net Position is to present the reader with a look at the Financing Corporations' financial condition as of the end of the fiscal year. In reading the Statements of Net Position, the reader will be able to determine the Financing Corporation's ability to continue operations; how much it owes to vendors, and other lending institutions; and to see a snapshot of the net position and the availability for expenditures by the Financing Corporation.

The Statements of Net Position are presented as part of the basic financial statements. The year's activity included the following:

	As of June 30 (in thousands),			
	2024	2023	Increase (decrease)	Change
Assets				
Current assets	$ 8,357	$ 8,303	$ 54	1%
Noncurrent assets, incl def inflow	66,971	70,983	(4,012)	-6%
Total assets	75,328	79,286	(3,958)	-5%
Liabilities:				
Current liabilities	8,371	8,328	43	1%
Non-current liabilities, incl def outflow	88,200	96,149	(7,949)	-8%
Total liabilities	96,571	104,477	(7,906)	-8%
Net position:				
Unrestricted net position	(94,661)	(102,643)	7,982	-8%
Net investment in capital assets	73,418	77,452	(4,034)	-5%
Total net position	(21,243)	(25,191)	3,948	-16%
Total liabilities and net position	$ 75,328	$ 79,286	$ (3,958)	-5%

Current Assets

- In fiscal 2024, *current assets* totaled $8,357,483. Current assets include the current portion of lease receivable and interest receivable on leases totaling $8,155,772 for the Housing and Student Union bond payment due in November 2024. Annually, the Financing Corporation receives administrative funds from the University Housing and Student Union Auxiliaries and Parking Systems funds.

Non-Current Assets

- In fiscal 2024*, non-current assets including deferred inflows* totaled $66,971,327, which is a decrease of $4,012,276 or 5.7% from the prior year. Non-current assets include funds advanced to the University as lease receivable for the Student Housing and the Student Union projects.

- *Capital assets*. At June 30, 2024, the East Park Warehouse building net capital asset value totaled $3,364,633 net of accumulated depreciation of $2,054,566. The land is valued at $600,000.00, and The Flats buildings net capital asset value totaled $16,262,530 net of accumulated depreciation of $6,279,591. The land is valued at $7,466,027.

Total Assets

- *Total assets net of deferred inflows* were $75,328,810 a decrease of $3,957,781 or 5.0%.

Liabilities

- *Current liabilities* totaled $8,371,221 reflecting an increase of $43,560 or 1%. The increase is due to the increase of current principal portion payments due on outstanding debt instruments.

- *Non-current liabilities including deferred outflows* totaled $88,200,164 reflects a decrease of $7,949,256 or 8.3%. The decrease represents the reduction of the current portion of outstanding debt.

Net Position

- The net deficit position at June 30, 2024, totaled $21,242,575.

- The unrestricted administration net position is the amount available to the Financing Corporation for any purpose supporting its mission.

- Net investment in capital assets reflects the cost of the East Park Warehouse building and The Flats reduced by the outstanding balances of the related debt and depreciation.

Statement of Revenues, Expenses and Changes in Net Position

The purpose of the Statement of Revenues, Expenses and Changes in Net Position is to provide the details of the Financing Corporation's operating and non-operating activities for the fiscal year. This includes the revenues displayed by major source (net of discounts and allowances), expenses, and gains and losses received or expended by the Financing Corporation.

For the year ended June 30 (in thousands),

	2024	2023	Increase (decrease)	Change
Operating revenue	$ 11,598	$ 11,878	$ (280)	-2%
Operating expenses	4,363	4,373	(10)	0%
Operating income (loss)	7,235	7,505	(270)	-3%
Non-operating revenue	(3,287)	(3,580)	293	-8%
Change in net position	3,948	3,925	23	1%
Net position, beginning of year	(25,191)	(29,116)	3,925	-13%
Net position, end of year	$ (21,243)	$ (25,191)	$ 3,948	-13%

The Statement of Revenues, Expenses and Changes in Net Deficit includes the following categories:

- Operating revenues are primarily received in connection with lease agreements, funding from UNF for purchase of capital assets and other miscellaneous revenues.

- Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for operating revenues, and to carry out the mission of the Financing Corporation.

- Net operating income (loss) represents the amount of operating revenue in excess of the year's operating expenses and does not include non-operating revenue.

- Non-operating revenue is received from sources for which no service is provided by the Financing Corporation (e.g., investment earnings).

The change in net position is the result of the fiscal year's excess of total revenues over expenses.

The Statements of Revenues, Expenses and Changes in Net Position are presented as part of the basic financial statements. For fiscal year ended June 30, 2024, the Financing Corporation's net position totaled ($21,242,575). The Statements' highlights are as follows:

Operating Revenues

- *Operating revenues* totaled $11,597,876 which is a decrease of $280,200 or 2.4%. This represents lease revenue of $11,552,876 and miscellaneous revenue of $45,000, which the Financing Corporation receives for administrative operating funds from the East Park Warehouse, Student Housing, Parking, and Student Union.

Operating Expenses

- *Operating expenses* totaled $4,362,682, which is a decrease of $9,858 or 1.7%.

- *Program expenses* totaled $50,789. Financing provided $31,612 in funds to UNF Training & Services Institute, Inc. for accounting services.

- *Professional fees* totaled $16,500, which is a decrease of $8,700 or 34.5%.

- *Expenses associated with student housing and student union* of $3,434,567 were for operating lease expenses.

- *Depreciation expense* totaled $860,829 and was related to The Flats and East Park Warehouse.

Non-operating Revenues

- In fiscal year 2024. The *non-operating expenses* totaled $3,287,279. These funds represent interest income on the minimal amounts in the student housing and student union debt service accounts and interest expense.

Statements of Cash Flows

The Statements of Cash Flows show the cash provided and used for operating, capital and related financing activities and investing activities.

- Operating activities include miscellaneous cash receipts and payments made for the Financing Corporation's operations, which excludes the operating lease activity since that was a non-cash transaction.

- Capital and related financing activities include deposits from UNF, bond principal/interest payments and payments of construction costs.

- Investing activities represent purchases of investments and proceeds from the sale of investments.

Economic Outlook

The Financing Corporation will continue with its operational plans and has no knowledge of any current facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations.

Management believes the Financing Corporation is functioning as intended to support capital projects for the University. With detailed monitoring of each account, the Financing Corporation has sufficient funds to cover its current obligations.

Requests for Information

This financial report is designed to provide a general overview of the Financing Corporation's finances for all those with an interest therein. Questions concerning any of the information provided in this report or requests for additional information may be addressed to:

Valerie Odom Stevenson
University of North Florida DSO Accounting
1 UNF Drive
UNF Hall, Suite 2800
Jacksonville, FL 32224-2648
(904) 620-2989

THE UNIVERSITY OF NORTH FLORIDA FINANCING CORPORATION, INC.
STATEMENT OF NET POSITION
JUNE 30, 2024

ASSETS	
Current assets	
Cash and cash equivalents	$ 201,711
Interest receivable from leases	1,132,590
Short-term lease receivable	7,023,182
Total current assets	8,357,483
Noncurrent assets	
Prepaid insurance	108,610
Long-term lease receivable	81,048,047
Capital assets not being depreciated	8,066,027
Capital assets being depreciated, net	19,627,164
Right to use lease asset, net	45,794,228
Total noncurrent assets	154,644,076
Total assets	$ 163,001,559
DEFERRED OUTFLOWS	
Deferred charge on refunding of debt	$ 1,621,856
LIABILITIES	
Current liabilities	
Interest payable	$ 544,871
Current portion of long-term debt	7,826,350
Total current liabilities	8,371,221
Noncurrent liabilities	
Long-term debt	89,822,020
Total liabilities	$ 98,193,241
DEFERRED INFLOWS	
Deferred inflows of resources - lease related	$ 87,672,749
NET POSITION	
Net position	
Unrestricted	$ (94,661,075)
Net investment in capital assets	73,418,500
Total net position	$ (21,242,575)

The accompanying notes to the financial statements are an integral part of this statement.

THE UNIVERSITY OF NORTH FLORIDA FINANCING CORPORATION, INC.
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

Operating revenues	
Lease related revenue	$ 11,552,876
Miscellaneous revenues	45,000
Total operating revenues	11,597,876
Operating expenses	
Program services	50,786
Professional fees	16,500
Amortization expense	3,434,567
Depreciation expense	860,829
Total operating expenses	4,362,682
Operating income	7,235,194
Nonoperating revenues (expenses)	
Interest expense	(3,294,147)
Interest and dividends	6,868
Total nonoperating revenues (expenses)	(3,287,279)
Change in net position	3,947,915
Net position, beginning of year	(25,190,490)
Net position, end of year	$ (21,242,575)

The accompanying notes to the financial statements
are an integral part of this statement.

THE UNIVERSITY OF NORTH FLORIDA FINANCING CORPORATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

Cash flows from operating activities	
Received from lease agreements	$ 11,228,982
Miscellaneous revenue	45,000
Payments to suppliers for goods and services	(63,859)
Net cash provided by operating activities	11,210,123
Cash flows from capital and related financing activities	
Interest paid on long-term debt	(3,223,414)
Principal payments on long-term debt	(7,972,098)
Net cash used in capital and related financing activities	(11,195,512)
Cash flows from investing activities	
Interest and dividends received	6,868
Net cash provided by investing activities	6,868
Net increase in cash and cash equivalents	21,479
Cash and cash equivalents, beginning of year	180,232
Cash and cash equivalents, end of year	$ 201,711
Reconciliation of operating income to net cash provided by operating activities	
Operating income	$ 7,235,194
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization expense	4,295,396
Amortization of prepaid insurance related to lease agreement with University of North Florida	7,758
Change in assets and liabilities:	
Lease receivable	6,980,798
Accounts payable	(4,331)
Deferred inflow of resources	(7,304,692)
Net cash provided by operating activities	$ 11,210,123

The accompanying notes to the financial statements
are an integral part of this statement.

(1) **Summary of Significant Accounting Policies:**

(a) **Reporting entity**—The University of North Florida Financing Corporation, Inc. (the "Financing Corporation") was created in October 2005 as a not-for-profit entity organized to receive, hold, invest and administer property and to issue revenue bonds or other forms of indebtedness (finance or refinance capital projects), with the associated expenditures and debt service, exclusively for the University of North Florida (the "University").

The Financing Corporation is governed by a five-member board. The board members are appointed by the University's board of trustees.

The Financing Corporation is a direct support organization and component unit of the University. These financial statements include all funds and departments controlled by the Financing Corporation.

(b) **Basic financial statements**—The Financing Corporation is considered a special purpose government entity engaged in a single business-type activity. Business-type activities are those activities primarily supported by user fees and charges. As such, the Financing Corporation presents only the statements required of enterprise funds, which include the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows.

(c) **Basis of presentation**—The financial statements of the Financing Corporation 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 Financing Corporation is considered a special-purpose government engaged only in business-type activities. Accordingly, the Financing Corporation prepares its financial statements using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for proprietary funds, which is similar to those for private business enterprises. Accordingly, revenues are recorded when earned and expenses are recorded when incurred.

The net position of the Financing Corporation is reported in three categories as follows:

- *Net investment in capital assets* consist of capital assets, including leased assets, net of accumulated depreciation and amortization, reduced by outstanding balances of any debt and lease liabilities that is attributable to those assets. At June 30, 2024, the net investment in capital assets is calculated as follows:

Capital assets not being depreciated	$ 8,066,027
Capital assets being depreciated, net	19,627,164
Right to use lease asset, net	45,794,228
Note payable – East Park Warehouse (note 5)	(68,919)
Net investment in capital assets at 6/30/2024	$ 73,418,500

- *Restricted net position* represents net position that is restricted by constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through enabling legislation. At June 30, 2024, the Financing Corporation did not have any restricted net position.

- *Unrestricted net position* represents funds that are available without restriction for carrying out the Financing Corporation's objectives.

(1) **Summary of Significant Accounting Policies:** (Continued)

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

(d) **Cash and cash equivalents**—The Financing Corporation defines cash and cash equivalents as cash on hand, cash on deposit and highly liquid investments with an initial maturity of three months.

(e) **Interest receivable from leases**—Interest receivable from leases represents a receivable of accrued interest to be received associated with the underlying leases discussed in Note 6.

(f) **Capital assets and right to use assets**—All real property (buildings and land) is capitalized. Property and equipment purchased or constructed with an original cost of $5,000 or more are recorded at cost (except for intangible right to use assets, the measurement of which is discussed in Note 6). Depreciation is recorded using the straight-line method over the estimated useful lives of the assets, which range from 25-35 years. The right to use lease assets are amortized over the shorter of the lease term or the useful life of the underlying assets, see Note 6 for further discussion.

(g) **Prepaid insurance**—Prepaid insurance incurred for the Student Housing Capital Improvement Refunding Revenue Bonds Series 2016 is being deferred and amortized over the life of the issue using the straight-line method. For the year ended June 30, 2024, prepaid insurance amortization was $7,758.

(h) **Interest payable**—Interest payable represents a two-month accrual for Housing and Student Union bond interest.

(i) **Premiums on revenue bonds**—Premiums on revenue bonds incurred for the Financing Corporation are deferred and amortized over the life of the issue using the straight-line method. Amortization for the year ended June 30, 2024, was $155,121 (Student Housing) and $83,685 (Student Union).

(j) **Operating income**—The Financing Corporation's operating income includes all revenues and expenses associated with the organization's daily activities that are primarily attributed to lease activities and debt financing. Interest income, dividend income and net gains/(losses) on investments are excluded from operating income.

(k) **Income taxes**—The Financing Corporation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue code; accordingly, the accompanying financial statements do not reflect a provision or liability for federal and state income taxes. The Financing Corporation has determined that it does not have any material unrecognized tax benefits or obligations as of June 30, 2024.

(l) **Revenue recognition**—The Financing Corporation recognizes lease income ratably over the term of the associated lease agreement. Transfers and miscellaneous revenue are recognized once the related funds have been received.

(m) **Deferred charge on refunding of debt**—In connection with the advance refunding of the capital improvement revenue bonds series 2016, the Financing Corporation incurred a deferred charge, which is the difference between the reacquisition price and the net carrying amount of the old debt, and will be amortized using the straight-line method. The deferred amortization for the year ended June 30, 2024 was $115,905.

(1) **Summary of Significant Accounting Policies:** (Continued)

(n) **Recently issued accounting pronouncements**—The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for subsequent fiscal years that have not yet been implemented. The Financing Corporation has not currently determined what, if any, impact implementation of the following will have on the Financing Corporation's financial statements.

GASB issued Statement No. 101, Compensated Absences, in June 2022. GASB Statement No. 101 amends the existing guidance related to the calculation and disclosures surrounding the liability for compensated absences. The provisions in GASB 101 are effective for fiscal years beginning after December 15, 2023.

GASB issued Statement No. 102, Certain Risk Disclosures, in December 2023. The objective of GASB 102 is to provide users of governmental financial statements with essential information about risks related to an entity's vulnerabilities due to certain concentrations or constraints. The provisions in GASB 103 are effective for fiscal years beginning after June 15, 2024.

GASB issued Statement No. 103, Financial Reporting Model Improvements in April 2024. The objective of GASB 103 is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing an entity's accountability. The provisions in GASB 103 are effective for fiscal years beginning after June 15, 2025.

(2) **Cash, Cash Equivalents, and Investments:**

(a) **Cash and cash equivalents**—As of June 30, 2024, cash and cash equivalents consisted of a bank demand account subject to immediate withdrawal and a money market fund.

(b) **Custodial credit risk – deposits**—Custodial credit risk for deposits is the risk that, in the event of a depository financial institution's failure, the Financing Corporation's deposits may not be returned to it. All of the Financing Corporation's cash deposits were insured by the Federal Deposit Insurance Corporation (FDIC) as of June 30, 2024.

(c) **Interest Income**—Interest income was $6,868 for the year ended June 30, 2024.

(3) **Related Party Transactions:**

The University provides, as in-kind contributions to the Financing Corporation, support services such as office space, furnishings, and fiscal management at no cost. No value has been assigned to these items in the accompanying statement of revenues, expenses, and changes in net position since there is no objective basis for determining the value.

See Notes 4 and 6 for funds received from the University for capital assets and lease commitments with the University.

(4) Capital Assets and Right to Use Assets:

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets not depreciated					
Land – East Park Warehouse	$ 600,000	$ -	$ -	$ -	$ 600,000
Land – The Flats at Kernan	7,466,027	-	-	-	7,466,027
Total capital assets not depreciated	$ 8,066,027	$ -	$ -	$ -	$ 8,066,027
Capital assets being depreciated					
Building – East Park Warehouse	$ 5,419,200	$ -	$ -	$ -	$ 5,419,200
Building – The Flats at Kernan	22,542,121	-	-	-	22,542,121
Accumulated depreciation	(7,473,328)	(860,829)	-	-	(8,334,157)
Total capital assets being depreciated, net	$20,487,993	$ (860,829)	$ -	$ -	$ 19,627,164
Leased Land	$56,097,929	$ -	$ -	$ -	$ 56,097,929
Accumulated amortization	(6,869,134)	(3,434,567)	-	-	(10,303,701)
Total right to use assets, net	$49,228,795	$(3,434,567)	$ -	$ -	$ 45,794,228

The Financing Corporation purchased the East Park Warehouse Building (the "Building") in November 2013 for $2.725 million. The 67,224 square foot Building is located on a parcel of land adjacent to the UNF campus in Duval County, Florida. The Building is used to house UNF's Physical Facilities Maintenance Department and depreciation is based on a 25-year estimated useful life using the straight-line method. Renovation costs were funded with existing UNF funds of $1.7 million and a $1.2 million line of credit from the UNF Foundation, Inc. The Building was placed into service in December 2014.

The Flats at Kernan (The Flats) was purchased in October 2014 by the Financing Corporation. The Flats is located at 4850 First Coast Technology Parkway in Jacksonville, Duval County, Florida. The 12.82-acre site contains a student housing complex of eight 3-story buildings with accommodations for 192 students. In fiscal year 2017, the Flats debt was serviced as part of the Student Housing Series 2016 bonds debt service. See Note 5.

(5) Long-term Debt:

Long term debt activity for the year ended June 30, 2024, is presented below:

Capital Improvement Revenue Bonds	Beginning Balance	Additions	Reductions	Ending Balance	Amounts due within one year
Student Union Bond 2016	$ 13,630,000	$ -	$ 675,000	$ 12,955,000	$ 690,000
Student Housing Bond 2016	48,160,000	-	3,685,000	44,475,000	3,815,000
Student Housing Note 2016	37,170,000	-	2,540,000	34,630,000	2,665,000
Student Union premium series 2016	1,253,701	-	83,685	1,170,016	-
Student Housing premium series 2016	2,323,907	-	155,121	2,168,786	-
Note payable – Parking System	2,752,392	-	571,743	2,180,649	587,431
Mortgage payable – East Park Warehouse	126,769	-	126,769	-	-
Note payable – East Park Warehouse	203,699	-	134,780	68,919	68,919
Total	$105,620,468	$ -	$ 7,972,098	$ 97,648,370	$ 7,826,350

(5) **Long-term Debt:** (Continued)

In fiscal year 2017, the Financing Corporation defeased the Capital Improvement Refunding Revenue Bonds Student Union Project Series 2007 (CIRB) by placing the proceeds of the new Capital Improvement Refunding Revenue Bonds Student Union Project Series 2016 in an irrevocable trust to provide for all future debt service payments of the CIRB Student Union Project Series 2007. Accordingly, the trust account assets and the liability for the defeased debt are not included on the Financing Corporation's financial statements. The Bonds were called on November 1, 2017. At June 30, 2018, the CIRB Student Union Project Series 2007 outstanding bonds are considered defeased. The principal and interest payments on the Student Union premium series 2016 are due on the last day of June with a coupon rate ranging from 3% – 5% per annum and principal payments ranging from approximately $745,000 to $1.2 million beginning June 30, 2017 through June 30, 2038.

In fiscal year 2017, the Financing Corporation defeased the Capital Improvement Revenue Bonds Student Housing Project Series 2007 (CIRB) by placing the proceeds of the Capital Improvement Refunding Revenue Bonds Series 2016 in an irrevocable trust to provide for all future debt service payments of the CIRB Series 2007. Accordingly, the trust account assets and the liability for the defeased debt are not included on the Financing Corporation's financial statements. The 2007 bonds were called on November 1, 2017. At June 30, 2018, the CIRB Student Housing Project Series 2007 outstanding bonds are considered defeased. The principal and interest payments on the Student Housing premium series 2016 are due on the last day of June annually with interest payments ranging from approximately $52,000 to $2.9 million and principal payments ranging from approximately $2.4 million to $3.8 million beginning June 30, 2017, through June 30, 2038.

In fiscal year 2018, the Financing Corporation redeemed the Series 1998 Parking System Capital Improvement Revenue Bonds and replaced them with a loan agreement. The Parking System Capital Improvement Revenue Bonds Series 1998 (the "Parking Bonds") were assigned to the Financing Corporation from the UNF Foundation, Inc. in September 2007. On January 31, 2018, the Financing Corporation redeemed the Parking Bonds and replaced it with a loan from the TD Bank, N.A. in the amount of $5,500,000. All issuance costs of the transaction ($28,750) were paid from loan proceeds. The loan is collateralized by the revenue stream from the parking system at the University. The principal and interest payments are due the 1st day each month with a fixed interest rate of 2.71% per annum through to the maturity date of January 1, 2028. The monthly loan payment amount is $53,272. The covenants of the parking loan require parking revenues sufficient to pay 100% of the costs of operation and maintenance of the facility plus 120% of debt service during each year. The Financing Corporation executed on November 26, 2013, a mortgage loan agreement with TD Bank, N.A. in the amount of $2,724,915 in connection with the purchase of a building (see Note 4 for further discussion). The principal and interest payments are due the 26th day each month with a fixed interest rate of 2.32% per annum and based upon a fully amortized loan for the ten (10) year term in the amount of $25,506 per month. The mortgage loan was paid off during the year ended June 30, 2024.

On December 31, 2014, the Financing Corporation executed a loan agreement with the UNF Foundation, Inc. in the amount of $1,200,000 in connection with the purchase of a building (see Note 4 for further discussion). The principal and interest payments are due the 1st day after each quarter with a fixed interest rate of 3.00% per annum and based upon a fully amortized loan for the ten (10) year term in the amount of $34,848 per quarter.

(5) **Long-term Debt:** (Continued)

The aggregate maturities of long-term debt as of June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total Payment
2025	$ 7,826,350	$ 3,167,654	$ 10,994,004
2026	6,998,549	2,910,329	9,908,878
2027	7,230,110	2,680,979	9,911,089
2028	7,209,559	2,440,895	9,650,454
2029	6,505,000	2,218,983	8,723,983
2030-2034	33,785,000	7,613,796	41,398,796
2035-2038	24,755,000	1,658,857	26,413,857
	94,309,568	22,691,493	117,001,061
Unamortized discount and premium	3,338,802	-	3,338,802
Total	$ 97,648,370	$ 22,691,493	$ 120,339,863

(6) **Lease Commitments:**

Ground Sublease Agreement

The Financing Corporation (sub lessee) agreed to prepay to the University (sub lessor) approximately $90.5 million for lease of both the housing and student union facilities. The amortization expense related to the leases are included within operating expenses in the statement of revenues, expenses and change in net position. As all payments under the lease agreement were prepaid, there is no lease liability, and the right of use asset is amortized on a straight-line basis over the lease term.

Leases for Student Union, Housing and Parking Facilities

In accordance with the lease agreement, the University agreed to pay all debt service, including principal and interest over the lease term in accordance with the related lease and bond documents.

The lease agreements are in connection with the issuance of capital improvement refunding revenue bonds as disclosed in Note 5. The lease inception date was August 1, 2016, for Student Union and November 1, 2016, for Student Housing with an expiration date that coincides with the maturities of the bonds (November 1, 2037). Facilities and ground leases for Parking System were assigned in September 2007.

Semi-annual interest payments are required for Student Housing and Student Union in accordance with the bond documents and monthly interest payments for Parking. Annual principal payments are required for all of the capital improvement revenue bonds and the note. In addition, the lessee is responsible for other operating costs that may be incurred by the Financing Corporation.

Lease for Warehouse Building

In accordance with the lease agreement, the University agreed to pay monthly rent payments of $39,700, which approximate the related monthly mortgage and quarterly principal and interest payments.

In fiscal year 2015, the lease agreement was amended to include the issuance of additional long-term debt as disclosed in Note 5. The lease inception date was November 25, 2013 with an expiration date that coincides with the maturities of the mortgage (November 26, 2023) and note (January 1, 2025).

(6) **Lease Commitments:** (Continued)

Lease for The Flats Apartments

The Financing Corporation has included The Flats in the Student Housing. The lease inception date was November 1, 2016. In accordance with the lease agreement, the Flats debt will be serviced as part of the Student Housing Series 2016 debt service schedule. See above paragraph regarding Student Housing debt service schedule.

The Financing Corporation recognized $4,238,294 of interest revenue and $7,314,582 of lease revenue, for a total $11,552,876 of lease-related revenue for the year ended June 30, 2024. Future minimum payments under non-cancelable operating leases to be received as of June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total Payment
2025	$ 7,023,182	$ 3,978,320	$ 11,001,502
2026	6,210,520	3,698,359	9,908,879
2027	6,522,463	3,407,253	9,929,716
2028	6,536,850	3,113,604	9,650,454
2029	5,905,457	2,818,526	8,723,983
2030-2034	31,768,965	9,629,832	41,398,797
2035-2039	24,103,792	2,310,065	26,413,857
Total Receipts	$ 88,071,229	$ 28,955,959	$ 117,027,188

(7) **Concentration of Credit Risk:**

The Financing Corporation receives 100% of its operating revenue from the University.

(8) **Net Deficit Position:**

The Financing Corporation is currently in a significant net deficit position of approximately $21.2 million at June 30, 2024. The debt is secured by assets that were transferred to the University, which resulted in a net deficit position to the Financing Corporation. The purpose of the Financing Corporation is to support the mission of the University; therefore, the results of operations were anticipated. In addition, the operating lease payments over the lease term are recognized as revenues, which will offset the net deficit position over the terms of the bonds.

JAMESMOORE

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

To the Board of Directors,
The University of North Florida Financing Corporation, Inc.:

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 (*Government Auditing Standards*), the financial statements of the University of North Florida Financing Corporation, Inc. (the Financing Corporation), a direct support organization and component unit of the University of North Florida, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Financing Corporation's basic financial statements, and have issued our report thereon dated September 4, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Financing Corporation'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 Financing Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Financing Corporation'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 Financing Corporation'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 Financing Corporation'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 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 Financing Corporation'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 Financing Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James Moore & Co., P.L.

Gainesville, Florida
September 4, 2024

STATE OF FLORIDA AUDITOR GENERAL

Financial Audit

Report No. 2025-158
March 2025

UNIVERSITY OF NORTH FLORIDA

For the Fiscal Year Ended
June 30, 2024

Sherrill F. Norman, CPA
Auditor General

Board of Trustees and President

During the 2023-24 fiscal year, Dr. Moez Limayem served as President of the University of North Florida and the following individuals served as Members of the Board of Trustees:

[a] Student Body President.

[b] Faculty Association President (equivalent to faculty senate chair referred to in Section 1001.71(1), Florida Statutes).

[c] Trustee position vacant 7-1-23, through 3-27-24.

The Auditor General conducts audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

The team leader was Donald D. Hemmingway, CPA, and the audit was supervised by Ivo N. Njabe, CPA.

Please address inquiries regarding this report to Jaime N. Hoelscher, CPA, Audit Manager, by e-mail at jaimehoelscher@aud.state.fl.us or by telephone at (850) 412-2868.

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State of Florida Auditor General

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UNIVERSITY OF NORTH FLORIDA

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SUMMARY

SUMMARY OF REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our audit disclosed that the basic financial statements of the University of North Florida (a component unit of the State of Florida) were presented fairly, in all material respects, in accordance with prescribed financial reporting standards.

SUMMARY OF REPORT ON INTERNAL CONTROL AND COMPLIANCE

Our audit did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* issued by the Comptroller General of the United States.

AUDIT OBJECTIVES AND SCOPE

Our audit objectives were to obtain reasonable assurance about whether the financial statements as a whole were free from material misstatements, whether due to fraud or error, and to issue an auditor's report that included our opinion. In doing so we:

- Exercised professional judgment and maintained professional skepticism throughout the audit.
- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, and designed and performed audit procedures responsive to those risks.
- Obtained 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 University's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluated the overall presentation of the financial statements and the Schedules of Receipts and Expenditures City of Jacksonville Grant Funds – Budget and Actual.
- Concluded whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.
- Examined various transactions to determine whether they were executed, in both manner and substance, in accordance with governing provisions of laws, rules, regulations, contracts, and grant agreements.

An examination of Federal awards administered by the University is included within the scope of our Statewide audit of Federal awards administered by the State of Florida.

AUDIT METHODOLOGY

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL
STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74
111 West Madison Street
Tallahassee, Florida 32399-1450

Phone: (850) 412-2722
Fax: (850) 488-6975

The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the University of North Florida, a component unit of the State of Florida, and its aggregate discretely presented component units as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the University of North Florida and of its aggregate discretely presented component units as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the blended and aggregate discretely presented component units. The financial statements of the University of North Florida Financing Corporation, a blended component unit, represent 4 percent, 2 percent, 22 percent, and 1 percent, respectively, of the assets, deferred outflows of resources, liabilities, and expenses reported for the University of North Florida as of June 30, 2024. The financial statements of the aggregate discretely presented component units represent 100 percent of the transactions and account balances of the discretely presented component units columns as of June 30, 2024. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the blended and aggregate discretely presented component units, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 University 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 opinions.

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 University's ability to continue as a going concern for 12 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 opinions. 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 GAAS 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 GAAS 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 University'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 University'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 **MANAGEMENT'S DISCUSSION AND ANALYSIS**, the **Schedule of the University's Proportionate Share of the Total Other Postemployment Benefits Liability**, **Schedule of the University's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan**, **Schedule of University Contributions – Florida Retirement System Pension Plan**, **Schedule of the University's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan**, **Schedule of University Contributions – Health Insurance Subsidy Pension Plan**, and **Notes to Required Supplementary Information** 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University of North Florida's basic financial statements. The accompanying **Schedules of Receipts and Expenditures City of Jacksonville Grant Funds – Budget and Actual** are presented for purposes of additional analysis as required by the Ordinance Code of the City of Jacksonville (Chapter 118, Part 2) and are not a required part of the basic financial statements.

The **Schedules of Receipts and Expenditures City of Jacksonville Grant Funds – Budget and Actual** are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the

Schedules of Receipts and Expenditures City of Jacksonville Grant Funds – Budget and Actual are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2025, on our consideration of the University of North Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading **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***. 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 University'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 University of North Florida's internal control over financial reporting and compliance.

Respectfully submitted,

Sherrill F. Norman

Sherrill F. Norman, CPA
Tallahassee, Florida
March 24, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis (MD&A) provides an overview of the financial position and activities of the University for the fiscal year ended June 30, 2024, and should be read in conjunction with the financial statements and notes thereto. The MD&A, and financial statements and notes thereto, are the responsibility of University management. The MD&A contains financial activity of the University for the fiscal years ended June 30, 2024, and June 30, 2023.

FINANCIAL HIGHLIGHTS

The University's assets and deferred outflows of resources totaled $879.5 million at June 30, 2024. This balance reflects a $146 million, or 19.9 percent, increase as compared to the 2022-23 fiscal year, resulting from increases in restricted investments resulting from the issuance of bonds to finance construction of a new student dormitory, cash and cash equivalents, capital assets, and amounts due from the Florida Department of Education (FDOE) for construction projects in progress. Liabilities and deferred inflows of resources increased by $102.9 million, or 22.8 percent, totaling $554 million at June 30, 2024, resulting primarily from an increase in capital improvement debt payable, resulting from the issuance of bonds to finance the construction of a new student dormitory facility, and an increase in net pension liability. As a result, the University's net position increased by $43.1 million, resulting in a year-end balance of $325.5 million.

The University's operating revenues totaled $130.7 million for the 2023-24 fiscal year, representing a 1.1 percent increase compared to the 2022-23 fiscal year due mainly to an increase in net student tuition and fees. Operating expenses totaled $363.9 million for the 2023-24 fiscal year, representing an increase of 14.2 percent as compared to the 2022-23 fiscal year due mainly to an increase in compensation and employee benefits.

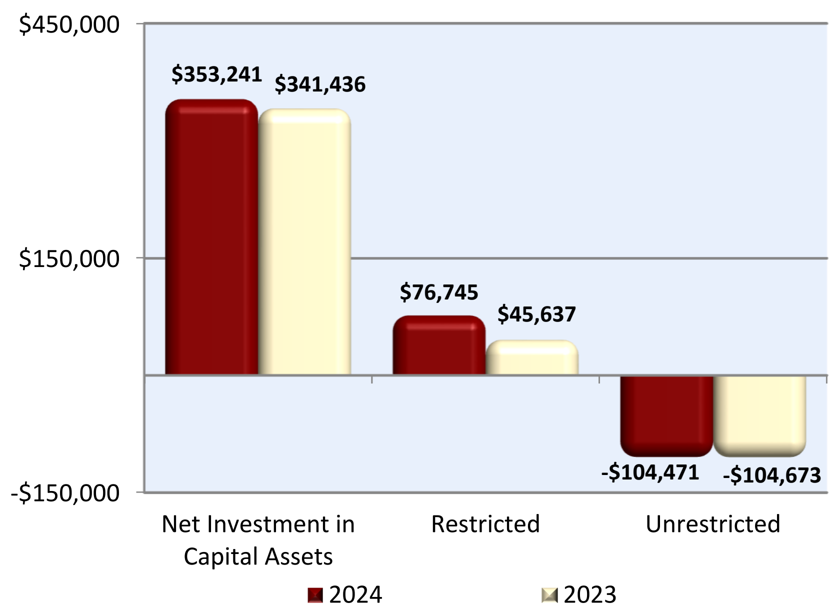
Net position represents the residual interest in the University's assets and deferred outflows of resources after deducting liabilities and deferred inflows of resources. The University had a deficit in the unrestricted net position of $9.8 million and its blended component unit had a deficit net position of $94.7 million, or a total deficit unrestricted net position of $104.5 million. The deficit in the University's unrestricted net position was primarily the result of recording long-term liabilities within the unrestricted operating funds as required by Governmental Accounting Standards Board (GASB) for the other postemployment benefits (OPEB) liability ($108.2 million), the pension liability ($102.8 million), and the compensated absences liability ($24.5 million) that will be paid over time and financed by future appropriations. The following table shows the items comprising the difference between the University's ending net position before the amount to be funded by future State appropriations and the University's unrestricted ending net position:

Unrestricted Net Position
(In Thousands)

		Amount
Ending Net Position Before Amount to be Funded by Future State Appropriations		$ 236,372
Less Amount to be Funded by Future State Appropriations:		
Compensated Absences Liability	$ (24,538)	
Other Postemployment Benefits Payable	(108,152)	
Florida Retirement System Net Pension Liability	(73,639)	
Health Insurance Subsidy Net Pension Liability	(29,190)	
Deferred Outflows Related to Other Postemployment Benefits	54,386	
Deferred Outflows Related to Pensions	31,566	
Deferred Inflows Related to Other Postemployment Benefits	(92,586)	
Deferred Inflows Related to Pensions	(4,029)	
Total Amount to be Funded by Future State Appropriations		(246,182)
University's Unrestricted Net Position		(9,810)
Blended Component Unit's Unrestricted Net Position		(94,661)
Total Ending Unrestricted Net Position		$ (104,471)

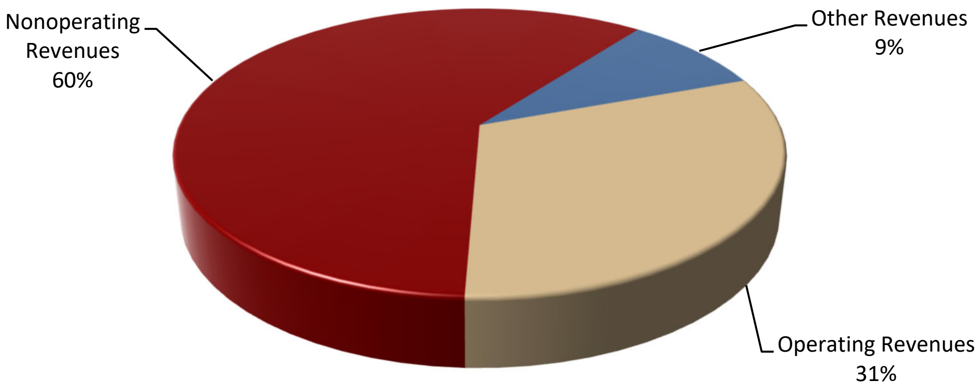
The University's comparative total net position by category for the fiscal years ended June 30, 2024, and June 30, 2023, is shown in the following graph:

Net Position
(In Thousands)



The following chart provides a graphical presentation of University revenues by category for the 2023-24 fiscal year:

Total Revenues
2023-24 Fiscal Year



OVERVIEW OF FINANCIAL STATEMENTS

Pursuant to the GASB Statement No. 35, the University's financial report consists of three basic financial statements: the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows. The financial statements, and notes thereto, encompass the University and its component units. These component units include:

- University of North Florida Foundation, Inc. (Foundation)
- The University of North Florida Training and Service Institute, Inc. (TSI)
- Museum of Contemporary Art Jacksonville, Inc. (MOCA)
- University of North Florida Financing Corporation, Inc. (Financing Corporation)

Based on the application of the criteria for determining component units, the Financing Corporation is included within the University reporting entity as a blended component unit, and the Foundation, TSI, and MOCA are included within the University reporting entity as discretely presented component units.

Information regarding these component units, including summaries of the blended and discretely presented component units' separately issued financial statements, is presented in the notes to financial statements. This MD&A focuses on the University, excluding the discretely presented component units. MD&A information for the discretely presented component units is included in their separately issued audit reports.

The Statement of Net Position

The statement of net position reflects the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the University, using the accrual basis of accounting, and presents the financial position of the University at a specified time. Assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equals net position, which is one indicator of the University's current financial condition. The changes in net position that occur over time indicate improvement or deterioration in the University's financial condition.

The following summarizes the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at June 30:

Condensed Statement of Net Position at June 30

(In Thousands)

	2024	2023
Assets		
Current Assets	$ 212,880	$ 177,483
Capital Assets, Net	482,807	457,672
Other Noncurrent Assets	96,241	22,509
Total Assets	791,928	657,664
Deferred Outflows of Resources	87,574	75,872
Liabilities		
Current Liabilities	40,514	36,544
Noncurrent Liabilities	414,981	317,318
Total Liabilities	455,495	353,862
Deferred Inflows of Resources	98,492	97,274
Net Position		
Net Investment in Capital Assets	353,241	341,436
Restricted	76,745	45,637
Unrestricted	(104,471)	(104,673)
Total Net Position	$ 325,515	$ 282,400

Total assets increased $134.3 million in the 2023-24 fiscal year due primarily to increases of $66.5 million in restricted investments resulting from the issuance of bonds to finance construction of a new student dormitory, $25.1 million in cash and cash equivalents, $25.1 million in capital assets, and $22.5 million in due from FDOE for construction projects in progress. The increase in total assets was offset primarily by an $81.7 million increase in capital improvement debt payable as a result of the Florida Board of Governors, on behalf of the University, issuing Student Housing Revenue Bonds, Series 2023A, to finance a new student dormitory facility in November 2023, and a $15.1 million increase in net pension liability. Total deferred outflows of resources increased $11.8 million due primarily to an increase in deferred outflows related to OPEB.

The Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position presents the University's revenue and expense activity, categorized as operating and nonoperating. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid.

The following summarizes the University's activity for the 2023-24 and 2022-23 fiscal years:

Condensed Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years

(In Thousands)

	2023-24	2022-23
Operating Revenues	$ 130,677	$ 129,274
Less, Operating Expenses	363,862	318,648
Operating Loss	(233,185)	(189,374)
Net Nonoperating Revenues	238,445	195,774
Income Before Other Revenues	5,260	6,400
Other Revenues	37,855	24,022
Net Increase In Net Position	43,115	30,422
Net Position, Beginning of Year	282,400	251,978
Net Position, End of Year	$ 325,515	$ 282,400

Operating Revenues

GASB Statement No. 35 categorizes revenues as either operating or nonoperating. Operating revenues generally result from exchange transactions where each of the parties to the transaction either gives or receives something of equal or similar value.

The following summarizes the operating revenues by source that were used to fund operating activities for the 2023-24 and 2022-23 fiscal years:

Operating Revenues
For the Fiscal Years

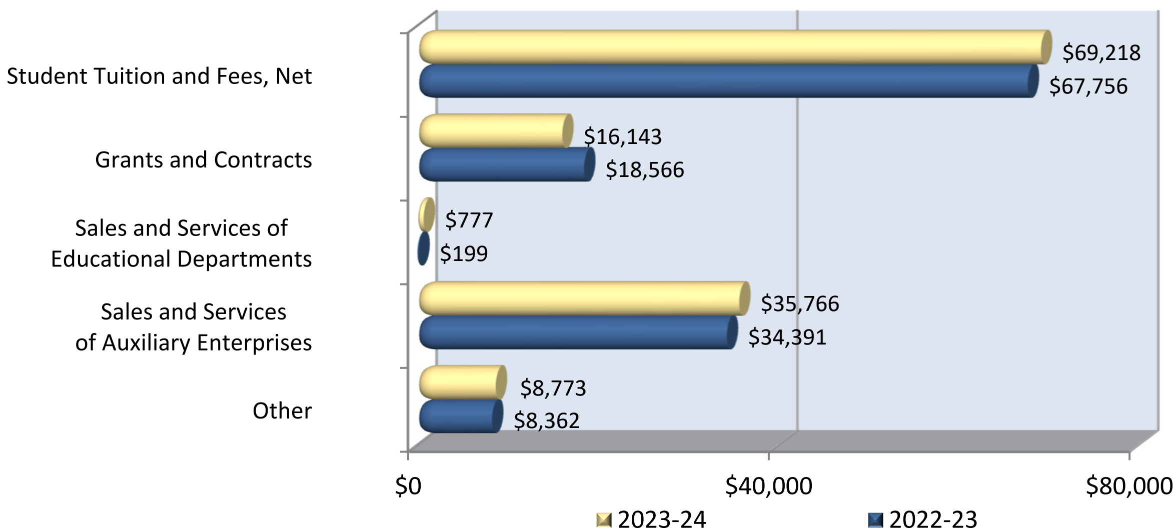
(In Thousands)

	2023-24	2022-23
Student Tuition and Fees, Net	$ 69,218	$ 67,756
Grants and Contracts	16,143	18,566
Sales and Services of Educational Departments	777	199
Sales and Services of Auxiliary Enterprises	35,766	34,391
Other	8,773	8,362
Total Operating Revenues	$ 130,677	$ 129,274

The following chart presents the University's operating revenues for the 2023-24 and 2022-23 fiscal years:

Operating Revenues

(In Thousands)



Operating Expenses

Expenses are categorized as operating or nonoperating. The majority of the University's expenses are operating expenses as defined by GASB Statement No. 35. GASB gives financial reporting entities the choice of reporting operating expenses in the functional or natural classifications. The University has chosen to report the expenses in their natural classification on the statement of revenues, expenses, and changes in net position and has displayed the functional classification in the notes to financial statements.

The following summarizes operating expenses by natural classification for the 2023-24 and 2022-23 fiscal years:

Operating Expenses
For the Fiscal Years

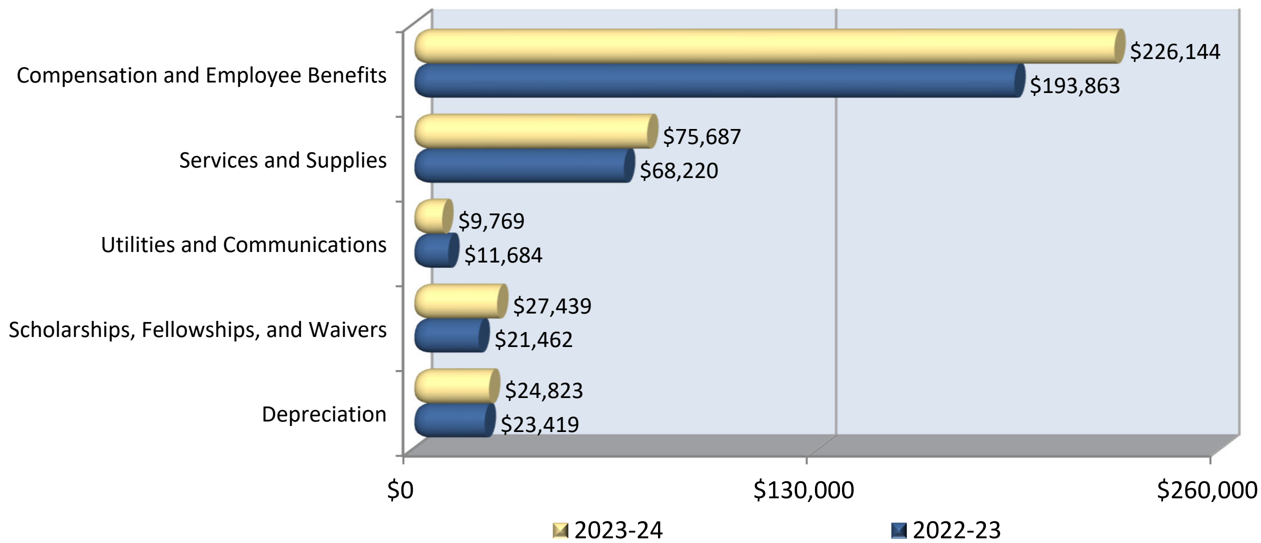
(In Thousands)

	2023-24	2022-23
Compensation and Employee Benefits	$ 226,144	$ 193,863
Services and Supplies	75,687	68,220
Utilities and Communications	9,769	11,684
Scholarships, Fellowships, and Waivers	27,439	21,462
Depreciation	24,823	23,419
Total Operating Expenses	$ 363,862	$ 318,648

The following chart presents the University's operating expenses for the 2023-24 and 2022-23 fiscal years:

Operating Expenses

(In Thousands)



The University's overall operating expenses increased by $45.2 million, or 14.2 percent, mainly as a result of increases of $32.3 million in compensation and employee benefits as a result of across the board pay increases along with increased pension and OPEB costs during the 2023-24 fiscal year, $7.5 million in services and supplies, and $6 million in scholarships and fellowships.

Nonoperating Revenues and Expenses

Certain revenue sources that the University relies on to provide funding for operations, including State noncapital appropriations, Federal and State student financial aid, and investment income, are defined by GASB as nonoperating. Nonoperating expenses include capital financing costs and other costs related to capital assets. The following summarizes the University's nonoperating revenues and expenses for the 2023-24 and 2022-23 fiscal years:

Nonoperating Revenues (Expenses)
For the Fiscal Years

(In Thousands)

	2023-24	**2022-23**
State Noncapital Appropriations	$ 170,089	$ 131,485
Federal and State Student Financial Aid	49,692	49,524
Investment Income	10,961	4,658
Other Nonoperating Revenues	19,589	21,004
Loss on Disposal of Capital Assets	(218)	(25)
Interest on Capital Asset-Related Debt	(5,971)	(3,910)
Other Nonoperating Expenses	(5,697)	(6,962)
Net Nonoperating Revenues	$ 238,445	$ 195,774

Net nonoperating revenues increased by $42.7 million, or 21.8 percent, as compared to the 2022-23 fiscal year as a result of increases of $38.6 million and $6.3 million in State noncapital appropriations and investment income, respectively, offset by a $2.1 million increase in interest expense on capital asset-related debt.

Other Revenues

This category is composed of State capital appropriations and capital grants, contracts, donations, and fees. The following summarizes the University's other revenues for the 2023-24 and 2022-23 fiscal years:

Other Revenues
For the Fiscal Years

(In Thousands)

	2023-24	2022-23
State Capital Appropriations	$35,814	$20,851
Capital Grants, Contracts, Donations, and Fees	2,041	3,171
Total	$37,855	$24,022

Other revenues increased $13.8 million, due to a $14.9 million increase in State capital appropriations and a $1.1 million decrease in capital grants, contracts, donations, and fees to fund various construction projects.

The Statement of Cash Flows

The statement of cash flows provides information about the University's financial results by reporting the major sources and uses of cash and cash equivalents. This statement will assist in evaluating the University's ability to generate net cash flows, its ability to meet its financial obligations as they come due, and its need for external financing. Cash flows from operating activities show the net cash used by the operating activities of the University. Cash flows from capital financing activities include all plant funds and related long-term debt activities. Cash flows from investing activities show the net source and use of cash related to purchasing or selling investments, and earning income on those investments. Cash flows from noncapital financing activities include those activities not covered in other sections.

The following summarizes cash flows for the 2023-24 and 2022-23 fiscal years:

Condensed Statement of Cash Flows
For the Fiscal Years

(In Thousands)

	2023-24	2022-23
Cash Provided (Used) by:		
Operating Activities	$ (194,754)	$ (171,715)
Noncapital Financing Activities	235,429	191,387
Capital and Related Financing Activities	33,695	(42,879)
Investing Activities	(49,290)	42,567
Net Increase in Cash and Cash Equivalents	25,080	19,360
Cash and Cash Equivalents, Beginning of Year	46,369	27,009
Cash and Cash Equivalents, End of Year	$ 71,449	$ 46,369

Major sources of funds from operating activities were from net student tuition and fees of $68.4 million; sales and services of auxiliary enterprises of $34.9 million, Federal, State and local grants and contracts of $16.3 million, and other operating receipts of $10.1 million. Major uses of funds were for payments to employees totaling $214.2 million, payments to suppliers for goods and services totaling $83.5 million, and disbursements to students for scholarships and fellowships totaling $27.4 million. The increase in net cash used by operating activities was due to an increase of $18 million in payments to employees as a result of across-the-board pay increases along with increased pension costs during the 2023-24 fiscal year.

Major sources of funds from noncapital financing activities are from State noncapital appropriations of $170.1 million, Federal and State student financial aid of $49.7 million, Federal Direct Loan Program receipts of $37.2 million, and other nonoperating receipts of $14.9 million. The major use of funds was for the Federal Direct Loan Program disbursements of $37.2 million. The increase in net cash provided by noncapital financing activities was primarily due to an increase in State noncapital appropriations of $38.6 million.

Major sources of funds from capital and related financing activities are bond proceeds of $81.5 million issued to finance the University's newest dormitory facility and State capital appropriations of $13.3 million. Major uses of funds were for the purchase and construction of capital assets of $48 million and principal paid on capital debt and leases of $8.8 million. The increase in the net cash provided by capital and related financing activities was primarily due to the increase in bond proceeds of $81.5 million received to finance construction on the new student dormitory facility and an increase in state capital appropriations of $6.7 million offset by an increase in the purchase and construction of capital assets of $8.8 million.

Investment activities used $49.3 million in net cash primarily for the purchase of investments of $79.7 million, offset by proceeds from sales and maturities of investments of $23.4 million.

CAPITAL ASSETS, CAPITAL EXPENSES AND COMMITMENTS, AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2024, the University had $914 million in capital assets, less accumulated depreciation of $431.2 million, for net capital assets of $482.8 million. Depreciation charges for the current fiscal year totaled $24.8 million. The following table summarizes the University's capital assets, net of accumulated depreciation, at June 30:

Capital Assets, Net at June 30

(In Thousands)

	2024	2023
Land	$ 20,929	$ 20,929
Construction in Progress	58,780	31,050
Subscription-Based Information Technology Arrangements in Progress	11,631	3,926
Buildings	336,351	347,191
Infrastructure and Other Improvements	34,098	34,038
Furniture and Equipment	13,005	13,177
Library Resources	17	29
Subscription-Based Information Technology Arrangements	1,252	-
Leasehold Improvements	3,631	3,832
Right-to-Use Lease Assets	3,113	3,500
Capital Assets, Net	$482,807	$457,672

Additional information about the University's capital assets is presented in the notes to financial statements.

Capital Expenses and Commitments

Major capital expenses through June 30, 2024, were incurred on the following projects: East Ridge Housing, Coggin College of Business Phase II, HUC Catering Kitchen, and Deferred Maintenance. Major capital construction commitments included $59.9 million for the East Ridge Housing project, $7.9 million for the Coggin College of Business Phase II project, $7.9 million for Deferred Maintenance, and $4.5 million for Housing special projects. The University's construction commitments at June 30, 2024, are as follows:

	Amount (In Thousands)
Total Committed	$ 153,874
Completed to Date	58,781
Balance Committed	$ 95,093

Additional information about the University's construction commitments is presented in the notes to financial statements.

Debt Administration

As of June 30, 2024, the University had $193.6 million in outstanding bonds payable, capital improvement debt payable, loans and notes payable, right-to-use leases payable, and SBITA payable, representing an increase of $74.7 million, or 62.9 percent, from the prior fiscal year. The following table summarizes the outstanding long-term debt by type for the fiscal years ended June 30:

Long-Term Debt at June 30

(In Thousands)

	2024	2023
Bonds Payable	$ 60,769	$ 65,368
Capital Improvement Debt	91,313	9,652
Loans and Notes Payable	36,879	40,253
SBITA Payable	1,474	-
Right-to-Use Leases Payable	3,166	3,602
Total	$193,601	$ 118,875

Additional information about the University's long-term debt is presented in the notes to financial statements.

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

The University's economic condition is closely tied to that of the State of Florida. An increase of $14.5 million in State funding is anticipated in the 2024-25 fiscal year. The Florida Legislature's adopted budget for the 2024-25 fiscal year provided $119.9 million from educational and general funds which includes an increase of $14 million in operational support from the State in the 2024-25 fiscal year to strengthen the University's foundation to further enhance student success and prepare for future growth. The adopted budget also includes $31.2 million from the Educational Enhancement Trust Fund. Subsequently, the Florida Board of Governors also allocated $31.6 million in performance-based funding to the University for the 2024-25 fiscal year. The University also received an additional $40.2 million in Public Education Capital Outlay (PECO) funding for building renovations. Also, the University will receive $2.4 million from the Capital Improvement Trust Fund for renovations to the Delaney Student Union. The University of North Florida administration and Board of Trustees approved a 2 percent salary increase across-the-board for all staff and faculty effective July 8, 2024.

REQUESTS FOR INFORMATION

Questions concerning information provided in the MD&A or other required supplemental information, and financial statements and notes thereto, or requests for additional financial information should be addressed to the Vice President for Administration and Finance, University of North Florida, 1 UNF Drive, Building 53, Hicks Hall, Suite 2200, Jacksonville, Florida 32224-2648.

UNIVERSITY OF NORTH FLORIDA
A Component Unit of the State of Florida
Statement of Net Position

June 30, 2024

	University	Component Units
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 45,103,357.77	$ 11,696,787.00
Investments	105,138,924.02	-
Accounts Receivable, Net	19,105,778.09	2,845,975.00
Loans and Notes Receivable, Net	-	969,125.00
Leases Receivable	129,510.64	1,071,367.00
Restricted Pledges Receivable, Net	-	3,587,415.00
Due from State	42,799,918.00	-
Inventories	256,760.25	96,548.00
Other Current Assets	346,093.06	132,822.00
Total Current Assets	212,880,341.83	20,400,039.00
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	26,345,652.87	-
Restricted Investments	66,456,890.12	182,761,409.00
Leases Receivable	1,695,651.75	180,606.00
Restricted Pledges Receivable	-	4,244,940.00
Depreciable Capital Assets, Net	387,100,396.78	6,618,490.00
Nondepreciable Capital Assets	91,341,453.30	33,537,556.00
Right-to-Use Lease and SBITA, Net	4,365,070.90	-
Other Noncurrent Assets	1,742,095.00	16,004.00
Total Noncurrent Assets	579,047,210.72	227,359,005.00
Total Assets	791,927,552.55	247,759,044.00
DEFERRED OUTFLOWS OF RESOURCES		
Other Postemployment Benefits	54,386,355.53	-
Pensions	31,565,734.00	-
Deferred Amount on Debt Refunding	1,621,855.35	-
Total Deferred Outflows of Resources	87,573,944.88	-
LIABILITIES		
Current Liabilities:		
Accounts Payable	7,697,360.73	1,286,231.00
Construction Contracts Payable	2,852,702.18	-
Salary and Wages Payable	2,375,126.53	-
Deposits Payable	11,406,352.49	-
Unearned Revenue	298,069.58	909,914.00
Accrued Interest Payable	1,337,828.02	-
Long-Term Liabilities - Current Portion:		
Unearned Revenue	95,833.33	-
Bonds Payable	4,505,000.00	-
Capital Improvement Debt Payable	650,000.00	-
Loans and Notes Payable	3,321,350.05	900,206.00
Right-to-Use Leases Payable	415,757.89	-
SBITA Liability	291,048.50	-
Compensated Absences Payable	2,453,847.69	-
Other Postemployment Benefits Payable	2,813,472.68	-
Total Current Liabilities	40,513,749.67	3,096,351.00

	University	Component Units
LIABILITIES (Continued)		
Noncurrent Liabilities:		
Unearned Revenue	312,500.00	-
Bonds Payable	56,263,801.49	-
Capital Improvement Debt Payable	90,662,959.17	-
Loans and Notes Payable	33,558,218.53	-
Right-to-Use Leases Payable	2,749,862.33	-
SBITA Liability	1,182,459.24	-
Compensated Absences Payable	22,084,629.17	-
Other Postemployment Benefits Payable	105,338,179.80	-
Net Pension Liability	102,828,536.00	-
Other Noncurrent Liabilities	-	3,616.00
Total Noncurrent Liabilities	414,981,145.73	3,616.00
Total Liabilities	455,494,895.40	3,099,967.00
DEFERRED INFLOWS OF RESOURCES		
Other Postemployment Benefits	92,586,187.53	-
Pensions	4,029,340.00	-
Leases	1,876,170.58	1,085,690.00
Total Deferred Inflows of Resources	98,491,698.11	1,085,690.00
NET POSITION		
Net Investment in Capital Assets	353,241,065.56	39,255,840.00
Restricted for Nonexpendable:		
Endowment	-	157,256,554.00
Restricted for Expendable:		
Debt Service	53,764.91	-
Capital Projects	72,778,678.02	-
Other	3,911,945.22	35,343,795.00
Unrestricted	(104,470,549.79)	11,717,198.00
TOTAL NET POSITION	$ 325,514,903.92	$ 243,573,387.00

The accompanying notes to financial statements are an integral part of this statement.

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UNIVERSITY OF NORTH FLORIDA
A Component Unit of the State of Florida
Statement of Revenues, Expenses, and Changes in Net Position

For the Fiscal Year Ended June 30, 2024

	University	Component Units
REVENUES		
Operating Revenues:		
Student Tuition and Fees, Net of Scholarship Allowances of $58,490,507.82 ($1,825,165.32 Pledged for the Student Union Revenue Bonds and $1,344,817.91 Pledged for the Student Wellness Center Revenue Bonds)	$ 69,217,659.54	$ -
Federal Grants and Contracts	10,377,317.52	-
State and Local Grants and Contracts	2,589,699.42	-
Nongovernmental Grants and Contracts	3,176,249.26	-
Sales and Services of Educational Departments	776,691.10	-
Sales and Services of Auxiliary Enterprises ($23,563,834.18 Pledged for Housing Facility Revenue Bonds and $3,075,860.01 Pledged for the Parking System Revenue Bonds)	35,765,793.80	-
Other Operating Revenues	8,773,451.69	38,625,255.00
Total Operating Revenues	130,676,862.33	38,625,255.00
EXPENSES		
Operating Expenses:		
Compensation and Employee Benefits	226,143,615.09	1,469,327.00
Services and Supplies	75,687,132.22	31,431,249.00
Utilities and Communications	9,769,113.56	-
Scholarships, Fellowships, and Waivers	27,439,230.85	-
Depreciation	24,823,055.78	624,444.00
Total Operating Expenses	363,862,147.50	33,525,020.00
Operating Income (Loss)	(233,185,285.17)	5,100,235.00
NONOPERATING REVENUES (EXPENSES)		
State Noncapital Appropriations	170,088,964.00	-
Federal and State Student Financial Aid	49,691,984.77	-
Investment Income	10,961,377.92	1,120,490.00
Other Nonoperating Revenues	19,589,572.21	10,169,193.00
Loss on Disposal of Capital Assets	(218,602.14)	-
Interest on Capital Asset-Related Debt	(5,971,286.69)	(73,838.00)
Other Nonoperating Expenses	(5,697,384.63)	(450,000.00)
Net Nonoperating Revenues	238,444,625.44	10,765,845.00
Income Before Other Revenues	5,259,340.27	15,866,080.00
State Capital Appropriations	35,814,363.00	-
Capital Grants, Contracts, Donations, and Fees	2,040,979.84	-
Additions to Permanent Endowments	-	5,988,811.00
Increase in Net Position	43,114,683.11	21,854,891.00
Net Position, Beginning of Year	282,400,220.81	221,718,496.00
Net Position, End of Year	$ 325,514,903.92	$ 243,573,387.00

The accompanying notes to financial statements are an integral part of this statement.

UNIVERSITY OF NORTH FLORIDA
A Component Unit of the State of Florida
Statement of Cash Flows

For the Fiscal Year Ended June 30, 2024

	University
CASH FLOWS FROM OPERATING ACTIVITIES	
Student Tuition and Fees, Net	$ 68,400,568.40
Grants and Contracts	16,274,104.63
Sales and Services of Educational Departments	776,691.10
Sales and Services of Auxiliary Enterprises	34,944,061.73
Payments to Employees	(214,232,142.99)
Payments to Suppliers for Goods and Services	(83,531,541.00)
Payments to Students for Scholarships and Fellowships	(27,439,230.85)
Other Operating Receipts	10,053,197.14
Net Cash Used by Operating Activities	(194,754,291.84)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Noncapital Appropriations	170,088,964.00
Federal and State Student Financial Aid	49,691,984.77
Federal Direct Loan Program Receipts	37,216,793.00
Federal Direct Loan Program Disbursements	(37,216,793.00)
Net Change in Funds Held for Others	710,175.61
Other Nonoperating Receipts	14,937,731.92
Net Cash Provided by Noncapital Financing Activities	235,428,856.30
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from Issuance of Bonds	81,471,697.20
State Capital Appropriations	13,330,985.00
Capital Grants, Contracts, Donations and Fees	849,235.50
Proceeds from Sale of Capital Assets	28,055.00
Purchase and Construction of Capital Assets	(47,965,831.63)
Principal Paid on Capital Debt and Leases	(8,789,752.62)
Interest Paid on Capital Debt and Leases	(5,293,579.33)
Interest Received on Capital Debt and Leases	64,407.99
Net Cash Provided by Capital and Related Financing Activities	33,695,217.11
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	23,410,000.00
Purchases of Investments	(79,749,352.41)
Investment Income	7,049,200.77
Net Cash Used by Investing Activities	(49,290,151.64)
Net Increase in Cash and Cash Equivalents	25,079,629.93
Cash and Cash Equivalents, Beginning of Year	46,369,380.71
Cash and Cash Equivalents, End of Year	$ 71,449,010.64

	University
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	$ (233,185,285.17)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation Expense	24,823,055.78
Changes in Assets, Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources:	
Receivables, Net	(685,622.93)
Inventories	2,261.79
Other Assets	3,488.68
Accounts Payable	1,918,954.31
Salaries and Wages Payable	(7,822.27)
Deposits Payable	369,680.00
Compensated Absences Payable	3,115,259.73
Unearned Revenue	87,703.60
Other Postemployment Benefits Payable	5,817,744.48
Net Pension Liability	15,094,676.00
Deferred Outflows of Resources Related to Other Postemployment Benefits	(11,752,221.74)
Deferred Inflows of Resources Related to Other Postemployment Benefits	150,714.90
Deferred Outflows of Resources Related to Pensions	(65,305.00)
Deferred Inflows of Resources Related to Pensions	(441,574.00)
NET CASH USED BY OPERATING ACTIVITIES	$ (194,754,291.84)
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND CAPITAL FINANCING ACTIVITIES	
Unrealized gains on investments were recognized as an increase to investment income on the statement of revenues, expenses, and changes in net position, but are not cash transactions for the statement of cash flows.	$ 3,914,519.96
Losses from the disposal of capital assets were recognized on the statement of revenues, expenses, and changes in net position, but are not cash transactions for the statement of cash flows.	$ (218,602.14)
Donations of capital assets were recognized on the statement of revenues, expenses, and changes in net position, but are not cash transactions for the statement of cash flows.	$ 1,191,744.34

The accompanying notes to financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Reporting Entity. The University is a separate public instrumentality that is part of the State university system of public universities, which is under the general direction and control of the Florida Board of Governors. The University is directly governed by a Board of Trustees (Trustees) consisting of 13 members. The Governor appoints 6 citizen members and the Board of Governors appoints 5 citizen members. These members are confirmed by the Florida Senate and serve staggered terms of 5 years. The chair of the faculty senate and the president of the student body of the University are also members. The Board of Governors establishes the powers and duties of the Trustees. The Trustees are responsible for setting policies for the University, which provide governance in accordance with State law and Board of Governors' Regulations, and selecting the University President. The University President serves as the executive officer and the corporate secretary of the Trustees and is responsible for administering the policies prescribed by the Trustees.

Criteria for defining the reporting entity are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. These criteria were used to evaluate potential component units for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the primary government's financial statements to be misleading. Based on the application of these criteria, the University is a component unit of the State of Florida, and its financial balances and activities are reported in the State's Annual Comprehensive Financial Report by discrete presentation.

Blended Component Unit. Although it is legally separate from the University, the University of North Florida Financing Corporation, Inc. (Financing Corporation) is included within the University's reporting entity as a blended component unit. The Financing Corporation was created in October 2005 as a not-for-profit entity organized to receive, hold, invest, and administer property and to issue revenue bonds or other forms of indebtedness (finance or refinance capital projects) with the associated expenditures and debt service, exclusively for the University. An annual audit of the Financing Corporation is conducted by independent certified public accountants and is submitted to the Auditor General and the University Board of Trustees. Additional information on the Financing Corporation, including copies of its audit reports, is available by contacting the University Controller's Office. Condensed financial statements for the University's blended component unit are shown in a subsequent note.

Discretely Presented Component Units. Based on the application of the criteria for determining component units, the following direct-support organizations (as provided for in Section 1004.28, Florida Statutes, and Board of Governors Regulation 9.011) are included within the University reporting entity as discretely presented component units. These legally separate, not-for-profit, corporations are organized and operated to assist the University in achieving excellence by providing supplemental resources from private gifts and bequests and valuable education support services and are governed by separate boards. Florida Statutes authorize these organizations to receive, hold, invest, and administer property and to make expenditures to or for the benefit of the University. These organizations and their purposes are explained as follows:

- University of North Florida Foundation, Inc. (Foundation) solicits, invests, administers, and distributes private gifts for the funding of activities and facilities directly related to the mission, role, and scope of the University. This organization provides funding and services to support and foster the pursuit of higher education at the University. Although the Foundation is chartered as a private not-for-profit corporation, it operates solely for the benefit of the University and its mission of teaching, research, and service. The Foundation serves as the vehicle whereby taxpayers who want to advance the cause of higher education and to pay more than their share of the cost of education may do so. The Foundation does not serve any private causes, but generally benefits the public.
- The University of North Florida Training and Service Institute, Inc. (TSI) conducts, accounts for, and reports on special educational and training programs and related specialized activities. TSI was organized for the purpose of providing training and service to assist the University in achieving excellence by providing supplemental resources from external sources and to provide valuable educational support services. In March 2010, the TSI Board of Directors met and approved the formation of UNF TSI Investments, LLC, as a wholly owned Florida limited liability corporation.
- Museum of Contemporary Art Jacksonville, Inc. (MOCA) operates a museum of contemporary art which also provides visual arts education and cultural resources to the University in furtherance of its mission and operations, and the University may add its own educational and outreach programs. MOCA serves the community and its visitors through exhibitions, collections, educational programs, and publications designed to enhance an understanding and appreciation of modern and contemporary art with particular emphasis of works created from 1960 to the present.

An annual audit of each organization's financial statements is conducted by independent certified public accountants. The annual report of each organization is submitted to the Auditor General and the University Board of Trustees. Additional information on the University's discretely presented component units, including copies of audit reports, is available by contacting the University Controller's Office. Condensed financial statements for the University's discretely presented component units are shown in a subsequent note.

Basis of Presentation. The University's accounting policies conform with accounting principles generally accepted in the United States of America applicable to public colleges and universities as prescribed by GASB. The National Association of College and University Business Officers (NACUBO) also provides the University with recommendations prescribed in accordance with generally accepted accounting principles promulgated by GASB and the Financial Accounting Standards Board (FASB). GASB allows public universities various reporting options. The University has elected to report as an entity engaged in only business-type activities. This election requires the adoption of the accrual basis of accounting and entitywide reporting including the following components:

- Management's Discussion and Analysis
- Basic Financial Statements:
    - Statement of Net Position
    - Statement of Revenues, Expenses, and Changes in Net Position
    - Statement of Cash Flows
    - Notes to Financial Statements
- Other Required Supplementary Information

Measurement Focus and Basis of Accounting. Basis of accounting refers to when revenues, expenses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources, are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. The University's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange activities are generally recognized when all applicable eligibility requirements, including time requirements, are met. The University follows GASB standards of accounting and financial reporting.

The University's blended and discretely presented component units use the economic resources measurement focus and the accrual basis of accounting, and follow GASB standards of accounting and financial reporting.

Significant interdepartmental sales between auxiliary service departments and other institutional departments have been eliminated from revenues and expenses for reporting purposes.

The University's principal operating activities consist of instruction, research, and public service. Operating revenues and expenses generally include all fiscal transactions directly related to these activities as well as administration, operation and maintenance of capital assets, and depreciation of capital assets. Nonoperating revenues include State noncapital appropriations, Federal and State student financial aid, and investment income (net of unrealized gains or losses on investments). Interest on capital asset-related debt is a nonoperating expense. Other revenues generally include revenues for capital construction projects.

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 University's policy to first apply the restricted resources to such programs, followed by the use of the unrestricted resources.

The statement of revenues, expenses, and changes in net position is presented by major sources and is reported net of tuition scholarship allowances. Tuition scholarship allowances are the difference between the stated charge for goods and services provided by the University and the amount that is actually paid by the student or the third party making payment on behalf of the student. The University applied the "Alternate Method" as prescribed in NACUBO Advisory Report 2000-05 to determine the reported net tuition scholarship allowances. Under this method, the University computes these amounts by allocating the cash payments to students, excluding payments for services, using a ratio of total aid to aid not considered third-party aid.

The statement of cash flows is presented using the direct method in compliance with GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*.

Cash and Cash Equivalents. Cash and cash equivalents consist of cash on hand, cash in demand accounts, and money market funds. University cash deposits are held in banks qualified as public depositories under Florida law. All such deposits are insured by the Federal Deposit Insurance Corporation, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool required by Chapter 280, Florida Statutes. The University and its blended component unit, the Financing Corporation, hold $71,284,247.93 in money market funds which are permissible under the University's investment policy and were rated AAAm/Aaa-mf by Standard & Poor's and Moody's Investors Service, respectively. Cash and cash equivalents that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other restricted assets, are classified as restricted.

Capital Assets. University capital assets consist of land, construction in progress, subscription-based information technology arrangements in progress, buildings, infrastructure and other improvements, furniture and equipment, library resources, leasehold improvements, right-to-use lease assets, and subscription-based information technology arrangements. Except for right-to-use lease assets, these assets are capitalized and recorded at cost at the date of acquisition or at acquisition value at the date received in the case of gifts and purchases of State surplus property. Additions, improvements, and other outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The University has a capitalization threshold of $5,000 for tangible personal property, $100,000 for new buildings and building improvements, and $4,000,000 for computer software. Depreciation is computed on the straight-line basis over the following estimated useful lives:

- Buildings – 5 to 40 years
- Infrastructure and Other Improvements – 5 to 20 years
- Furniture and Equipment:
  - Equipment (Nonoffice) – 5 to 15 years
  - Computer Equipment – 2 to 10 years
  - Moveable Equipment – 3 to 20 years
- Library Resources – 5 to 10 years
- Leasehold Improvements – 5 to 15 years
- Computer Software – 4 to 5 years
- Right-to-Use Lease Assets – 7 to 12 years based on the term of the lease
- Subscription-Based Information Technology Arrangements (SBITA) – 5 years

Capital assets of the University's discretely presented component units, if applicable, are recorded at cost. Donated items are stated at independent appraisal or estimated value at the date of donation. Depreciation is computed using the straight-line basis over the following estimated useful lives of the assets, as follows:

- Buildings – 25 years
- Leasehold Improvements – 5 to 20 years
- Furniture and Equipment – 3 to 10 years

Noncurrent Liabilities. Noncurrent liabilities include unearned revenue, bonds payable, capital improvement debt payable, loans and notes payable, right-to-use leases payable, SBITA liability, compensated absences payable, other postemployment benefits payable, and net pension liability that are not scheduled to be paid within the next fiscal year. Bonds payable are reported net of unamortized premiums. The University amortizes debt premiums over the life of the debt using the straight-line method.

Pensions. For purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from the FRS and HIS fiduciary net positions have been determined on the same basis as they are reported by the FRS and the HIS plans. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Leases and Subscription-Based Information Technology Arrangements (SBITA). The University determines if an arrangement is a lease or SBITA at inception. Lessee and SBITA arrangements are included in lease or SBITA assets and lease or SBITA liabilities in the statement of net position. Lease/SBITA assets represent the University's control of the right to use an underlying asset for the lease/subscription term, as specified in the contract, in an exchange or exchange-like transaction. Lease/SBITA assets are recognized at the commencement date based on the initial measurement of the lease/subscription liability, plus any payments made to the lessor/SBITA vendor at or before the commencement of the lease term and certain direct/implementation costs. Lease/SBITA assets are amortized in a systematic and rational manner over the shorter of the lease/subscription term or the useful life of the underlying asset. Lease/SBITA liabilities represent the University's obligation to make lease/subscription payments arising from the lessee/subscription arrangement. Lease/SBITA liabilities are recognized at the commencement date based on the present value of expected lease/subscription payments over the lease term, less any lease/subscription incentives. Interest expense is recognized ratably over the contract term. The lease/subscription term may include options to extend or terminate the lease/subscription when it is reasonably certain that the University will exercise that option. Payments for short-term leases/subscriptions with a lease/subscription term of 12 months or less are recognized as expenses as incurred. The University has a materiality threshold of $100,000 of total contract payments for leases, and $1,000,000 of total contract subscription payments for SBITA. Short-term leases/subscriptions and leases/subscriptions under the materiality threshold are not included as lease/subscription liabilities or right-to-use lease/subscription assets on the statement of net position.

Lessor arrangements are included in lease receivables and deferred inflows of resources in the statements of net position. Lease receivables represent the University's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term. Deferred inflows or resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term. The University recognizes payments received for short-term leases with a lease term of 12 months or less as revenue as the payments are received. The University has a materiality threshold of $100,000 of payments in a year for leases. Short-term leases and leases under the materiality threshold are not included as lease receivables or deferred inflows on the statement of net position.

2. Deficit Net Position in Individual Funds

The University reported an unrestricted net position which included a deficit in the current funds – unrestricted as shown below. This deficit can be attributed to the full recognition of long-term liabilities (i.e., compensated absences payable, other postemployment benefits payable, and net pension liabilities) in the current unrestricted funds.

Fund	Net Position
Current Funds - Unrestricted	$ (167,504,849.82)
Auxiliary Funds	63,034,300.03
Total	$ (104,470,549.79)

3. Investments

Section 1011.42(5), Florida Statutes, authorizes universities to invest funds with the State Treasury and State Board of Administration (SBA) and requires that universities comply with the statutory requirements governing investment of public funds by local governments. Accordingly, universities are subject to the requirements of Chapter 218, Part IV, Florida Statutes. The Board of Trustees has adopted a written investment policy providing that surplus funds of the University shall be invested in those institutions and instruments permitted under the provisions of Florida Statutes. Pursuant to Section 218.415(16), Florida Statutes, the University is authorized to invest in the Florida PRIME investment pool administered by the SBA; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits and savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; direct obligations of the United States Treasury; obligations of Federal agencies and instrumentalities; securities of, or interests in, certain open end or closed end management type investment companies; and other investments approved by the Board of Trustees as authorized by law. Investments set aside to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital assets are classified as restricted.

The University categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

All of the University's recurring fair value measurements as of June 30, 2024, are valued using quoted market prices (Level 1 inputs), with the exception of corporate bonds and notes and Obligations of United States Government Agencies and Instrumentalities which are valued using a matrix pricing model (Level 2 inputs) and investments with the State Treasury which are valued based on the University's share of the pool (Level 3 inputs).

The University's investments at June 30, 2024, are reported as follows:

		Fair Value Measurements Using		
Investments by fair value level	**Amount**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
External Investment Pool:				
State Treasury Special Purpose Investment Account	$ 298,656.01	$ -	$ -	$ 298,656.01
SBA Debt Service Account	4,177,568.68	4,177,568.68	-	-
United States Treasury Securities	53,696,800.07	53,696,800.07	-	-
Obligations of United States Government Agencies and Instrumentalities	13,269,657.91	-	13,269,657.91	-
Bonds and Notes	37,682,143.36	-	37,682,143.36	-
Other Investments (1)	191,666.67	191,666.67	-	-
Total investments by fair value level	$ 109,316,492.70	$ 58,066,035.42	$ 50,951,801.27	$ 298,656.01
Investments at amortized Cost				
SBA Florida PRIME	62,279,321.44			
Total Investments	$ 171,595,814.14			

(1) Other investments are comprised of a target retirement fund held by Teachers Insurance and Annuity Association. Investment is part of a deferred employee compensation package.

External Investment Pools.

The University reported investments at fair value totaling $298,656.01 at June 30, 2024, in the State Treasury Special Purpose Investment Account (SPIA) investment pool, representing ownership of a share of the pool, not the underlying securities. Pooled investments with the State Treasury are not registered with the Securities and Exchange Commission. Oversight of the pooled investments with the State Treasury is provided by the Treasury Investment Committee per Section 17.575, Florida Statutes. The authorized investment types are set forth in Section 17.57, Florida Statutes. The State Treasury SPIA investment pool carried a credit rating AA-f by Standard & Poor's, had an effective duration of 3.23 years, and fair value factor of 0.9958 at June 30, 2024. Participants contribute to the State Treasury SPIA investment pool on a dollar basis. These funds are commingled, and a fair value of the pool is determined from the individual values of the securities. The fair value of the securities is summed, and a total pool fair value is determined. A fair value factor is calculated by dividing the pool's total fair value by the pool participant's total cash balances. The fair value factor is the ratio used to determine the fair value of an individual participant's pool balance. The University relies on policies developed by the State Treasury for managing interest rate risk or credit risk for this investment pool. Disclosures for the State Treasury investment pool are included in the notes to financial statements of the State's Annual Comprehensive Financial Report.

At June 30, 2024, the University reported investments totaling $62,279,321.44 in the Florida PRIME investment pool administered by the SBA pursuant to Section 218.405, Florida Statutes. The University's investments in the Florida PRIME investment pool, which the SBA indicates is a Securities and Exchange

Commission Rule 2a7-like external investment pool, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. The Florida PRIME investment pool carried a credit rating of AAAm by Standard & Poor's and had a weighted-average days to maturity (WAM) of 45 days as of June 30, 2024. A portfolio's WAM reflects the average maturity in days, based on final maturity or reset date, in the case of floating-rate instruments. WAM measures the sensitivity of the Florida PRIME investment pool to interest rate changes. The investments in the Florida PRIME investment pool are reported at amortized cost.

Section 218.409(8)(a), Florida Statutes, provides that "the principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the executive director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board [State Board of Administration] can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The trustees shall convene an emergency meeting as soon as practicable from the time the executive director has instituted such measures and review the necessity of those measures. If the trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the executive director until the trustees are able to meet to review the necessity for the moratorium. If the trustees agree with such measures, the trustees shall vote to continue the measures for up to an additional 15 days. The trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the trustees exceed 15 days." As of June 30, 2024, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

State Board of Administration Debt Service Accounts.

The University reported investments totaling $4,177,568.68 at June 30, 2024, in the SBA Debt Service Accounts. These investments are used to make debt service payments on bonds issued by the State Board of Education for the benefit of the University. The University's investments consist of United States Treasury securities, with maturity dates of 6 months or less, and are reported at fair value. The University relies on policies developed by the SBA for managing interest rate risk and credit risk for these accounts. Disclosures for the Debt Service Accounts are included in the notes to financial statements of the State's Annual Comprehensive Financial Report.

Other Investments.

The University's other investments consisted of various debt securities totaling $104,840,268.01 at June 30, 2024. The following risks apply to those University investments.

Interest Rate Risk: Interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of an investment. The University's investment policy generally requires that the investment portfolio be maintained with short-term maturities to provide sufficient liquidity to pay obligations as they come due, based on anticipated cash-flow requirements, and includes certain restrictions on specific investment durations up to a maximum of 10 years. Investment maturities at June 30, 2024, were as follows:

Investments Type	Fair Value	Investment Maturities (In Years) Less Than 1	1-5	6-10
United States Treasury Securities	$ 53,696,800.07	$ 7,116,109.45	$ 39,082,352.69	$ 7,498,337.93
Obligations of United States Government Agencies and Instrumentalities	13,269,657.91	3,662,381.98	9,607,275.93	-
Bonds and Notes	37,682,143.36	4,011,921.51	25,017,279.97	8,652,941.88
Other Investments	191,666.67	-	191,666.67	-
Total	$ 104,840,268.01	$ 14,790,412.94	$ 73,898,575.26	$ 16,151,279.81

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. United States Treasury Securities or obligations explicitly guaranteed by the United States Government are not considered to have credit risk and do not require disclosure of credit quality. At June 30, 2024, the University had $53,696,800.07 of these investments. The University's investment policy requires that the portfolio provide specific types of investments that may be purchased, including credit quality guidelines, where applicable, and maintain a total average quality rating of "AA" or higher. At June 30, 2024, the University had obligations of United States Government agencies and instrumentalities and bonds and notes with quality ratings by nationally recognized rating agencies, as follows:

Investments by fair value level	Fair Value	Credit Quality Rating (1) AAA	AA	A
Obligations of United States Government Agencies and Instrumentalities	$ 13,269,657.91	$ -	$ 13,269,657.91	$ -
Bonds and Notes	37,682,143.36	2,412,150.61	5,003,561.22	30,266,431.53
Total	$ 50,951,801.27	$ 2,412,150.61	$ 18,273,219.13	$ 30,266,431.53

(1) The credit quality ratings are from Standard and Poor's or Moody's.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of the failure of the counterparty, the value of investments or collateral securities in the possession of an outside party will not be recoverable. Exposure to custodial risk relates to investment securities that are held by someone other than the entity and are not registered in the entity's name. All University investments are held in safekeeping by a third-party custodian.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The University policy states that a maximum of 5 percent of the Fund may be invested in securities of any single issuer, except that obligations of United States Government agencies and instrumentalities are not subject to the limitations.

Discretely Presented Component Units Investments.

Investments held by the University's discretely presented component units are reported at fair value and consist of United States Government and Federal agency securities, corporate bonds, various mutual funds holding domestic and foreign debt, equities, hedge funds, private equity funds, and real assets funds.

The Foundation reported investments totaling $171,294,151. The Foundation's investment policy states equity securities will be broadly diversified (e.g., country, economic sector, industry, etc.) to minimize the impact during sudden and severe market downturns, as equity markets have historically displayed a high degree of such correlation during these periods. The role of hedge funds and private equity is to reduce the overall volatility of the equity fund performance. Fixed-income securities will be diversified among different sectors of the fixed-income market. The principal purpose of the fixed-income fund will be to reduce risk by reducing the overall volatility of the investment returns and to serve as a partial hedge against periods of prolonged economic contraction. The fixed-income objective is to preserve principal during periods of deflation, provide a source of current income, and reduce overall portfolio volatility. These portfolios are primarily domestically focused but do include exposure to international and emerging markets' debt as well. Decisions as to individual security selection, security size and quality, etc., will be left to broad manager discretion.

As of June 30, 2024, the Foundation had 86 percent ($147,745,798) of its total portfolio invested in global equities and fixed-income funds, private equity funds and an absolute return fund. The Foundation's investments are subject to various risk factors including interest rate, credit, custodial credit, concentration of credit, and foreign currency risks, which are discussed in the following paragraphs. Additional information is contained in the Foundation's audit reports for the fiscal years ended June 30, 2024, and June 30, 2023, and may be obtained from the Director, University of North Florida TSI/Foundation Accounting, UNF Hall, Suite 2900, 1 UNF Drive, Jacksonville, Florida 32224-2648.

The TSI, reported investments totaling $2,287,108. The TSI's investment policy requires equity securities to be limited to investments in publicly traded securities on a major stock exchange or NASDAQ, with no more than 7 percent of the market value of an investment manager's equity portfolio invested in the shares of a single corporate issuer, and no more than 5 percent of the market value of the total equity portfolio invested in shares of companies that have been publicly traded for less than 1 year. For fixed income securities, the investment policy provides that securities be rated "A" or higher by Moody's Investors Service or Standard & Poor's rating services; no more than 10 percent of the market value of the total fixed income portfolio be invested in the securities of any single corporate issuer; no more than 20 percent of the market value of the total fixed income portfolio be invested in collateralized mortgage obligations (CMOs) and are restricted to those issues that are currently paying interest, receiving principal pay-downs, and do not contain leverage; and no more than 25 percent of the total fixed-income portfolio be invested in securities issued by foreign governments or corporations. There is no limit on investments in securities issued directly by the United States Government or any agency or instrumentality thereof. The TSI's investment policy prohibits investments in interest only or principal only CMOs, interest rate swaps, precious metals, limited partnerships of any kind, real estate, venture capital, futures contracts, or options contracts in individually managed portfolios. Trading on margin and short selling are also prohibited. The TSI does not have a formal policy limiting the duration of mid-term and long-term investments.

MOCA reported investments totaling $9,180,150. MOCA's investments consist of equities and global equity funds.

On January 28, 1991, MOCA entered into a trust agreement with the State of Florida, Department of State, creating a $600,000 fine arts endowment matching fund program. In managing the investments of the fine arts endowment fund, MOCA must comply with an established investment plan specified by the State of Florida, Department of State, which requires the preservation of the $600,000 program fund. MOCA may expend funds generated from the endowment program fund only for operating costs incurred while engaged in programs directly related to fine arts activities. The balance of the endowment at June 30, 2024, was $103,000, which is included in MOCA's investment total reported above, and in MOCA's restricted cash and cash equivalents.

The estimated fair value of the Foundation, TSI, and MOCA investments was based on valuations provided by external investment managers at June 30, 2024, and consisted of the following:

Investment Type	Amount
United States Government Bonds and Federal Agency Securities	$ 8,755,518
Corporate Bonds	4,375,678
Fixed Income Mutual Fund	909,469
Equity Mutual Funds	2,864,069
Stocks	25,266
Absolute Return and Hedge Funds	10,349,740
Global Equities Fund	90,526,154
Global Fixed Income Fund	11,473,617
Private Equity Funds	33,909,857
Real Assets Fund	19,572,041
Total Foundation, TSI, and MOCA Investments	$182,761,409

All of the University's discretely presented component units have provided additional information about fair value measurements which are based on the assumptions that market participants would use when pricing an asset or liability. A fair value hierarchy was established that prioritizes that information used to develop these assumptions.

The University's discretely presented component units' investments at June 30, 2024, are reported as follows:

Investments by fair value level	Amount	Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
United States Government Bonds and Federal Agency Securities	$ 8,755,518	$ -	$ 8,755,518	$ -
Corporate Bonds	4,375,678	-	4,375,678	-
Fixed Income Mutual Funds	909,469	909,469	-	-
Equity Mutual Funds	2,864,069	2,864,069	-	-
Stocks	25,266	25,266	-	-
Total Foundation, TSI, and MOCA Investments by fair value level	16,930,000	$ 3,798,804	$ 13,131,196	$ -
Investments measured at the net asset value (NAV)				
Absolute return and hedge funds	10,349,740			
Global equities funds	90,526,154			
Global fixed income funds	11,473,617			
Private equity funds	33,909,857			
Real assets funds	19,572,041			
Total investments measured at NAV	165,831,409			
Total Foundation, TSI, and MOCA Investments measured at fair value	$ 182,761,409			

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented in the following table:

Investments measured at the NAV	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Absolute return and hedge funds	$ 10,349,740	$ -	Monthly, Quarterly, Semi-Annually, Annually	45 - 105 days
Global equities funds	90,526,154	-	Monthly, Quarterly, Semi-Annually, Annually	30 - 90 days
Global fixed income funds	11,473,617	-	Daily, Bi-monthly Monthly, Quarterly	5 - 60 days
Private equity funds	33,909,857	18,682,997	None	None
Real assets Funds	19,572,041	10,652,656	Quarterly	60 days
Total investments measured at the NAV	$165,831,409	$ 29,335,653		

Interest Rate Risk: Interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of an investment. The Foundation, TSI, and MOCA do not have formal investments policies that limit the duration of investments. However, the University component units manage exposure to declines in fair value occurring from increasing interest rates through the specific identification method and maintaining diversification of investments and investment maturities so as to minimize the impact of downturns in the market. Investments of these component units by investment type and their future maturities at June 30, 2024, are as follows:

Investment Type	Investment Maturities (In Years) Fair Value	Less Than 1	1-5
United States Government Bonds and Federal Agency Securities	$ 8,755,518	$ 2,609,878	$ 6,145,640
Corporate Bonds	4,375,678	982,450	3,393,228
Total Foundation, TSI, and MOCA Investments	$13,131,196	$ 3,592,328	$ 9,538,868

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Foundation and MOCA have no formal investment policies on credit risk. The TSI's investment policy provides that fixed-income securities shall be rated "A" or higher by Moody's Investors Service or Standard & Poor's rating services. At June 30, 2024, the credit quality ratings of the component units' investments are as follows:

Investment Type	Fair Value	Credit Quality Rating (1) AAA	AA	A	BBB	Unrated
United States Government Bonds and Federal Agency Securities	$ 8,755,518	$ 7,738,607	$ 425,837	$ 181,434	$ -	$ 409,640
Corporate Bonds	4,375,678	62,865	597,063	3,279,581	188,640	247,529
Fixed Income Mutual Funds	909,469	-	-	-	-	909,469
Equity Mutual Funds	2,864,069	-	-	-	-	2,864,069
Stocks	25,266	-	-	-	-	25,266
Absolute Return and Hedge Funds	10,349,740	-	-	-	-	10,349,740
Global Equities Fund	90,526,154	-	-	-	-	90,526,154
Global Fixed Income Fund	11,473,617	-	-	-	-	11,473,617
Private Equity Funds	33,909,857	-	-	-	-	33,909,857
Real Assets Fund	19,572,041	-	-	-	-	19,572,041
Total Foundation, TSI, and MOCA Investments	$ 182,761,409	$ 7,801,472	$ 1,022,900	$ 3,461,015	$ 188,640	$ 170,287,382

(1) The credit quality ratings are from Standard & Poor's.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of the failure of the counterparty, the value of investments or collateral securities in the possession of an outside party will not be recoverable. Exposure to custodial risk relates to investment securities that are held by someone other than the University or its component units and are not registered in the University's or its component units' names. The Foundation, TSI, and MOCA do not have formal investment policies that address custodial credit risk.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The Foundation's investment policy provides that with the exception of obligations of the U.S. Government and its agencies, no purchase will be made that will cause more than 5 percent of the fixed-income fund to be invested in the securities of any one issuer. The TSI's investment policy provides for investments in equity securities of not more than 7 percent (at cost) in one corporate issuer, and investments in fixed-income securities of not more than 10 percent (at cost) in one corporate issuer. MOCA does not have a formal investment policy that addresses concentration of credit risk.

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The TSI's investment policy limits its investments in fixed-income securities of foreign issuers to 25 percent of its fixed-income portfolio. The TSI does not have a formal investment policy that addresses foreign currency risk for other types of investments. The Foundation and MOCA do not have formal investment policies that address foreign currency risk.

4. Receivables

Accounts Receivable. Accounts receivable represent amounts for student tuition and fees, contract and grant reimbursements due from third parties, various sales and services provided to students and third parties, and interest accrued on investments. As of June 30, 2024, the University reported the following amounts as accounts receivable:

Description	Amount
Student Tuition and Fees	$ 8,689,564.07
Contracts and Grants	2,812,505.49
Student Housing Rentals	2,590,944.74
Other Auxiliary Enterprises	2,007,733.64
Due from Component Units	1,278,171.35
Due from Other Governmental Units	1,025,704.00
Parking	294,083.80
Other	407,071.00
Total Accounts Receivable	$ 19,105,778.09

Leases Receivable. The University leases space to external parties for various terms. During the fiscal year ended June 30, 2024, lease revenue totaling $154,696.56 and interest revenue totaling $64,407.99 were recognized in accordance with GASB Statement No. 87, *Leases*. A deferred inflow of resources was recorded for $1,876,170.58. Total minimum payments to be received under lessor agreements are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2025	$ 129,510.64	$ 82,410.03	$ 211,920.67
2026	94,891.00	79,249.63	174,140.63
2027	77,572.54	76,225.21	153,797.75
2028	58,576.49	74,052.78	132,629.27
2029	64,287.76	71,783.89	136,071.65
2030-2034	215,624.09	328,523.24	544,147.33
2035-2039	301,037.28	266,540.06	567,577.34
2040-2044	484,177.36	166,569.74	650,747.10
2045-2049	399,485.23	33,618.56	433,103.79
Total Leases Receivable	$ 1,825,162.39	$ 1,178,973.14	$ 3,004,135.53

Allowance for Doubtful Receivables. Allowances for doubtful accounts are reported based on management's best estimate as of fiscal year end considering type, age, collection history, and other factors considered appropriate. Accounts receivable are reported net of allowances of $310,011.31 at June 30, 2024.

No allowance has been accrued for leases receivable and contracts and grants receivable. University management considers these to be fully collectible.

Component Units' Pledges Receivable, Net. The Foundation accounts for pledges in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. GASB Statement No. 33 establishes reporting standards for nonexchange transactions, which in the case of the Foundation are restricted pledges to be contributed in the future. Pledges receivable are reported at estimated net realizable value, and reported in current and long-term portions, net of appropriate allowances and present value discounts of $722,608.

5. Due From State

The amount due from State consists of $42,799,918 of Capital Improvement Fee Trust Fund and General Revenue Fund allocations due from the State to the University for construction, maintenance, and renovations of University facilities.

6. Capital Assets

Capital assets activity for the fiscal year ended June 30, 2024, is shown in the following table:

Description	Beginning Balance	Additions	Reductions	Ending Balance
Nondepreciable Capital Assets:				
Land	$ 20,929,295.83	$ -	$ -	$ 20,929,295.83
Construction in Progress	31,050,411.96	37,387,117.79	9,656,786.29	58,780,743.46
Subscription-Based Information Technology Arrangements in Progress	3,926,381.69	7,705,032.32	-	11,631,414.01
Total Nondepreciable Capital Assets	$ 55,906,089.48	$ 45,092,150.11	$ 9,656,786.29	$ 91,341,453.30
Depreciable Capital Assets:				
Buildings	$637,973,018.52	$ 6,228,384.29	$ -	644,201,402.81
Infrastructure and Other Improvements	79,212,026.17	3,428,402.00	-	82,640,428.17
Furniture and Equipment	43,382,557.54	3,603,275.34	1,691,575.79	45,294,257.09
Library Resources	40,335,747.50	6,917.08	-	40,342,664.58
Leasehold Improvements	4,553,791.64	-	-	4,553,791.64
Right-to-Use Lease Assets	4,152,208.47	-	-	4,152,208.47
Subscription-Based Information Technology Arrangements	-	1,473,507.74	-	1,473,507.74
Total Depreciable Capital Assets	809,609,349.84	14,740,486.45	1,691,575.79	822,658,260.50
Less, Accumulated Depreciation:				
Buildings	290,782,804.82	17,067,818.27	-	307,850,623.09
Infrastructure and Other Improvements	45,174,396.49	3,368,171.24	-	48,542,567.73
Furniture and Equipment	30,205,372.96	3,557,163.99	1,472,973.83	32,289,563.12
Library Resources	40,306,459.69	19,677.82	-	40,326,137.51
Leasehold Improvements	721,317.30	201,938.76	-	923,256.06
Right-to-Use Lease Assets	652,359.61	387,259.56	-	1,039,619.17
Subscription-Based Information Technology Arrangements	-	221,026.14	-	221,026.14
Total Accumulated Depreciation	407,842,710.87	24,823,055.78	1,472,973.83	431,192,792.82
Total Depreciable Capital Assets, Net	$401,766,638.97	$ (10,082,569.33)	$ 218,601.96	$391,465,467.68

Capital assets activity for the University's discretely presented component units for the fiscal year ended June 30, 2024, is shown in the following table:

Description	Beginning Balance	Additions	Reductions	Ending Balance
Nondepreciable Capital Assets:				
Land	$ 33,537,556	$ -	$ -	$ 33,537,556
Depreciable Capital Assets:				
Buildings	$ 14,550,634	$ -	$ -	$ 14,550,634
Leasehold Improvements	6,012,707	-	5,000	6,007,707
Furniture and Equipment	526,374	-	120,796	405,578
Total Depreciable Capital Assets	21,089,715	-	125,796	20,963,919
Less, Accumulated Depreciation:				
Buildings	7,448,829	582,025	-	8,030,854
Leasehold Improvements	5,865,419	48,579	5,000	5,908,998
Furniture and Equipment	526,373	-	120,796	405,577
Total Accumulated Depreciation	13,840,621	630,604	125,796	14,345,429
Total Depreciable Capital Assets, Net	$ 7,249,094	$ (630,604)	$ -	$ 6,618,490

7. Long-Term Liabilities

Long-term liabilities of the University at June 30, 2024, include unearned revenue, bonds payable, capital improvement debt payable, loans and notes payable, right-to-use leases payable, subscription arrangements payable, compensated absences payable, other postemployment benefits payable, and net pension liability. Long-term liabilities activity for the fiscal year ended June 30, 2024, is shown in the following table:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Unearned Revenue	$ 591,138.86	$ -	$ 182,805.53	$ 408,333.33	$ 95,833.33
Bonds Payable	65,367,608.21	-	4,598,806.72	60,768,801.49	4,505,000.00
Capital Improvement Debt Payable	9,651,910.78	82,501,562.55	840,514.16	91,312,959.17	650,000.00
Loans and Notes Payable	40,252,859.83	-	3,373,291.25	36,879,568.58	3,321,350.05
Right-to-Use Leases Payable	3,602,081.59	-	436,461.37	3,165,620.22	415,757.89
Subscription Arrangements Liability Payable	-	1,473,507.74	-	1,473,507.74	291,048.50
Compensated Absences Payable	21,423,217.13	5,062,826.48	1,947,566.75	24,538,476.86	2,453,847.69
Other Postemployment Benefits Payable	102,333,908.00	8,201,822.97	2,384,078.49	108,151,652.48	2,813,472.68
Net Pension Liability	87,733,860.00	31,730,526.00	16,635,850.00	102,828,536.00	-
Total Long-Term Liabilities	$ 330,956,584.40	$ 128,970,245.74	$ 30,399,374.27	$ 429,527,455.87	$ 14,546,310.14

Bonds Payable. Revenue Bonds were issued to construct University facilities, including student housing and student union facilities. Bonds outstanding, which include both term and serial bonds, are secured by a pledge of housing rental revenues and an assessed student union fee based on credit hours. These bonds were direct placements, and in the event of default, the trustee may exercise one or more of the rights and powers conferred in the trust indenture at the request of at least 25 percent of the bondholders. However, the bonds are not subject to acceleration in the event of default.

On August 23, 2016, the Financing Corporation issued bonds (Student Union Project), Series 2016, in the amount of $17,920,000 to advance refund the outstanding Series 2007 bonds. On November 23, 2016, the Financing Corporation issued bonds (Student Housing Project), Series 2016, in the amount of $67,930,000 and a Capital Improvement Refunding Revenue Note (Student Housing Project), Series 2016, in the amount of $50,000,000 to advance refund the outstanding Series 2007 bonds and prepay the outstanding balance on a loan for The Flats at Kernan student housing complex.

As a condition of the financing arrangements, the University entered into ground sublease and operating lease agreements dated June 1, 2007, with the Financing Corporation. Under the ground sublease agreements, the University leased the land and facilities to the Financing Corporation in exchange for prepaid rent. The land covered by the ground sublease agreements, together with the improvements thereon, was leased back to the University to manage and operate under the separate operating lease agreements. The operating lease agreements require that the University pay all debt payments, including principal, interest, fees, and charges over the lease term in accordance with the related bond documents (base rent), and all other operating costs of the premises (additional rent). The agreements terminate on November 1, 2037, or the date on which the Series 2016 refunding bonds and notes are fully paid or canceled. Net revenues from the student residence facilities are pledged to pay the Student Housing Project rents, and a portion of the University's activity and service fees revenues are pledged to pay the Student Union Project rents. As principal payments are made on the Student Housing and Student Union Projects bonds, the prepaid rent is amortized as shown in Note 14., the University reported remaining prepaid rent payable to the Financing Corporation of $45,794,228 at June 30, 2024.

The University had the following bonds payable outstanding at June 30, 2024:

Bond Type and Series	Amount of Original Debt	Amount Outstanding	Interest Rates (Percent)	Maturity Date To
Capital Improvement Revenue Bonds:				
Direct Borrowings and Direct Placements:				
Student Union Project, Series 2016, Refunding	$ 17,920,000.00	$ 12,955,000.00	3 - 5	11-01-2037
Housing Project, Series 2016, Refunding	67,930,000.00	44,475,000.00	3 - 5	11-01-2037
Total Capital Improvement Revenue Bonds	85,850,000.00	57,430,000.00		
Add: Unamortized Bond Premiums	-	3,338,801.49		
Total Capital Improvement Revenue Bonds Payable	$ 85,850,000.00	$ 60,768,801.49		

Annual requirements to amortize all bonds payable outstanding as of June 30, 2024, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2025	$ 4,505,000.00	$ 2,225,993.76	$ 6,730,993.76
2026	4,090,000.00	2,051,918.76	6,141,918.76
2027	4,190,000.00	1,902,209.39	6,092,209.39
2028	4,300,000.00	1,744,150.02	6,044,150.02
2029	4,100,000.00	1,591,600.01	5,691,600.01
2030-2034	20,865,000.00	5,493,150.00	26,358,150.00
2035-2038	15,380,000.00	1,178,725.00	16,558,725.00
Subtotal	57,430,000.00	16,187,746.94	73,617,746.94
Add: Unamortized Bond Premiums	3,338,801.49	-	3,338,801.49
Total	$ 60,768,801.49	$ 16,187,746.94	$ 76,956,548.43

Capital Improvement Debt Payable. The University had the following capital improvement debt payable outstanding at June 30, 2024:

Capital Improvement Debt Type and Series	Amount of Original Debt	Amount Outstanding	Interest Rate (Percent)	Maturity Date To
Capital Improvement Debt				
2021A - Student Wellness Center	$ 8,875,000.00	$ 7,215,000.00	5	11-01-2032
2023A - Dormitory Project	80,925,000.00	80,925,000.00	5	11-01-2053
Add: Unamortized Bond Premium	-	3,172,959.17		
Total Capital Improvement Debt	$ 89,800,000.00	$ 91,312,959.17		

On July 13, 2021, the Board of Governors issued $8,875,000 of University of North Florida Mandatory Student Fee Revenue Bonds (Series 2021A – Student Wellness Center) to directly advance refund $11,070,000 of outstanding University of North Florida Mandatory Student Fee Revenue Bonds, Series 2010B Build America Bonds (Federally Taxable-Issuer Subsidy).

The University has pledged a portion of future Student Wellness Center fees to repay $7,215,000 in capital improvement bonds issued by the Florida Board of Governors on behalf of the University. The bonds are payable solely from Student Wellness Center fee assessments. The University has committed to appropriate each year from the Student Wellness Center fee assessment amounts sufficient to cover the principal and interest requirements on the debt. Principal and interest paid for the current fiscal year totaled $996,250. During the 2023-24 fiscal year, Student Wellness Center fee assessments totaled $1,265,827.73.

On November 30, 2023, the Florida Board of Governors, on behalf of the University, issued $80,925,000 of Student Housing Revenue Bonds, Series 2023A to finance the acquisition, construction, and equipping of a new dormitory facility, fund capitalized interest, and the cost of issuance. The net proceeds of $81,471,697.20 (after payment of $336,504 in underwriting fees and other issuance costs) were placed in accounts with the SBA to fund construction costs ($75,728,270.11) and capitalized interest ($5,743,427.09) on the project. The bonds were issued with an interest rate of 5 percent and mature on November 1, 2053. The bonds are secured by a pledge of housing rental and other revenues generated by the new dormitory facility as well as surplus revenues (net operating revenues remaining after payment of required debt obligations) of the University's existing housing system. The Financing Corporation has covenanted that, as long as the 2023A bonds are outstanding, it will not issue any new debt obligations related to the Housing System and that no additional housing facilities will be added to those securing the prior debt obligations. Principal payments are due annually on November 1, beginning November 1, 2025, and interest payments are due semi-annually on May 1 and November 1, beginning May 1, 2024.

Annual requirements to amortize all capital improvement debt outstanding as of June 30, 2024, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2025	$ 650,000.00	$ 4,390,750.00	$ 5,040,750.00
2026	1,955,000.00	4,325,625.00	6,280,625.00
2027	2,055,000.00	4,225,375.00	6,280,375.00
2028	2,160,000.00	4,120,000.00	6,280,000.00
2029	2,275,000.00	4,009,125.00	6,284,125.00
2030-2034	12,215,000.00	18,197,875.00	30,412,875.00
2035-2039	11,045,000.00	15,381,875.00	26,426,875.00
2040-2044	14,185,000.00	12,244,375.00	26,429,375.00
2045-2049	18,215,000.00	8,213,875.00	26,428,875.00
2050-2054	23,385,000.00	3,039,875.00	26,424,875.00
Subtotal	88,140,000.00	78,148,750.00	166,288,750.00
Unamortized Premiums	3,172,959.17	-	3,172,959.17
Total	$ 91,312,959.17	$ 78,148,750.00	$ 169,461,709.17

Loans and Notes Payable. In November 2013, the Financing Corporation purchased a 67,224 square foot warehouse on a parcel of land adjacent to the University and entered into a loan agreement for $2,724,915 with a fixed interest rate of 2.32 percent. Principal and interest payments of $25,505.82 are made monthly over the 10-year term of the note.

In December 2014, the Financing Corporation entered into a loan agreement with the Foundation for $1,200,000 with a fixed interest rate of 3 percent for funds to be used for improvement and renovation of the warehouse. Principal and interest payments of $34,848.85 are made quarterly over the 10-year term of the note.

As noted under Bonds Payable above, on November 23, 2016, the Financing Corporation issued a $50,000,000 Capital Improvement Refunding Revenue Note, Series 2016, in connection with the advance refunding of outstanding Capital Improvement Revenue Bonds (Student Housing Project), Series 2007, and prepayment of the loan for The Flats at Kernan student housing complex. The note has a fixed interest rate of 2.67 percent, with principal payments ranging from $2,100,000 to $2,815,000 made annually, and interest payments made semi-annually, paid solely from funds derived from pledged housing revenues over the remaining term of the note.

On January 31, 2018, the Financing Corporation entered into a fixed rate loan agreement in the amount of $5,500,000, authorizing the refunding of the Remarketed Parking System Bonds, Series 1998, which resulted in a defeasance of the variable rate revenue bonds. The proceeds from the fixed rate loan were used to refund the outstanding principal of the remarketed Parking System Bonds, Series 1998, of $5,500,000. The loan is collateralized by Parking System revenues and the principal and interest payments are due the first day of each month in the amount of $53,272 at a fixed interest rate of 2.71 percent per annum through to the maturity date of January 1, 2028. The covenants of the Parking System loan require the University to charge such rates and fees for use of the Parking System to produce pledged revenues sufficient to pay 100 percent of the costs of operation and maintenance of the facility plus 120 percent of debt service during each year.

The provisions of the various loan and note agreements generally provide that, in the event of default, the outstanding principal amount of the loan or note shall become immediately due and payable to the lender. The Financing Corporation had the following loans and notes payable outstanding at June 30, 2024:

Description	Beginning Balance	Reductions	Ending Balance	Current Portion
Direct Borrowing and Direct Placements:				
Warehouse Acquisition	$ 126,768.86	$ 126,768.86	$ -	$ -
Warehouse Improvements and Renovations	203,698.97	134,779.72	68,919.25	68,919.25
Student Housing Refunding Revenue Note, Series 2016	37,170,000.00	2,540,000.00	34,630,000.00	2,665,000.00
Parking System, Fixed Interest Rate Loan	2,752,392.00	571,742.67	2,180,649.33	587,430.80
Total Loans and Notes Payable	$ 40,252,859.83	$ 3,373,291.25	$ 36,879,568.58	$ 3,321,350.05

Annual requirements to amortize the outstanding notes as of June 30, 2024, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2025	$ 3,321,350.05	$ 941,656.38	$ 4,263,006.43
2026	2,908,549.41	858,410.02	3,766,959.43
2027	3,040,110.32	778,770.36	3,818,880.68
2028	2,909,558.80	696,745.18	3,606,303.98
2029	2,405,000.00	627,383.25	3,032,383.25
2030-2034	12,920,000.00	2,120,647.50	15,040,647.50
2035-2038	9,375,000.00	480,132.75	9,855,132.75
Total	$ 36,879,568.58	$ 6,503,745.44	$43,383,314.02

Right-to-Use Leases Payable. The University follows GASB Statement No. 87, *Leases*. Space is leased from Barnett Tower Master Tenant, LLC, in the amount of $3,174,932.61. Equipment is leased from Ricoh, USA, Inc., in the amount of $977,275.86. The imputed interest rate is 3 percent for Barnett Tower Master Tenant, LLC and Ricoh, USA, Inc. Future minimum payments under the lease agreements and the present value of the minimum payments as of June 30, 2024, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2025	$ 415,757.89	$ 89,282.87	$ 505,040.76
2026	428,403.58	76,637.18	505,040.76
2027	441,433.89	63,606.87	505,040.76
2028	275,932.80	52,183.96	328,116.76
2029	261,390.22	44,647.76	306,037.98
2030-2034	1,342,701.84	94,346.16	1,437,048.00
Total Minimum Lease Payments	$ 3,165,620.22	$ 420,704.80	$ 3,586,325.02

Subscription Arrangement Liability. The University follows GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The University has a 5-year subscription-based information technology arrangement (SBITA) for the right to use of Ellucian Company LP software totaling $1,473,507.74. The imputed interest rate is 5 percent for Ellucian Company LP. Future minimum payments under SBITA and present value of the minimum payments as of June 30, 2024, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2025	$ 291,048.50	$ 68,960.50	$ 360,009.00
2026	326,253.15	60,496.85	386,750.00
2027	371,679.85	43,805.15	415,485.00
2028	227,606.73	24,789.27	252,396.00
2029	256,919.51	13,144.49	270,064.00
Total	$ 1,473,507.74	$ 211,196.26	$ 1,684,704.00

Compensated Absences Payable. Employees earn the right to be compensated during absences for annual leave (vacation) and sick leave earned pursuant to Board of Governors' Regulations, University regulations, and bargaining agreements. Leave earned is accrued to the credit of the employee and records are kept on each employee's unpaid (unused) leave balance. The University reports a liability for the accrued leave; however, State noncapital appropriations fund only the portion of accrued leave that is used or paid in the current fiscal year. Although the University expects the liability to be funded primarily from future appropriations, generally accepted accounting principles do not permit the recording of a receivable in anticipation of future appropriations. At June 30, 2024, the estimated liability for compensated absences, which includes the University's share of the Florida Retirement System and FICA contributions, totaled $24,538,476.86. The current portion of the compensated absences liability, $2,453,847.69, is the amount expected to be paid in the coming fiscal year and is based on the actual payouts over the last 3 fiscal years calculated as a percentage of those 3 years' total compensated absences liability.

Other Postemployment Benefits Payable. The University follows GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for certain postemployment healthcare benefits administered by the State Group Health Insurance Program.

General Information about the OPEB Plan

Plan Description. The Division of State Group Insurance's Other Postemployment Benefits Plan (OPEB Plan) is a multiple-employer defined benefit plan administered by the State of Florida. Pursuant to the provisions of Section 112.0801, Florida Statutes, all employees who retire from the University are eligible to participate in the State Group Health Insurance Program. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. A retiree means any officer or employee who retires under a State retirement system or State optional annuity or retirement program or is placed on disability retirement and who begins receiving retirement benefits immediately after retirement from employment. In addition, any officer or employee who retires under the Florida Retirement System Investment Plan is considered a "retiree" if he or she meets the age and service requirements to qualify for normal retirement or has attained the age of 59.5 years and has the years of service required for vesting. The University subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because retiree healthcare costs are generally greater than active employee healthcare costs. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The OPEB Plan contribution requirements and benefit terms necessary for funding the OPEB Plan each year is on a pay-as-you-go basis as established by the Governor's recommended budget and the General Appropriations Act. Retirees are required to enroll in the Federal Medicare (Medicare) program for their primary coverage as soon as they are eligible.

Benefits Provided. The OPEB Plan provides healthcare benefits for retirees and their dependents. The OPEB Plan only provides an implicit subsidy as described above.

Proportionate Share of the Total OPEB Liability

The University's proportionate share of the total OPEB liability of $108,151,652.48 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2022. At June 30, 2023, the University's proportionate share, determined by its proportion of total benefit payments made, was 1.292 percent, which was a decrease of 0.013 from its proportionate share reported as of June 30, 2023.

Actuarial Assumptions and Other Inputs. The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.40 percent
Salary increases	Varies by FRS Class
Discount rate	4.13 percent
Healthcare cost trend rates	
Preferred Provider Option Plan	8.10 percent for 2024, decreasing to an ultimate rate 4.04 percent for 2076 and later years
Health Maintenance Organization Plan	6.44 percent for 2024, decreasing to an ultimate rate of 4.04 percent for 2076 and later years
Retirees' share of benefit-related costs	100 percent of projected health insurance premiums for retirees

The discount rate was based on the Standard & Poor's Municipal 20-Year High Grade Rate Index.

Mortality rates were based on the PUB-2010 mortality tables with fully generational RP-2000 improvement using Scale MP-2018.

The demographic actuarial assumptions for retirement, disability incidence, and withdrawal used in the July 1, 2022, valuation were based on the 2019 Experience Study prepared by Milliman and adopted by the FRS.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the July 1, 2022, valuation were based on a review of recent plan experience done concurrently with the July 1, 2022, valuation.

While an experience study had not been completed for the OPEB Plan, the actuarial assumptions that determined the total OPEB liability for the OPEB Plan were based on certain results of the most recent experience study for the FRS Plan.

The following changes have been made since the prior valuation:

- Disability Rates – For those in the Special Risk Class, disability rates were updated to those used in the actuarial valuation of the FRS conducted by Milliman as of July 1, 2022.
- DROP Election Percentage and DROP Participation Period – For Law Enforcement Officers, the percentage of members assumed to elect to participate in the Deferred Retirement Option Program (DROP) was updated to align with rates used in the actuarial valuation of the FRS conducted by Milliman as of July 1, 2022. Further. Law Enforcement Officers' maximum DROP participation period was extended from 60 months (5 years) to 96 months (8 years).
- Inflation – Inflation was lowered to match the 2.4 percent used in the actuarial valuation of the FRS conducted by Milliman as of July 1, 2022.
- Discount Rate – The discount rate was updated to utilize the mandated discount rate based on a 20-year Standard & Poor's Municipal Bond Rate Index as of the measurement date, as required under GASB Statement No. 75. The discount rate increased from 4.09 percent to 4.13 percent.

Sensitivity of the University's Proportionate Share of the Total OPEB Liability to Changes in the Discount Rate. The following table presents the University's proportionate share of the total OPEB liability, as well as what the University's proportionate share of the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.13 percent) or 1 percentage point higher (5.13 percent) than the current rate:

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
University's proportionate share of the total OPEB liability	$130,170,816.83	$108,151,652.48	$91.548,697.02

Sensitivity of the University's Proportionate Share of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following table presents the University's proportionate share of the total OPEB liability, as well as what the University's proportionate share of the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
University's proportionate share of the total OPEB liability	$89,150,915.02	$108,151,652.48	$134,114,217.78

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

For the fiscal year ended June 30, 2024, the University recognized a negative Plan OPEB expense of $2,413,006.68. At June 30, 2024, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 2,138,504.34	$ -
Change of assumptions or other inputs	39,743,656.05	92,586,187.53
Changes in proportion and differences between University benefit payments and proportionate share of benefit payments	9,869,830.23	-
Transactions subsequent to the measurement date	2,634,364.91	-
Total	$ 54,386,355.53	$ 92,586,187.53

Of the total amount reported as deferred outflows of resources related to OPEB, $2,634,364.91 resulting from transactions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability and included in OPEB expense in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30	**Amount**
2025	$ (10,677,065.64)
2026	(8,039,520.79)
2027	(6,488,150.25)
2028	(3,725,659.34)
2029	(6,090,273.15)
Thereafter	(5,813,527.74)
Total	$ (40,834,196.91)

Net Pension Liability. As a participating employer in the Florida Retirement System (FRS), the University recognizes its proportionate share of the collective net pension liabilities of the FRS cost-sharing multiple-employer defined benefit plans. As of June 30, 2024, the University's proportionate share of the net pension liabilities totaled $102,828,536. Note 8. includes a complete discussion of defined benefit pension plans.

Component Units – Loans and Notes Payable. On May 20, 2010, TSI purchased a building and approximately 7.71 acres of land adjacent to the University for $17,408,190. TSI executed three loan and note agreements totaling $17,279,294 on May 20, 2010, through its financing corporation, the UNF TSI Investments, LLC. A summary of the long-term debt activity associated with the purchase is shown in the following table:

Description	Beginning Balance	Reductions	Ending Balance	Current Portion
Note Payable - UNF Foundation (1)	$ 2,249,812	$ 1,349,606	$ 900,206	$ 900,206

(1) Pursuant to a Memorandum of Understanding entered into between the TSI, UNF TSI Investments, LLC, and the Foundation, total loan funding to UNF TSI Investments, LLC from the Foundation will not exceed $4.8 million and the TSI will be restricted from making any additional loans or otherwise pledging, collateralizing, or encumbering the property purchased or funding any capital projects as long as any portion of the loan remains unpaid.

8. Retirement Plans – Defined Benefit Pension Plans

General Information about the Florida Retirement System (FRS).

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 121, Florida Statutes, also provides for nonintegrated, optional retirement programs in lieu of the FRS to certain members of the Senior Management Service Class employed by the State and faculty and specified employees in the State university system. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the University are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing multiple-employer defined benefit plans and other nonintegrated programs. An annual comprehensive financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services Web site (www.dms.myflorida.com).

The University's FRS and HIS pension expense totaled $26,769,541 for the fiscal year ended June 30, 2024.

FRS Pension Plan

Plan Description. The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a DROP for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Senior Management Service Class* – Members in senior management level positions.

- *Special Risk Class* – Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of creditable service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of creditable service. Employees enrolled in the Plan may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

The DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS-participating employer. An employee may participate in DROP for a period not to exceed 96 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided. Benefits under the Plan are computed on the basis of age, and/or years of service, average final compensation, and credit service. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on retirement plan and/or the class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following table shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and Retirement Age/Years of Service	% Value
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
Senior Management Service Class	2.00
Special Risk Class	3.00

As provided in Section 121.101, Florida Statutes, if the member was initially enrolled in the Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member was initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2023-24 fiscal year were:

	Percent of Gross Salary	
Class	Employee	Employer (1)
FRS, Regular	3.00	13.57
FRS, Senior Management Service	3.00	34.52
FRS, Special Risk	3.00	32.67
Deferred Retirement Option Program (applicable to members from all of the above classes)	0.00	21.13
FRS, Reemployed Retiree	(2)	(2)

(1) Employer rates include 2 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.

(2) Contribution rates are dependent upon retirement class in which reemployed.

The University's contributions to the Plan totaled $10,514,613 for the fiscal year ended June 30, 2024.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2024, the University reported a liability of $73,638,784 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The University's proportionate share of the net pension liability was based on the University's 2022-23 fiscal year contributions relative to the total 2022-23 fiscal year contributions of all participating members. At June 30, 2023, the University's proportionate share was 0.1848046 percent, which was a decrease of 0.001664164 from its proportionate share measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the University recognized pension expense of $15,639,568. In addition, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 6,914,046	$ -
Change of assumptions	4,800,387	-
Net difference between projected and actual earnings on FRS Plan investments	3,075,355	-
Changes in proportion and differences between University contributions and proportionate share of contributions	1,984,425	945,113
University FRS contributions subsequent to the measurement date	10,514,613	-
Total	$ 27,288,826	$ 945,113

The deferred outflows of resources totaling $10,514,613, resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2025	$ 2,352,442
2026	(514,623)
2027	12,514,461
2028	1,174,641
2029	302,179
Total	$ 15,829,100

Actuarial Assumptions. The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	3.25 percent, average, including inflation
Investment rate of return	6.70 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

The actuarial assumptions used in the July 1, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.1%
Fixed Income	19.8%	4.5%	4.4%	3.4%
Global Equity	54.0%	8.7%	7.1%	18.1%
Real Estate (Property)	10.3%	7.6%	6.6%	14.8%
Private Equity	11.1%	11.9%	8.8%	26.3%
Strategic Investments	3.8%	6.3%	6.1%	7.7%
Total	100.0%			
Assumed inflation - Mean			2.4%	1.4%

(1) As outlined in the Plan's investment policy.

Discount Rate. The discount rate used to measure the total pension liability was 6.70 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate used in the 2023 valuation was unchanged from the previous valuation.

Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 6.70 percent, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.70 percent) or 1 percentage point higher (7.70 percent) than the current rate:

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
University's proportionate share of the net pension liability	$125,790,038	$73,638,784	$30,008,020

Pension Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report.

Payables to the Pension Plan. At June 30, 2024, the University reported a payable of $1,176,167.34 for the outstanding amount of contributions to the Plan required for the fiscal year ended June 30, 2024.

HIS Pension Plan

Plan Description. The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided. For the fiscal year ended June 30, 2024, eligible retirees and beneficiaries received a monthly HIS payment of $7.50 for each year of creditable service completed at the time of retirement with a minimum HIS payment of $45 and a maximum HIS payment of $225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2024, the contribution rate was 2 percent of payroll pursuant to Section 112.363, Florida Statutes. The University contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The University's contributions to the HIS Plan totaled $1,667,130 for the fiscal year ended June 30, 2024.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2024, the University reported a liability of $29,189,752 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, and update procedures were used to determine the net pension liability as of July 1, 2023. The University's proportionate share of the net pension liability was based on the University's 2022-23 fiscal year contributions relative to the total 2022-23 fiscal year contributions of all participating members. At June 30, 2023, the University's proportionate share was 0.183799123 percent, which was an increase of 0.010525022 from its proportionate share measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the University recognized pension expense of $11,129,973. In addition, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 427,318	$ 68,513
Change of assumptions	767,390	2,529,390
Net difference between projected and actual earnings on HIS Plan investments	15,074	-
Changes in proportion and differences between University HIS contributions and proportionate share of HIS contributions	1,399,996	486,324
University HIS contributions subsequent to the measurement date	1,667,130	-
Total	$ 4,276,908	$ 3,084,227

The deferred outflows of resources totaling $1,667,130, resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2025	$ (50,825)
2026	62,213
2027	(57,476)
2028	(358,318)
2029	(107,084)
Thereafter	37,041
Total	$ (474,449)

Actuarial Assumptions. The total pension liability in the July 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	3.25 percent, average, including inflation
Municipal bond rate	3.65 percent

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

While an experience study had not been completed for the HIS Plan, the actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the FRS Plan.

Discount Rate. The discount rate used to measure the total pension liability was 3.65 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate changed from 3.54 percent to 3.65 percent.

Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 3.65 percent, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65 percent) or 1 percentage point higher (4.65 percent) than the current rate:

	1% Decrease (2.65%)	**Current Discount Rate (3.65%)**	**1% Increase (4.65%)**
University's proportionate share of the net pension liability	$33,300,952	$29,189,752	$25,781,844

Pension Plan Fiduciary Net Position. Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Annual Comprehensive Financial Report.

Payables to the Pension Plan. At June 30, 2024, the University reported a payable of $182,814.89 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2024.

9. Retirement Plans – Defined Contribution Pension Plans

FRS Investment Plan. The SBA administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State's Annual Comprehensive Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. University employees already participating in the State University System Optional Retirement Program or DROP are not eligible to participate in the Investment Plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Service retirement benefits are based upon the value of the member's account upon retirement. Benefit terms, including contribution requirements, are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contributions, that are based on salary and membership class (Regular Class, Senior Management Service Class, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. Allocations to the Investment Plan member accounts during the 2023-24 fiscal year were as follows:

Class	Percent of Gross Compensation
FRS, Regular	11.30
FRS, Senior Management Service	12.67
FRS, Special Risk Regular	19.00

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the FRS Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2024, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the University.

After termination and applying to receive benefits, the member may roll over vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided in which the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The University's Investment Plan pension expense totaled $5,364,535.44 for the fiscal year ended June 30, 2024.

State University System Optional Retirement Program. Section 121.35, Florida Statutes, provides for an Optional Retirement Program (Program) for eligible university instructors and administrators. The Program is designed to aid State universities in recruiting employees by offering more portability to employees not expected to remain in the FRS for 8 or more years.

The Program is a defined contribution plan, which provides full and immediate vesting of all contributions submitted to the participating companies on behalf of the participant. Employees in eligible positions can make an irrevocable election to participate in the Program, rather than the FRS, and purchase retirement and death benefits through contracts provided by certain insurance carriers. The employing university contributes 5.14 percent of the participant's salary to the participant's account, 4.78 percent to cover the unfunded actuarial liability of the FRS pension plan, and 0.01 percent to cover administrative costs, for a total of 9.93 percent, and employees contribute 3 percent of the employee's salary. Additionally, the employee may contribute, by payroll deduction, an amount not to exceed the percentage contributed by the University to the participant's annuity account. The contributions are invested in the company or companies selected by the participant to create a fund for the purchase of annuities at retirement.

The University's contributions to the Program totaled $5,973,870.55, and employee contributions totaled $3,020,924.50 for the 2023-24 fiscal year.

10. Construction Commitments

The University's construction commitments at June 30, 2024, were as follows:

Project Description	Total Commitment	Completed to Date	Balance Committed
East Ridge Housing	$ 77,300,309.91	$ 17,435,683.84	$ 59,864,626.07
HUC Catering Kitchen	6,552,669.33	5,452,713.18	1,099,956.15
Coggin College of Business Phase II	17,999,750.00	10,051,945.85	7,947,804.15
Housing Special Projects 2023	5,037,379.42	488,259.33	4,549,120.09
Deferred Maintenance	10,610,555.00	2,750,438.52	7,860,116.48
FAC Lighting Upgrades	1,702,642.97	38,800.00	1,663,842.97
AA Suite Remodeling	1,500,000.00	54,028.80	1,445,971.20
MedNexus 1st Floor Remodel	1,427,109.00	120,630.81	1,306,478.19
Subtotal	122,130,415.63	36,392,500.33	85,737,915.30
Other Projects (1)	31,743,110.87	22,388,243.13	9,354,867.74
Total	$ 153,873,526.50	$ 58,780,743.46	$ 95,092,783.04

(1) Individual projects with total commitments and current commitments of less than $1 million at June 30, 2024.

11. Risk Management Programs

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Pursuant to Section 1001.72(2), Florida Statutes, the University participates in State self-insurance programs providing insurance for property and casualty, workers' compensation, general liability, fleet automotive liability, Federal Civil Rights, and employment discrimination liability. During the 2023-24 fiscal year, for property losses, the State retained the first $2 million per occurrence for all perils except named windstorm and flood. The State retained the first $2 million per occurrence with an annual aggregate retention of $40 million for named windstorm and flood losses. After the annual aggregate retention, losses in excess of $2 million per occurrence were commercially insured up to $40.2 million for flood and $38.6 million for named windstorm through February 14, 2024, and increased to $62.5 million for named windstorm and flood starting February 15, 2024. For perils other than named windstorm and flood, losses in excess of $2 million per occurrence were commercially insured up to $184.8 million through February 14, 2024, and increased to $237.5 million starting February 15, 2024; and losses exceeding those amounts were retained by the State. No excess insurance coverage is provided for workers' compensation, general and automotive liability, Federal Civil Rights and employment action coverage; all losses in these categories are completely self-insured by the State through the State Risk Management Trust Fund established pursuant to Chapter 284, Florida Statutes. Payments on tort claims are limited to $200,000 per person and $300,000 per occurrence as set by Section 768.28(5), Florida Statutes. Calculation of premiums considers the cash needs of the program and the amount of risk exposure for each participant. Settlements have not exceeded insurance coverage during the past 3 fiscal years.

Pursuant to Section 110.123, Florida Statutes, University employees may obtain healthcare services through participation in the State group health insurance plan or through membership in a health maintenance organization plan under contract with the State. The State's risk financing activities associated with State group health insurance, such as risk of loss related to medical and prescription drug claims, are administered through the State Employees Group Health Insurance Trust Fund. It is the practice of the State not to purchase commercial coverage for the risk of loss covered by this Fund. Additional information from the State's group health insurance plan, including the actuarial report, is available from the Florida Department of Management Services, Division of State Group Insurance.

Commercially Purchased Insurance. The University's insurance coverage is for professional medical liability that was obtained through commercially purchased insurance. The insurance policy coverage is for the College of Health students who conduct practicums and clinical rotations. Coverage limits are $1 million per occurrence and $5 million in the aggregate. Settled claims arising from these risks have not exceeded coverage in any of the past three fiscal years.

12. Functional Distribution of Operating Expenses

The functional classification of an operating expense (instruction, research, etc.) is assigned to a department based on the nature of the activity, which represents the material portion of the activity attributable to the department. For example, activities of an academic department for which the primary departmental function is instruction may include some activities other than direct instruction such as research and public service. However, when the primary mission of the department consists of instructional program elements, all expenses of the department are reported under the instruction classification. The operating expenses on the statement of revenues, expenses, and changes in net position are presented by natural classifications. The following are those same expenses presented in functional classifications as recommended by NACUBO:

Functional Classification	Amount
Instruction	$ 123,626,140.67
Research	16,771,645.00
Public Services	831,230.44
Academic Support	45,864,955.35
Student Services	20,438,330.34
Institutional Support	31,466,612.50
Operation and Maintenance of Plant	18,551,084.64
Scholarships, Fellowships, and Waivers	27,439,230.85
Depreciation	24,823,055.78
Auxiliary Enterprises	54,049,861.93
Total Operating Expenses	$ 363,862,147.50

13. Segment Information

A segment is defined as an identifiable activity (or grouping of activities) that has one or more bonds or other debt instruments outstanding with a revenue stream pledged in support of that debt. In addition, the activity's related revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources are required to be accounted for separately. The following financial information for the University's Parking System, Housing System, Student Union, and Student Wellness Center facilities represents identifiable activities for which one or more bonds and/or loans or notes are outstanding:

Condensed Statement of Net Position

	Parking System	Housing System	Student Union	Student Wellness Center
Assets				
Current Assets	$ 10,495,293.95	$ 19,745,687.84	$ 4,106,242.89	$ 1,943,320.22
Capital Assets, Net	10,324,873.24	112,891,172.39	32,671,557.78	14,014,428.11
Other Noncurrent Assets	912,783.16	66,565,499.87	-	-
Total Assets	21,732,950.35	199,202,360.10	36,777,800.67	15,957,748.33
Deferred Outflows of Resources	-	1,005,240.52	616,614.83	-
Liabilities				
Current Liabilities	644,411.39	7,567,548.02	691,235.00	709,265.07
Noncurrent Liabilities	1,593,218.53	157,269,502.96	13,435,015.93	8,187,241.77
Total Liabilities	2,237,629.92	164,837,050.98	14,126,250.93	8,896,506.84
Net Position				
Net Investment in Capital Assets	8,144,223.91	15,186,943.51	19,163,156.68	5,191,852.52
Restricted - Expendable for Capital Projects	911,983.16	1,416,856.56	-	-
Unrestricted	10,439,113.36	18,766,749.57	4,105,007.89	1,869,388.97
Total Net Position	$ 19,495,320.43	$ 35,370,549.64	$ 23,268,164.57	$ 7,061,241.49

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	Parking System	Housing System	Student Union	Student Wellness Center
Operating Revenues	$ 3,075,860.01	$ 23,563,834.18	$ 1,825,165.32	$ 1,344,817.91
Depreciation Expense	(666,522.03)	(4,411,159.85)	(1,411,713.66)	(488,875.38)
Other Operating Expenses	(1,285,114.68)	(13,464,936.21)	(1,025,975.00)	(185,398.54)
Operating Income (Loss)	1,124,223.30	5,687,738.12	(612,523.34)	670,543.99
Nonoperating Revenues (Expenses):				
Nonoperating Revenue	368,064.06	3,057,994.23	608,981.00	83,692.21
Interest Expense	(66,231.82)	(5,082,478.93)	(485,430.47)	(173,399.32)
Other Nonoperating Expense	(726,116.55)	(7,738,224.35)	-	(886,563.48)
Net Nonoperating Revenues (Expenses)	(424,284.31)	(9,762,709.05)	123,550.53	(976,270.59)
Income (Loss) Before Other Revenues Expenses, Gains, or Losses	699,938.99	(4,074,970.93)	(488,972.81)	(305,726.60)
Transfers To/From Other Departments	359,103.90	-	-	-
Increase (Decrease) in Net Position	1,059,042.89	(4,074,970.93)	(488,972.81)	(305,726.60)
Net Position, Beginning of Year	18,436,277.54	39,445,520.57	23,757,137.38	7,366,968.09
Net Position, End of Year	$ 19,495,320.43	$ 35,370,549.64	$ 23,268,164.57	$ 7,061,241.49

Condensed Statement of Cash Flows

	Parking System	Housing System	Student Union	Student Wellness Center
Net Cash Provided (Used) by:				
Operating Activities	$ 1,578,147.52	$ 10,576,285.62	$ 893,898.96	$ 1,128,218.73
Noncapital Financing Activities	(241,562.11)	359,941.69	338,938.24	6,919.26
Capital and Related Financing Activities	(425,604.68)	55,190,577.53	(1,217,987.00)	(1,872,261.56)
Investing Activities	(539,298.13)	(65,544,899.42)	122,851.55	542,721.00
Net Increase (Decrease) in Cash and Cash Equivalents	371,682.60	581,905.42	137,701.75	(194,402.57)
Cash and Cash Equivalents, Beginning of Year	2,879,888.73	5,073,989.48	1,011,481.13	717,791.07
Cash and Cash Equivalents, End of Year	$ 3,251,571.33	$ 5,655,894.90	$ 1,149,182.88	$ 523,388.50

Segment Information – Component Unit. The following financial information for the UNF TSI and its blended component unit, UNF TSI Investments, LLC, represents identifiable activities for which long-term indebtedness is outstanding and with a revenue stream pledged in support of the debt:

Condensed Statement of Net Position

	UNF TSI, Inc.	UNF TSI Investments, LLC	Total
Assets			
Current Assets	$ 5,172,426	$ 1,038,322	$ 6,210,748
Non-Current Assets, Net	2,287,108	10,007,936	12,295,044
Total Assets	7,459,534	11,046,258	18,505,792
Liabilities			
Current Liabilities	943,012	1,851,905	2,794,917
Deferred Inflows of Resources	-	1,036,544	1,036,544
Net Position			
Unrestricted	6,516,522	(769,316)	5,747,206
Net Investment in Capital Assets	-	8,927,125	8,927,125
Total Net Position	$ 6,516,522	$ 8,157,809	$ 14,674,331

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	UNF TSI, Inc.	UNF TSI Investments, LLC	Total
Operating Revenues	$ 5,729,262	$ 1,020,276	$ 6,749,538
Depreciation Expense	-	(582,025)	(582,025)
Operating Expenses	(12,592,833)	(144)	(12,592,977)
Operating Income (Loss)	(6,863,571)	438,107	(6,425,464)
Net Nonoperating Revenues (Expenses):			
Nonoperating Revenues	8,321,805	-	8,321,805
Interest Expense	-	(73,838)	(73,838)
Net Nonoperating Revenues (Expenses)	8,321,805	(73,838)	8,247,967
Increase in Net Position	1,458,234	364,269	1,822,503
Net Position, Beginning of Year	5,058,288	7,793,540	12,851,828
Net Position, End of Year	$ 6,516,522	$ 8,157,809	$ 14,674,331

Condensed Statement of Cash Flows

	UNF TSI, Inc.	UNF TSI Investments, LLC	Total
Net Cash Provided (Used) by:			
Operating Activities	$ (6,957,478)	$ 754,548	$ (6,202,930)
Noncapital Financing Activities	8,705,035	(680,710)	8,024,325
Capital and Related Financing Activities	(1,349,606)	(73,838)	(1,423,444)
Investing Activities	(754,038)	-	(754,038)
Net Decrease in Cash and Cash Equivalents	(356,087)	-	(356,087)
Cash and Cash Equivalents, Beginning of Year	1,728,432	-	1,728,432
Cash and Cash Equivalents, End of Year	$ 1,372,345	$ -	$ 1,372,345

14. Blended Component Unit

The University has one blended component unit as discussed in Note 1. The following financial information is presented net of eliminations for the University's blended component unit:

Condensed Statement of Net Position

	UNF Financing Corporation, Inc.	University	Eliminations	Total Primary Government
Assets:				
Long-Term Lease Receivable	$ 81,048,047.00	$ 1,695,651.75	$ (81,048,047.00)	$ 1,695,651.75
Right-to-Use Lease Assets, Net	45,794,228.00	3,112,589.30	(45,794,228.00)	3,112,589.30
Other Current Assets, Net	8,357,483.00	212,678,630.83	(8,155,772.00)	212,880,341.83
Capital Assets, Net	27,693,191.00	452,001,140.68	-	479,694,331.68
Other Noncurrent Assets	108,610.00	94,436,027.99	-	94,544,637.99
Total Assets	163,001,559.00	763,924,040.55	(134,998,047.00)	791,927,552.55
Deferred Outflows of Resources	1,621,856.00	85,952,088.88	-	87,573,944.88
Liabilities:				
Prepaid Rent Payable	-	45,794,228.00	(45,794,228.00)	-
Other Current Liabilities	8,371,221.00	32,687,399.67	(544,871.00)	40,513,749.67
Noncurrent Liabilities	89,822,020.00	325,159,125.73	-	414,981,145.73
Total Liabilities	98,193,241.00	403,640,753.40	(46,339,099.00)	455,494,895.40
Deferred Inflows of Resources	87,672,749.00	99,477,897.11	(88,658,948.00)	98,491,698.11
Net Position:				
Net Investment in Capital Assets	73,418,500.00	279,822,565.56	-	353,241,065.56
Restricted - Expendable	-	76,744,388.15	-	76,744,388.15
Unrestricted	(94,661,075.00)	(9,809,474.79)	-	(104,470,549.79)
Total Net Position	$ (21,242,575.00)	$ 346,757,478.92	$ -	$ 325,514,903.92

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	UNF Financing Corporation, Inc.	University	Eliminations	Total Primary Government
Operating Revenues	$ 11,597,876.00	$ 130,676,862.33	$ (11,597,876.00)	$ 130,676,862.33
Depreciation Expense	(860,829.00)	(23,962,226.78)	-	(24,823,055.78)
Other Operating Expenses	(3,501,853.00)	(338,971,805.72)	3,434,567.00	(339,039,091.72)
Operating Income (Loss)	7,235,194.00	(232,257,170.17)	(8,163,309.00)	(233,185,285.17)
Nonoperating Revenues (Expenses):				
Nonoperating Revenue	6,868.00	253,759,597.90	(3,434,567.00)	250,331,898.90
Interest Expense	(3,294,147.00)	(2,677,139.69)	-	(5,971,286.69)
Other Nonoperating Expense	-	(17,513,862.77)	11,597,876.00	(5,915,986.77)
Net Nonoperating Revenues (Expenses)	(3,287,279.00)	233,568,595.44	8,163,309.00	238,444,625.44
Other Revenues	-	37,855,342.84	-	37,855,342.84
Increase in Net Position	3,947,915.00	39,166,768.11	-	43,114,683.11
Net Position, Beginning of Year	(25,190,490.00)	307,590,710.81	-	282,400,220.81
Net Position, End of Year	$ (21,242,575.00)	$ 346,757,478.92	$ -	$ 325,514,903.92

Condensed Statement of Cash Flows

	UNF Financing Corporation, Inc.	University	Eliminations	Total Primary Government
Net Cash Provided (Used) by:				
Operating Activities	$ 11,210,123.00	$ (214,127,723.84)	$ 8,163,309.00	$ (194,754,291.84)
Noncapital Financing Activities	-	243,592,165.30	(8,163,309.00)	235,428,856.30
Capital and Related Financing Activities	(11,195,512.00)	44,890,729.11	-	33,695,217.11
Investing Activities	6,868.00	(49,297,019.64)	-	(49,290,151.64)
Net Increase in Cash and Cash Equivalents	21,479.00	25,058,150.93	-	25,079,629.93
Cash and Cash Equivalents, Beginning of Year	180,232.96	46,189,147.75	-	46,369,380.71
Cash and Cash Equivalents, End of Year	$ 201,711.96	$ 71,247,298.68	$ -	$ 71,449,010.64

15. Discretely Presented Component Units

The University has three discretely presented component units as discussed in Note 1. These component units comprise 100 percent of the transactions and account balances of the aggregate discretely presented component units' columns of the financial statements. The following financial information is from the most recently available audited financial statements for the component units:

Condensed Statement of Net Position

	Direct-Support Organizations			
	University of North Florida Foundation, Inc.	The University of North Florida Training and Service Institute, Inc.	Museum of Contemporary Art Jacksonville, Inc.	Total
Assets:				
Current Assets	$ 13,875,002	$ 5,352,329	$ 1,172,708	$ 20,400,039
Capital Assets, Net	30,230,000	9,827,336	98,710	40,156,046
Other Noncurrent Assets	175,542,371	2,467,714	9,192,874	187,202,959
Total Assets	219,647,373	17,647,379	10,464,292	247,759,044
Liabilities:				
Current Liabilities	247,905	1,936,499	911,947	3,096,351
Noncurrent Liabilities	-	-	3,616	3,616
Total Liabilities	247,905	1,936,499	915,563	3,099,967
Deferred Inflows of Resources	-	1,036,544	49,146	1,085,690
Net Position:				
Net Investment in Capital Assets	30,230,000	8,927,130	98,710	39,255,840
Restricted Nonexpendable	147,998,670	-	9,257,884	157,256,554
Restricted Expendable	34,446,396	-	897,399	35,343,795
Unrestricted	6,724,402	5,747,206	(754,410)	11,717,198
Total Net Position	$ 219,399,468	$ 14,674,336	$ 9,499,583	$ 243,573,387

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	Direct-Support Organizations			
	University of North Florida Foundation, Inc.	The University of North Florida Training and Service Institute, Inc.	Museum of Contemporary Art Jacksonville, Inc.	Total
Operating Revenues	$ 30,699,584	$ 5,729,622	$ 2,196,049	$ 38,625,255
Depreciation Expense	-	(582,025)	(42,419)	(624,444)
Operating Expenses	(17,765,746)	(12,592,977)	(2,541,853)	(32,900,576)
Operating Income (Loss)	12,933,838	(7,445,380)	(388,223)	5,100,235
Net Nonoperating Revenues (Expenses):				
Nonoperating Revenues	78,455	9,341,721	1,869,507	11,289,683
Interest Expense	-	(73,838)	-	(73,838)
Other Nonoperating Expense	-	-	(450,000)	(450,000)
Net Nonoperating Revenues	78,455	9,267,883	1,419,507	10,765,845
Other Revenues	5,988,811	-	-	5,988,811
Increase in Net Position	19,001,104	1,822,503	1,031,284	21,854,891
Net Position, Beginning of Year	200,398,364	12,851,833	8,468,299	221,718,496
Net Position, End of Year	$ 219,399,468	$ 14,674,336	$ 9,499,583	$ 243,573,387

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Schedule of the University's Proportionate Share of the Total Other Postemployment Benefits Liability

	2023	2022	2021	2020
University's proportion of the total other postemployment benefits liability	1.29%	1.30%	1.35%	1.32%
University's proportionate share of the total other postemployment benefits liability	$ 108,151,652	$ 102,333,908	$ 141,953,955	$ 135,564,587
University's covered-employee payroll	$ 159,952,182	$ 147,239,935	$ 147,423,248	$ 138,318,767
University's proportionate share of the total other postemployment benefits liability as a percentage of its covered-employee payroll	67.61%	69.50%	96.29%	98.01%

2019	2018	2017
1.17%	1.10%	1.10%
$147,599,377	$116,067,000	$118,947,000
$135,274,155	$129,721,039	$126,290,474
109.11%	89.47%	94.19%

Schedule of the University's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan

	2023 (1)	**2022** (1)	**2021** (1)	**2020** (1)
University's proportion of the FRS net pension liability	0.184804600%	0.186468764%	0.181863080%	0.174595897%
University's proportionate share of the FRS net pension liability	$ 73,638,784	$ 69,381,365	$ 13,737,689	$ 75,672,435
University's covered payroll (2)	$ 159,952,182	$ 147,239,935	$ 147,423,248	$ 138,318,767
University's proportionate share of the FRS net pension liability as a percentage of its covered payroll	46.04%	47.12%	9.32%	54.71%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	82.38%	82.89%	96.40%	78.85%

(1) The amounts presented for each fiscal year were determined as of June 30.

(2) Covered payroll includes defined benefit plan actives, investment plan members, State university system optional retirement program members, and members in DROP because total employer contributions are determined on a uniform basis (blended rate) as required by Part III of Chapter 121, Florida Statutes.

Schedule of University Contributions – Florida Retirement System Pension Plan

	2024 (1)	**2023** (1)	**2022** (1)	**2021** (1)
Contractually required FRS contribution	$ 10,514,613	$ 8,890,290	$ 7,956,961	$ 6,928,198
FRS contributions in relation to the contractually required contribution	(10,514,613)	(8,890,290)	(7,956,961)	(6,928,198)
FRS contribution deficiency (excess)	$ -	$ -	$ -	$ -
University's covered payroll (2)	$ 169,809,116	$ 159,952,182	$ 147,239,935	$ 147,423,248
FRS contributions as a percentage of covered payroll	6.19%	5.56%	5.40%	4.70%

(1) The amounts presented for each fiscal year were determined as of June 30.

(2) Covered payroll includes defined benefit plan actives, investment plan members, State university system optional retirement plan members, and members in DROP because total employer contributions are determined on a uniform basis (blended rate) as required by Part III of Chapter 121, Florida Statutes.

	2019 (1)	**2018** (1)	**2017** (1)	**2016** (1)	**2015** (1)	**2014** (1)
	0.181441633%	0.180577414%	0.174650787%	0.179598277%	0.178641093%	0.163861902%
	$ 62,485,972	$ 54,390,853	$ 51,660,531	$ 45,348,706	$ 23,073,893	$ 9,997,986
	$ 135,274,155	$ 129,721,039	$ 126,290,474	$ 129,192,013	$ 125,990,236	$ 117,535,569
	46.19%	41.93%	40.91%	35.10%	18.31%	8.51%
	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

	2020 (1)	**2019** (1)	**2018** (1)	**2017** (1)	**2016** (1)	**2015** (1)
	$ 5,801,048	$ 5,626,000	$ 5,146,310	$ 4,546,590	$ 4,379,790	$ 4,355,422
	(5,801,048)	(5,626,000)	(5,146,310)	(4,546,590)	(4,379,790)	(4,355,422)
	$ -	$ -	$ -	$ -	$ -	$ -
	$ 138,318,767	$ 135,274,155	$ 129,721,039	$ 126,290,474	$ 129,192,013	$ 125,990,236
	4.19%	4.16%	3.97%	3.60%	3.39%	3.46%

Schedule of the University's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan

	2023 (1)	**2022** (1)	**2021** (1)	**2020** (1)
University's proportion of the HIS net pension liability	0.183799123%	0.173274101%	0.179203182%	0.173928821%
University's proportionate share of the HIS net pension liability	$ 29,189,752	$ 18,352,495	$ 21,981,965	$ 21,236,426
University's covered payroll (2)	$ 73,245,499	$ 63,414,236	$ 63,502,457	$ 60,557,744
University's proportionate share of the HIS net pension liability as a percentage of its covered payroll	39.85%	28.94%	34.62%	35.07%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	4.12%	4.81%	3.56%	3.00%

(1) The amounts presented for each fiscal year were determined as of June 30.

(2) Covered payroll includes defined benefit plan actives, investment plan members, and members in DROP.

Schedule of University Contributions – Health Insurance Subsidy Pension Plan

	2024 (1)	**2023** (1)	**2022** (1)	**2021** (1)
Contractually required HIS contribution	$ 1,667,130	$ 1,209,063	$ 1,048,454	$ 1,053,358
HIS contributions in relation to the contractually required HIS contribution	(1,667,130)	(1.209.063)	(1,048,454)	(1,053,358)
HIS contribution deficiency (excess)	$ -	$ -	$ -	$ -
University's covered payroll (2)	$ 83,472,025	$ 73,245,499	$ 63,414,236	$ 63,502,457
HIS contributions as a percentage of covered payroll	2.00%	1.65%	1.65%	1.66%

(1) The amounts presented for each fiscal year were determined as of June 30.

(2) Covered payroll includes defined benefit plan actives, investment plan members, and members in DROP.

	2019 (1)		**2018** (1)		**2017** (1)		**2016** (1)		**2015** (1)		**2014** (1)
	0.173540354%		0.171430474%		0.172229039%		0.175358731%		0.169564152%		0.153930987%
$	19,417,429	$	18,144,394	$	18,415,523	$	20,437,334	$	17,292,876	$	14,392,923
$	58,271,193	$	55,939,096	$	54,913,954	$	54,205,326	$	51,632,616	$	45,798,877
	33.32%		32.44%		33.54%		37.70%		33.49%		31.43%
	2.63%		2.15%		1.64%		0.97%		0.50%		0.99%

	2020 (1)		**2019** (1)		**2018** (1)		**2017** (1)		**2016** (1)		**2015** (1)
$	1,002,270	$	963,653	$	929,672	$	911,486	$	898,825	$	648,180
	(1,002,270)		(963,653)		(929,672)		(911,486)		(898,825)		(648,180)
$	-	$	-	$	-	$	-	$	-	$	-
$	60,557,744	$	58,271,193	$	55,939,096	$	54,913,954	$	54,205,326	$	51,632,616
	1.66%		1.65%		1.66%		1.66%		1.66%		1.26%

1. Schedule of the University's Proportionate Share of the Total Other Postemployment Benefits Liability

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Changes of Assumptions. The discount rate was updated to utilize the mandated discount rate based on a 20-year Standard & Poor's Municipal Bond Rate Index as of the measurement date, as required under GASB Statement No. 75. The discount rate increased from 4.09 percent to 4.13 percent for the reporting period ended June 30, 2024. Also reflected as assumption changes are:

- Increased line-of-duty disability rates for the Special Risk Class,
- Updated DROP entry rates and an extended DROP period (from 5 years to 8 years) for Law Enforcement Officers, and
- Lowered inflation from 2.6 percent to 2.4 percent.

2. Schedule of Net Pension Liability and Schedule of Contributions – Health Insurance Subsidy Pension Plan

Changes of Benefit Terms. Monthly benefits increased from $5 times years of service to $7.50 times years of service, with an increased minimum of $45 and maximum of $225.

Changes of Assumptions. The municipal rate used to determine total pension liability increased from 3.54 percent to 3.65 percent.

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Schedule of Receipts and Expenditures
City of Jacksonville Grant Funds – Budget and Actual

Small Business Development Center (2023-24 FY Grant)
Contract Administered by the City of Jacksonville Office of Economic Development
Contract Number (667470-24)
Contract Period October 1, 2023 - September 30, 2024

Receipts of City Funds	
Amount of Award (Per City of Jacksonville Budget) (1)	$ 208,000.00
Amount Received in 2023-24 Fiscal Year (2)	(65,792.04)
Amount Remaining to be Distributed as of June 30, 2024	$ 142,207.96

Expenditures of City Funds

Expenditure Category	City of Jacksonville Grant Budget	University Grant Budget	2023-24 Fiscal Year Expenditures	Carryforward
Compensation				
Salaries and Wages:				
Administrative and Professional (2)	$ 180,870.00	$ 124,763.75	$ 63,595.18	$ 61,168.57
Employee Benefits				
Fringe Chargeback Expense (2)	-	56,106.25	28,555.26	27,550.99
Other				
ORSP Facilities and Admin Costs (Indirect Cost) (3)	27,130.00	27,130.00	13,822.60	13,307.40
Total Expenditures	$ 208,000.00	$ 208,000.00	$ 105,973.04	$ 102,026.96

(1) The City approved Amendment One to the Agreement, effective April 16, 2024, which increased the City's maximum indebtedness by $100,000 and revised the project budget accordingly.

(2) Salaries, including fringe benefits, were reported as a single line item in the approved program budget. However, these categories are reported in the University's budgetary accounts as separate items.

(3) Office of Research and Sponsored Programs (ORSP).

Schedule of Receipts and Expenditures
City of Jacksonville Grant Funds – Budget and Actual

Small Business Development Center (2022-23 FY Grant)
Contract Administered by the City of Jacksonville Office of Economic Development
Contract Number (649704-23)
Contract Period October 1, 2022 - September 30, 2023

Receipts of City Funds

Amount of Award (Per City of Jacksonville Budget)	$ 108,000.00
Amount Received in 2022-23 Fiscal Year	(82,409.94)
Amount Received in 2023-24 Fiscal Year	(25,590.06)
Amount Remaining to be Distributed as of June 30, 2024	$ -

Expenditures of City Funds

Expenditure Category	City of Jacksonville Grant Budget	University Grant Budget	2022-23 Fiscal Year Expenditures	2023-24 Fiscal Year Expenditures	Carryforward
Compensation					
Salaries and Wages:					
Administrative and Professional	$ 93,913.00	$ 65,917.21	$ 63,917.21	$ -	$ 2,000.00
Lump Sum Expenditure	-	-	2,000.00	-	(2,000.00)
Total Salaries and Wages (1)	93,913.00	65,917.21	65,917.21	-	-
Employee Benefits					
Fringe Chargeback Expenditure (1)	-	27,995.79	27,995.79	$ -	-
Other					
ORSP Facilities and Admin Costs (Indirect Cost) (2)	14,087.00	14,087.00	14,087.00	$ -	-
Total Expenditures	$ 108,000.00	$ 108,000.00	$ 108,000.00	$ -	$ -

(1) Salaries, including fringe benefits, were reported as a single line item in the approved program budget. However, these categories are reported in the University's budgetary accounts as separate items.

(2) Office of Research and Sponsored Programs (ORSP).

Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL
STATE OF FLORIDA

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The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

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*

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 (*Government Auditing Standards*), the financial statements of the University of North Florida, a component unit of the State of Florida, and its aggregate discretely presented component units as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated March 24, 2025, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the blended and aggregate discretely presented component units, as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University'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 University'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 University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements, noncompliance 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 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 University'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 University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Sherrill F. Norman

Sherrill F. Norman, CPA
Tallahassee, Florida
March 24, 2025