



**NORTHWEST FLORIDA
STATE COLLEGE
FOUNDATION**

Board of Directors Meeting Agenda

Tuesday, November 7, 2023, 8:00 AM
Room 302, Building 400, Niceville Campus

- I. Call to Order
- II. Approval of Minutes
 - A. August 1, 2023
- III. Special Presentation
 - BEYOND Faculty Grants
- IV. New Business
 - A. Action Agenda
 - 1. Finance and Investment Reports
 - 2. Approve FY23 Audited Financial Statements & IRS Form 990
 - 3. Sale of EBS License
 - 4. New Endowment
 - B. Information Items
 - 1. Development Committee Report
 - a. Fundraising Reports
 - b. Solicitation Reports
 - 2. Governance Committee Report
 - 3. Florida Sunshine Law Presentation
 - 4. Executive Director's Report (CS)
 - a. Summary of \$1,000+ Contributions
 - b. College Events and Activities
 - 5. Draft Committee Meeting Minutes
 - C. Announcements
 - 1. Trustee Liaison Remarks
 - 2. College President's Report
 - 3. Foundation Chair Remarks
 - 4. Next meeting, February 6, 2024
- I. Adjournment

NWFSC College Foundation Board of Directors Meeting
August 1, 2023 8:00 a.m.
Morell Room 302, SSC, Niceville Campus

Directors Present:

Bo Arnold
Jim Bagby
Destin Cobb
Cindy Frakes
Teresa Halverson
Todd Grisoff
Teresa Halverson
Fran Hendricks
Tyler Jarvis
Bernard Johnson
Heather Kilbey
Gordon King

Don Litke
Wendy McAdams Dorr
Zach McCluskey
Tim McCool
Jonathan Ochs
Brian Pennington
Hu Ross
Stan Siefke
Devin Stephenson
Neko Stubblefield
Cecil Williams
Alan Wood

Staff Present:

Jennifer Bernich
Conner Rogers

Tara Thomson
Chris Stowers

Others Present:

Bryan Brooks
Kevin Brown
Olivia Danner
Cristie Kedroski
Ray McGovern

Tanner McKnight
Shane O'Dell
Deidre Price
Ramsey Ross
Whitney Rutherford
Jeanette Shires

Absent:

Christie Austin
Kim Kirby

Vince Mayfield
Steve Rhodes

Call to Order:

Mr. Wood called the meeting to order at 8:01 a.m.

Welcome Board Members and Guests:

Mr. Wood gave special thanks to Dr. Arnold for his outstanding leadership of the Board for 2022-2023. Mr. Wood welcomed new board members Brig. Gen. Fran Hendricks, Wendy McAdams Dorr, Zach McCluskey, Tim McCool, and Neko Stubblefield. Mr. Stowers introduced Tara Thomson, new Director of Finance & Accounting.

Resignation of Foundation Board Director:

Kim Kirby has indicated that she needs to resign from her position on the Foundation Board. **Motion to approve the resignation of Kim Kirby from the Foundation Board of Directors Ms. Frakes; Second, Dr, Arnold. Motion carried unanimously.**

Approval of Board Minutes:

The minutes from the May 2, 2023 Board of Directors Meeting and Annual Board of Directors Meeting were approved as presented. **Motion to approve as presented Ms. Frakes; Second, Mr. Bagby. Motion carried unanimously.**

Capital City Consultants:

Mr. Brown introduced Ms. Megan Fay with Capital City Consultants via teleconference. Ms. Fay provided a brief history on the firm as well as a recap of the successes Northwest Florida State College experienced in the past legislative session. She also spoke about the future prospects the College can look forward to in upcoming years.

Finance and Investment Reports:

Ms. Frakes presented the Statement of Financial Position, Statement of Activities, and Investment Reports as of 6/30/2022. Total Assets are \$61,357,568 and Total Liabilities are \$0.00, bringing the Total Fund Balance to \$61,357,568. For the previous fiscal year as of June 30, 2022, the Total Fund Balance was \$57,501,442. Total Revenues were \$7,585,944 and Total Expenses were \$3,584,591 for a Net Increase in Fund balance of \$4,001,353. A Statement of Activities from the previous fiscal year from July 1, 2021 through June 30, 2022 shows Total Revenues of (\$2,161,268) and Total Expenses of \$5,923,028 for a Net Decrease in Fund balance of \$8,084,296. The Net Increase to the Merrill Lynch EMA account since July 1, 2022 was \$4,011,187 bringing the Total Market Value to \$60,367,013 at June 30, 2023. The Net Increase to the Vanguard Wellington Account (Science Development Fund and First Responders Fund) since July 1, 2022 was \$41,557, bringing the Total Market Value to \$457,098 as of the last statement date of June 30, 2023. Combined total holdings of the Merrill Lynch EMA and Vanguard Wellington accounts were \$60,824,111. The portfolio allocation was 3.41% Cash & Cash Equivalents, 63.22% Equity, 9.24% Alternative Investments and 24.13% Fixed Income. As of June 30, 2023 Total Operating Expenditures were \$419,268, leaving 11% of the budget available at the end of the fiscal year. **Motion to accept the Financial Statements by Mr. Bagby; Second, Mr. Siefke. Motion carried unanimously.**

Sons and Daughters of Italy:

The Sons and Daughters of Italy Joseph B. Franzalia Lodge 2422 of Fort Walton Beach has donated \$50,000 to establish the Joseph B. Franzalia Lodge 2422 Sons and Daughters of Italy Scholarship Endowment at Northwest Florida State College. This endowment will provide scholarship support to students with financial need from Okaloosa County. **Motion to approve the Sons and Daughters of Italy Endowment by Mr. Ross; Second, Mr. Cobb. Motion carried unanimously.**

Foundation Support for Raider Village:

Mr. Stowers provided an overview of the steps that have proceeded this meeting. Beginning with the May 16, May 19, and July 13 Special Meetings of the Foundation Finance Committee at which the Committee reviewed the Raider Village student housing project and, at the July 27 meeting, voted to recommend to the Foundation Board participating in a loan with Community Bank as the lead lender to finance the construction of Raider Village.

Motion to approve the enclosed Resolution, Community Bank Loan Commitment, and Participation Agreement, as presented, and approves participating in this loan as an exception to the Foundation's investment policy Mr. Bagby; Second, Ms. Frakes. Motion carried unanimously.

Fundraising Reports:

Mr. Ochs gave a brief overview of the Foundation's fundraising goal from the previous year. The Fiscal Year 2023 goal was \$1,357,795 and, with \$1,233,224 received, the Foundation achieved 90.8% of that goal. NWF State College Foundation's *Continuous Improvement Plan* goal is to increase annual support to the Foundation (gifts, memberships, new pledges, and in-kind donations), by 5% based on a rolling three-year average, resulting in a minimum of \$1,412,079 will be the fundraising goal for Fiscal Year 2024.

Faculty and Staff Campaign:

The purpose of the annual NWFSC Faculty & Staff Campaign is to give employees an opportunity to support the college in its mission to provide quality educational programs and services. The campaign will run from August 16th through September 27th. Ms. Halverson highlighted the ways in which the Foundation Board could be more engaged in the Faculty & Staff Campaign. For the past several years, Ken Wampler with Newman-Daily Resort Properties has donated a grand prize of a vacation stay to the winner of our early-bird drawing. This year more Board involvement is being asked through the donation of gifts that will be raffled to participants of the 23/24 Faculty Staff Campaign.

Board Administration:

Mr. Wood reviewed the committee appointments with the Board. He also advised members who have not yet completed the Commitment to Serve, Conflict of Interest, and Giving Commitment forms to do as soon as possible.

Executive Directors Report:

Mr. Stowers presented the contributions over \$1,000 report. He also provided the 2023-2024 meeting schedule and an upcoming list of college events and activities.

Draft Committee Meeting Minutes:

Mr. Wood presented the draft committee minutes and asked members to review for any additions or edits.

Trustee Liaison Remarks:

The Trustees have met twice in regular session and once for a budget workshop since our last meeting. The Board of Trustees approved the 2023-2024 Academic Calendar, the Foundation MOU and slate of officers, the President's annual evaluation and employment contract, the reelection of Lori Kelly as our Chair, and the 2023-2024 college budget and capital improvement plan. Finally, the Trustees continue to take actions of an administrative nature that impact the college and will meet again on August 1, 2023 to consider the request to approve the On Campus Student Housing Leasehold Agreement.

College Reports by Dr. Devin Stephenson, President:

Dr. Stephenson announced he has been named the marketing chair for the Florida Council of College presidents. He highlighted growth in FL economy that exceeded forecasted numbers showing the strength in the state. He noted that enrollment continues to increase. He also mentioned discussions ongoing with Eglin Air Force Base regarding the land adjacent to campus owned by Eglin and the potential to utilize that land for future projects. He closed with mentioning the groundbreaking ceremony the South Walton Campus that should be held after September 29, 2023.

Next Meeting:

The next Foundation Board meeting will be November 7, 2023, at 8:00 a.m. in Room 302, Building 400, Niceville Campus.

Adjournment:

There being no further business, the meeting adjourned at 9:32 a.m.

Alan Wood, Chair

Date

Chris Stowers, Secretary

Date

MEMORANDUM

TO: NWFSC Foundation Board of Directors

FROM: Ms. Cindy J. Frakes

DATE: November 7, 2023

SUBJECT: Finance and Investment Reports

Below is a summary of the Statement of Financial Position, Statement of Activities, Investment Report, and Operating Budget Review as of September 30, 2023.

Statement of Financial Position

- Total Assets are \$59,972,921 and Total Liabilities are \$1,284, bringing the Total Fund Balance to \$59,971,636.
- For the previous fiscal year as of September 30, 2022, the Total Fund Balance was \$53,472,277.

Statement of Activities

- Total Revenues were (\$1,172,013) and Total Expenses were \$170,145 for a Net Decrease in Fund balance of (\$1,342,158).
- A Statement of Activities from the previous fiscal year from July 1, 2022 through September 30, 2022 shows Total Revenues of (\$2,012,112) and Total Expenses of \$1,871,826 for a Net Decrease in Fund balance of (\$3,883,938).

Investment Report

- The Net decrease to the Merrill Lynch EMA account since July 1, 2023 was (\$1,376,526) bringing the Total Market Value to \$58,854,881 at September 30, 2023.
- The Net Decrease to the Vanguard Wellington Account (Science Development Fund and First Responders Fund) since July 1, 2023 was (\$14,010), bringing the Total Market Value to \$443,088 as of the last statement date of September 30, 2023.
- Combined total holdings of the Merrill Lynch EMA and Vanguard Wellington accounts were \$59,297,968. The portfolio allocation was 3.04% Cash & Cash Equivalents, 62.56% Equity, 9.64% Alternative Investments and 24.76% Fixed Income.

Operating Budget Review

- As of September 30, 2023 Total Operating Expenditures were \$55,641, leaving 89% of the budget available for the fiscal year.

RECOMMENDATION:

The NWFSC Foundation Board of Directors approves the September 30, 2023 financial reports.

Northwest Florida State College Foundation, Inc.

Statement of Financial Position

As of September 30, 2023

(in whole numbers)

	Unrestricted Operating	Temporary Restricted Gift	Permanent Restricted Endowed	Current Total as of 30-Sep-2023	Prior Year Total as of 30-Sep-2022	% Change
Asset						
Cash and Cash Equivalents	2,230,189	1,952,740	(3,586,474)	596,455	275,968	116%
Investments	657	508,845	58,788,466	59,297,968	53,361,213	11%
Accounts Receivable (Net)	4,000	27,787	32,000	63,787	117,045	▼46%
Due from Other Funds	0	0	0	0	4,842	▼100%
Prepaid Expenses	1,880	0	0	1,880	1,939	▼3%
Depreciable Capital Assets (Net)	0	0	0	0	0	0%
Non-Depreciable Capital Assets	0	0	12,830	12,830	12,830	0%
Total Assets	2,236,727	2,489,372	55,246,823	59,972,921	53,773,836	12%
Liabilities						
Accounts Payable	1,284	0	0	1,284	301,559	▼100%
Deferred Revenue	0	0	0	0	0	0%
Total Liabilities	1,284	0	0	1,284	301,559	▼100%
Fund Balance						
Total Fund Balance	2,235,442	2,489,372	55,246,823	59,971,636	53,472,277	12%
Total Liabilities and Fund Balance	2,236,727	2,489,372	55,246,823	59,972,921	53,773,836	12%

Northwest Florida State College Foundation, Inc.

Statement of Activities

July 1, 2023 through September 30, 2023

(in whole numbers)

	Unrestricted Operating	Temporary Restricted Gift	Permanent Restricted Endowed	Current Total as of 30-Sep-23	Prior Year Total as of 30-Sep-22	% Change
Revenue						
Gifts/Contributions	10,981	129,769	46,400	187,150	126,993	47%
Grants	0	0	0	0	176,000	0%
Memberships	0	38,950	0	38,950	21,475	81%
Special Events	0	36,445	0	36,445	20,673	76%
Market Gains/(Losses)	(53,861)	(16,647)	(1,656,757)	(1,727,265)	(2,643,702)	35%
Interest and Dividends	3,287	2,637	266,289	272,213	279,449	▼3%
Other Non-Operating Revenues	13,396	0	0	13,396	0	0%
Other Operating Revenues	7,098	0	0	7,098	7,000	1%
Total Revenue	(19,099)	191,154	(1,344,068)	(1,172,013)	(2,012,112)	42%
Direct Expenditures						
Freight and Postage	0	0	0	0	0	0%
Insurance	1,082	0	0	1,082	1,163	▼7%
Office Materials and Supplies	0	0	0	0	427	▼100%
Other Expenses	0	0	0	0	0	0%
Other Materials and Supplies	11,519	0	0	11,519	7,667	50%
Other Services	1,868	0	0	1,868	837	123%
Plant Maintenance Supplies	0	1,000	0	1,000	0	0%
Printing and Duplication	0	0	0	0	230	▼100%
Professional Fees/Support Services	44,234	0	67,804	112,037	378,870	▼70%
Repairs and Maintenance	0	0	0	0	0	0%
Scholarships	0	0	0	0	0	0%
Support to College	0	42,640	0	42,640	1,482,632	▼97%
Taxes and Licenses	0	0	0	0	0	0%
Travel	0	0	0	0	0	0%
Total Direct Expenditures	58,702	43,640	67,804	170,145	1,871,826	▼91%
Transfers						
Transfer In-Admin Fee Income	104,995	0	0	104,995	95,888	9%
Transfer In-End Spending Allocation	0	1,633,805	375	1,634,180	2,040,576	▼20%
Transfer Out-Admin Fee Expense	(562)	(1,439)	(102,994)	(104,995)	(95,888)	▼9%
Transfer Out-End Spending Allocatio	0	0	(1,634,180)	(1,634,180)	(2,040,576)	20%
Total Transfers	104,433	1,632,366	(1,736,799)	0	0	0%
Net Increase/(Decrease) In Fund Balance	26,633	1,779,880	(3,148,671)	(1,342,158)	(3,883,938)	65%

NORTHWEST FLORIDA STATE COLLEGE FOUNDATION, INC.

INVESTMENT REPORT

July 1, 2023 - September 30, 2023

Merrill Lynch EMA Account	<i>(statements provided monthly)</i>
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	Income	Expense	Net Income	Gain/(Loss)	Total
1st Quarter: Jul / Aug / Sep	\$ 266,289	\$ 67,804	\$ 198,486	\$ (1,710,618)	\$ (1,512,132)
2nd Quarter: Oct / Nov / Dec			\$ -		-
3rd Quarter: Jan / Feb / Mar			\$ -		-
4th Quarter: Apr / May / Jun			-		-
YTD Total	<u>\$ 266,289</u>	<u>\$ 67,804</u>	<u>\$ 198,486</u>	<u>\$ (1,710,618)</u>	<u>\$ (1,512,132)</u>

	Cost	Market
Beginning Balance	\$ 52,580,172	\$ 60,367,013
Transfers Out of EMA		-
Transfers In to EMA	-	
Net Investment Income	198,486	198,486
Gains (Loss)	(1,710,618)	(1,710,618)
YTD Total	<u>\$ 51,068,040</u>	<u>58,854,881</u>

Vanguard Wellington Account	<i>(statements provided quarterly)</i>
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	Income	Expense	Net Income	Gain/(Loss)	Total
1st Quarter: Jul - Sep	\$ 2,637	\$ -	\$ 2,637	\$ (16,647)	\$ (14,010)
2nd Quarter: Oct - Dec		-	-		
3rd Quarter: Jan - Mar		-	-		
4th Quarter: Apr - Jun		-	-		
YTD Total	<u>\$ 2,637</u>	<u>\$ -</u>	<u>\$ 2,637</u>	<u>\$ (16,647)</u>	<u>\$ (14,010)</u>

	Cost	Market
Beginning Balance	\$ 414,068	\$ 457,098
Transfers Out of Vanguard	-	-
Transfers In to Vanguard	-	-
Net Investment Income	2,637	2,637
Gains (Loss)	(16,647)	(16,647)
YTD Total	<u>\$ 400,058</u>	<u>\$ 443,088</u>

Total Holdings					
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	Merrill Lynch	Vanguard	Total	Allocation	Target Range
Cash & Money	\$ 1,793,007	\$ 7,887	\$ 1,800,894	3.04%	2% - 8%
Equity	36,807,321	290,887	\$ 37,098,208	62.56%	45% - 65%
Alternative Investments	5,716,596	-	\$ 5,716,596	9.64%	5% - 15%
Fixed Income/Annuity	14,537,957	144,314	\$ 14,682,271	24.76%	25% - 45%
	<u>\$ 58,854,881</u>	<u>\$ 443,088</u>	<u>\$ 59,297,968</u>	<u>100.00%</u>	<u>100.00%</u>

Northwest Florida State College Foundation, Inc.

Operating Budget

July 1, 2023 through September 30, 2023

Description	Adopted Budget	Year To Date	Remaining Balance	% Residual Budget (Year Remaining - 75%)
Direct Expenditures				
Advertising (required by law)	500.00	73.90	426.10	85%
Auditing Fees	19,000.00	9,000.00	10,000.00	53%
Bank Card/Credit Card Fees	500.00	1,072.76	(572.76)	-115%
Consultants	70,000.00	15,202.44	54,797.56	78%
Current Expense Budget Contingency	10,000.00	0.00	10,000.00	100%
Food and Food Products	26,500.00	7,621.83	18,878.17	71%
Freight and Postage	500.00	0.00	500.00	100%
Ins-Directors and Officers	4,077.00	1,005.17	3,071.83	75%
Ins-General Liability	497.00	76.34	420.66	85%
Internal Support Services	299,520.00	0.00	299,520.00	100%
Legal Fees	250.00	0.00	250.00	100%
Materials and Supplies-Other	4,500.00	1,954.52	2,545.48	57%
Office Materials and Supplies	1,000.00	0.00	1,000.00	100%
Printing and Duplication	1,500.00	0.00	1,500.00	100%
Property Taxes	45.00	0.00	45.00	100%
Registration Fee	500.00	125.00	375.00	75%
Service Contracts/Agreements	19,000.00	18,958.64	41.36	0%
Sponsorship Expense	1,000.00	550.00	450.00	45%
Support to College	40,000.00	0.00	40,000.00	100%
Taxes and Licenses-Other	450.00	0.00	450.00	100%
Travel-Employee	1,500.00	0.00	1,500.00	100%
Direct Expenditures - Total	500,839.00	55,640.60	445,198.40	89%

Northwest Florida State College Foundation, Inc.

President's Office Budget

July 1, 2023 through September 30, 2023

Description	Adopted Budget	Year To Date	Remaining Balance	% Residual Budget (Year Remaining - 75%)
Direct Expenditures				
Current Expense Budget Contingency	15,000.00	0.00	15,000.00	
Food and Food Products	0.00	3,061.11	(3,061.11)	
Direct Expenditures - Total	15,000.00	3,061.11	11,938.89	80%

MEMORANDUM

TO: NWFSC Foundation Board of Directors

FROM: Ms. Cindy J. Frakes

DATE: November 7, 2023

SUBJECT: FY 2023 Audited Financial Statements/IRS Form 990

Acceptance is requested for Fiscal Year 2023 Northwest Florida State College Foundation Audited Financial Statements and IRS Form 990 informational return. Both documents have been prepared by the independent auditing firm of Mauldin & Jenkins, Certified Public Accountants of Bradenton, Florida. The audit reflects a clean opinion.

Highlights of the Audit:

- Net position was \$61,313,795 at the close of the fiscal year. This reflects an increase of 6.90% over the previous fiscal year. Of the \$61.36 million in total assets, \$13 thousand rested in capital assets. Total liabilities were \$46 thousand, with \$44 thousand due to the college and \$2 thousand due to other outside vendors.
- The Foundation's investments increased 7.14% from July 1, 2022 to June 30, 2023 after a reported decrease of 7.25% from July 1, 2021 to June 30, 2022. The decrease and subsequent increase were principally due to financial market conditions.
- At June 30, 2023 the number of funds in underwater status was 10. All 10 were endowments established within the past three fiscal years and were impacted by current improved fiscal year market conditions. Endowments with a fair market value below corpus will receive no spending allocation. The deficits can only be overcome through positive investment earnings.
- Total gifts, contributions, grants and other income, decreased \$2,654 thousand from 2022 to 2023, totaling \$889 thousand at June 30, 2023.
- Additions to permanent endowments totaled \$196 thousand at year-end.
- Total college support was \$2.9 million. These payments reflected \$725 thousand in scholarship expenses, and \$2.2 million in program and other support to the college.

RECOMMENDATION:

The NWFSC Foundation Board accepts the FY 2023 Draft Audited Financial Statements and IRS Form 990 as presented.

**NORTHWEST FLORIDA STATE COLLEGE
FOUNDATION, INC.**

**A COMPONENT UNIT OF
NORTHWEST FLORIDA STATE COLLEGE**

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

Draft for Review and Discussion Purposes Only - Not to be Reproduced
NORTHWEST FLORIDA STATE COLLEGE FOUNDATION, INC.
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Northwest Florida State College Foundation, Inc.
Niceville, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Northwest Florida State College Foundation, Inc. (the "Foundation"), a direct support organization and component unit of the Northwest Florida State College as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Foundation as of June 30, 2023 and 2022, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Management's Responsibility for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an 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 November XX, 2023, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Bradenton, Florida
November XX, 2023

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NORTHWEST FLORIDA STATE COLLEGE FOUNDATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023
(Unaudited)

INTRODUCTION

The following discussion and analysis provides an overview of the financial position and activities of the Northwest Florida State College Foundation, Inc. (the "Foundation") for the fiscal year ended June 30, 2023, with comparative information for fiscal years ending 2022 and 2021, and should be read in conjunction with the financial statements and notes thereto. This report includes financial statements presented and prepared with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB) as this is the presentation used in the Northwest Florida State College (the "College") Annual Financial Report. Foundation management has prepared the financial statements and related note disclosures along with the discussion and analysis. The responsibility for the completeness and fairness of this information rests with Foundation management.

The Foundation is a Florida not-for-profit corporation formed in 1988 to encourage, solicit, receive and administer gifts and bequests of property and funds to support the College and advance its mission and objectives. The Foundation is a direct support organization of the College.

FINANCIAL HIGHLIGHTS

The Foundation's financial position remained strong at June 30, 2023, with total assets of \$61,359,589 and liabilities of \$45,794, resulting in a net position of \$61,313,795 at June 30, 2023. Net position increased from July 1, 2022 to June 30, 2023 by 6.90%.

The Foundation's investments increased 7.14% from July 1, 2022 to June 30, 2023 after a reported decrease of 7.25% from July 1, 2021 to June 30, 2022. The decrease and subsequent increase were principally due to financial market conditions. The Foundation maintains an investment policy that is well diversified and moderately invested, targeting 55% equity and 30% fixed income, with the remainder in alternative investments and cash.

USING THIS ANNUAL REPORT

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

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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(Unaudited)

THE STATEMENT OF NET POSITION

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

A summarized comparison of the Foundation's assets, liabilities and net position at June 30, 2023, June 30, 2022, and June 30, 2021 is presented in the following table:

NET ASSETS
(In Thousands)

	Foundation		
	<u>June 2023</u>	<u>June 2022</u>	<u>June 2021</u>
Assets			
Current assets	\$ 21,155	\$ 18,062	\$ 24,875
Capital assets, net	13	13	3,463
Other non-current assets	<u>40,192</u>	<u>39,422</u>	<u>37,134</u>
Total assets	<u><u>\$ 61,360</u></u>	<u><u>\$ 57,497</u></u>	<u><u>\$ 65,472</u></u>
Liabilities			
Current liabilities	<u>\$ 46</u>	<u>\$ 141</u>	<u>\$ 31</u>
Total liabilities	<u><u>\$ 46</u></u>	<u><u>\$ 141</u></u>	<u><u>\$ 31</u></u>
Net position			
Invested in capital assets	\$ 13	\$ 13	\$ 3,463
Restricted	59,562	55,826	62,819
Unrestricted	<u>1,739</u>	<u>1,517</u>	<u>(841)</u>
Total net position	<u><u>61,314</u></u>	<u><u>57,356</u></u>	<u><u>65,441</u></u>
Total liabilities and net position	<u><u>\$ 61,360</u></u>	<u><u>\$ 57,497</u></u>	<u><u>\$ 65,472</u></u>

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Current assets primarily consist of cash, cash equivalents, accounts receivables and investments. Non-current assets consist of net capital assets and endowment investments. A review of the Foundation's statement of net position at June 30, 2023 and June 30, 2022 shows that the Foundation total liabilities and net position increased by 6.70% from year to year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

The Foundation capitalizes assets with a value of \$5,000 and greater for financial reporting purposes. As of June 30, 2023, there was \$13,000 invested in capital assets net of accumulated depreciation. Capital assets of the Foundation at June 30, 2023, June 30, 2022, and June 30, 2021 are presented in the following table:

CAPITAL ASSETS (In Thousands)

Capital assets	Foundation		
	June 2023	June 2022	June 2021
Non-depreciable capital assets:			
Land	\$ 13	\$ 13	\$ 254
Total non-depreciable capital assets	13	13	254
Depreciable capital assets:			
Apartment Buildings	\$ -	\$ -	\$ 3,209
Total depreciable capital assets, net of depreciation	-	-	3,209
Capital assets, net of depreciation	\$ 13	\$ 13	\$ 3,463

DEBT

All capital improvements are through internal financing and therefore the Foundation does not carry any long-term debt.

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THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

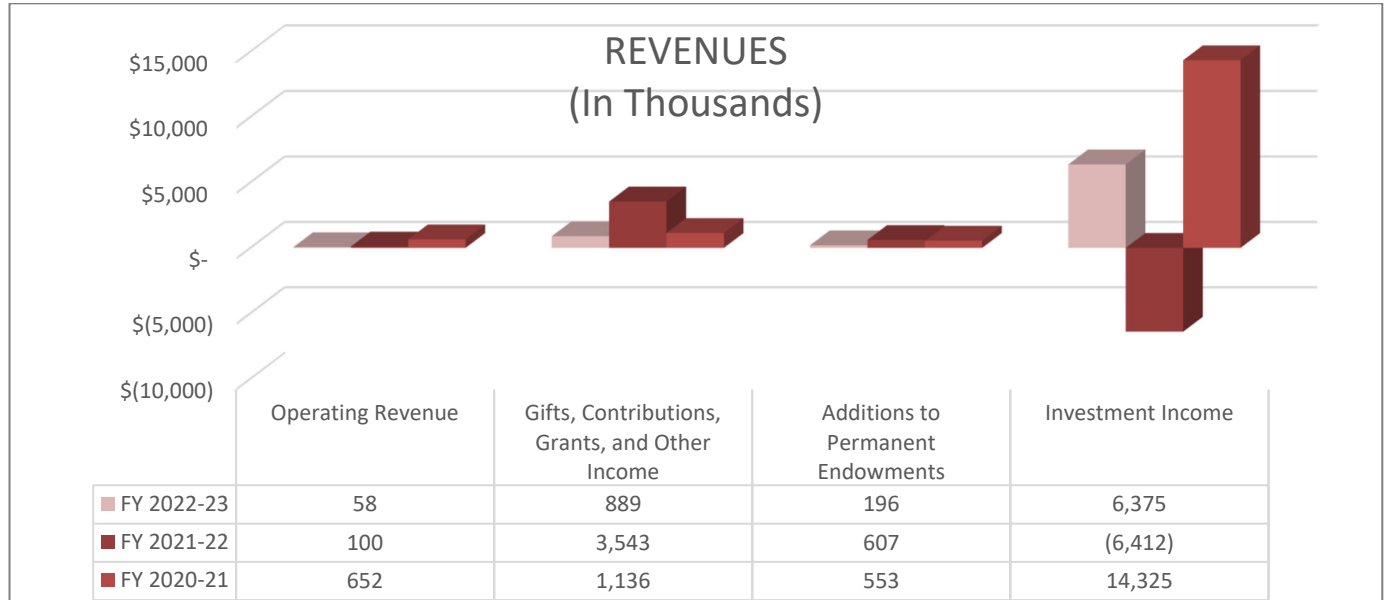
The statement of revenues, expenses and changes in net position presents the Foundation's results of operations. In accordance with GASB reporting principles, revenues and expenses are classified as either operating or non-operating. A summary of the Foundation's revenues, expenses, and changes in net position for the fiscal years ended June 30, 2023, June 30, 2022, and June 30, 2021 is presented in the following table:

REVENUES, EXPENSES AND CHANGES IN NET POSITION
(In Thousands)

	Foundation		
	June 2023	June 2022	June 2021
Operating revenues			
Rental income	\$ -	\$ 46	\$ 619
Membership revenue	58	54	33
Total operating revenues	58	100	652
Less operating expenses	3,561	5,923	3,789
Operating loss	(3,503)	(5,823)	(3,137)
Nonoperating revenues			
Gifts and grants	799	668	803
Pledge income	24	24	268
Investment income	1,417	1,380	1,184
Realized gain (loss) on investments	1,817	3,569	2,572
Unrealized gain (loss) on investments	3,141	(11,361)	10,569
Gain on sale of property	-	2,688	-
Miscellaneous income	67	163	65
Nonoperating revenues	7,265	(2,869)	15,461
Gain (loss) before additions to permanent endowments	3,762	(8,692)	12,324
Additions to permanent endowments	196	607	553
Increase (decrease) in net assets	3,958	(8,085)	12,877
Net position, beginning of year	57,356	65,441	52,564
Net position, end of year	\$ 61,314	\$ 57,356	\$ 5,441
Increase (decrease) in net assets	6.90%	(12.35)%	24.50%

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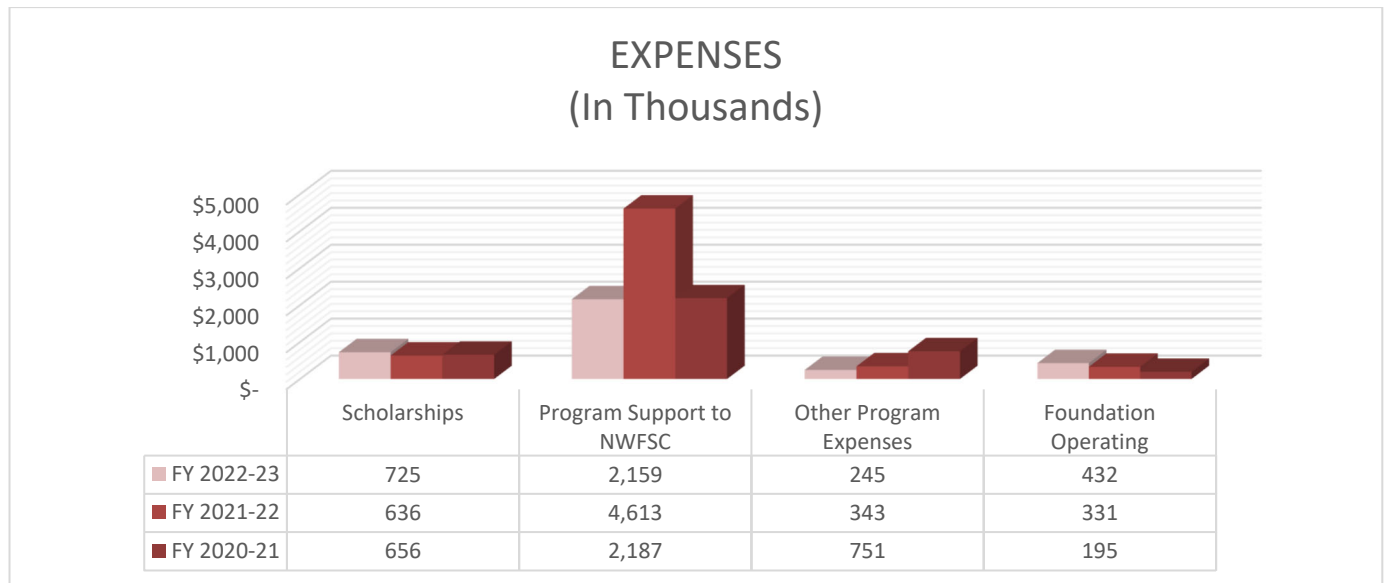
The following is a graphical presentation of Foundation revenues for fiscal year ended June 30, 2023, as compared to fiscal years ended June 30, 2022 and June 30, 2021:



Operating revenue declined in fiscal year 2023 as compared to prior fiscal years reported. The total gifts, contributions, grants and other income decreased by \$2,654,000 in fiscal year 2023. Additions to permanent endowments decreased by \$411,000 from the prior year. Investment income increased by \$12.7 million from 2022 to 2023. This is attributed to market growth in 2023 as compared to the tremendous market declines experienced in 2022.

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In addition to presenting expenses by natural classification, as shown on the statement of revenues, expenses and changes in net position, it is also informative to review operating expenses by functional activity. A comparative summary of Foundation expenses by functional classification for fiscal years 2023, 2022, and 2021 are shown in the following table:



Overall expenses decreased \$2,362,000 from 2023 to 2022. The scholarship expenses paid to the College increased by \$89 thousand from fiscal year 2023 to 2022. Both types of expense allocations, program support and scholarships, are funded mainly by endowment earnings in accordance with the Foundation's spending policy – awards of up to 4%, calculated by using the average of the prior three year-end balances for each endowment when earnings are available.

Other program expenses, not transferred to the College but expended through the Foundation for program initiatives, decreased \$98,000.

Foundation operating expenses increased \$101,000 from 2022 to 2023. This increase is comprised internal support staffing expense increases in fiscal year 2023 and a full year of consulting fees in fiscal year 2023.

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THE STATEMENT OF CASH FLOWS

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

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

A comparative summary of the statement of cash flows for the Foundation for the fiscal years ended June 30, 2023, June 30, 2022, and June 30, 2021 is shown in the following table:

CASH FLOWS
(In Thousands)

	<u>June 2023</u>	<u>Foundation June 2022</u>	<u>June 2021</u>
Cash provided (used) by:			
Operating activities	\$ (3,592)	\$ (5,684)	\$ (3,009)
Noncapital and capital financing activities	1,156	7,915	1,559
Investing activities	<u>2,322</u>	<u>(1,975)</u>	<u>1,109</u>
Net Decrease in cash and cash equivalents	(114)	256	(341)
Cash and cash equivalents, beginning of the year	<u>560</u>	<u>304</u>	<u>645</u>
Cash and cash equivalents, end of year	<u><u>\$ 445</u></u>	<u><u>\$ 560</u></u>	<u><u>\$ 304</u></u>

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

During the fiscal year ended June 30, 2023, cash and cash equivalents decreased \$114,000. The Foundation has adequate funds on hand to pay invoices upon demand and approval.

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ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

The economic position of the Northwest Florida State College Foundation is closely tied to Okaloosa and Walton Counties and the State of Florida.

Investment income plays a key role in generating revenues for the Foundation. Also tied to investment earnings is the ability to provide scholarships and program support to Northwest Florida State College through various endowments. Foundation investment accounts remain well-diversified and moderately invested, targeting 55% equity and 30% fixed income, with the remainder in alternative investments and cash.

The Foundation's Board of Directors and management carefully monitor the status of all endowed funds, particularly those underwater funds in which the total fund balance is less than the corpus, or principal. Foundation policy states that endowments with a fair market value below corpus will receive no spending allocation. This deficit can only be overcome through positive investment earnings. From fiscal year 2016 to 2021, the number of underwater funds dropped from 15 to zero. From fiscal year 2021 to 2022, there were 18 underwater funds which was due to negative market conditions. As of June 30, 2023, the Foundation held 335 endowed funds and ten of these funds were in an underwater status. The ten funds in underwater status were endowments established within the past three fiscal years and were impacted by current improved fiscal year market conditions.

REQUESTS FOR INFORMATION

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

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NORTHWEST FLORIDA STATE COLLEGE FOUNDATION, INC.

STATEMENTS OF NET POSITION

		June 30,	
		2023	2022
ASSETS			
Current assets			
Cash and cash equivalents	\$	445,149	\$ 560,017
Accounts receivable		-	3,500
Due from college		2,334	-
Investments, unrestricted		657	-
Prepaid expenses and other current assets		2,962	3,101
Total current assets		451,102	566,618
Restricted current assets			
Accounts receivable		-	3,000
Pledge receivable		55,342	93,178
Investments, nonendowed		20,648,098	17,398,478
Total restricted current assets		20,703,440	17,494,656
Noncurrent assets			
Pledge receivable, long-term		16,861	49,606
Endowment investments		40,175,356	39,372,890
Nondepreciable capital assets		12,830	12,830
Depreciable capital assets, net		-	-
Total noncurrent assets		40,205,047	39,435,326
TOTAL ASSETS	\$	61,359,589	\$ 57,496,600
LIABILITIES AND NET POSITION			
Current liabilities			
Accounts payable	\$	1,945	\$ 8,194
Due to college		43,849	132,190
Total current liabilities		45,794	140,384
TOTAL LIABILITIES		45,794	140,384
NET POSITION			
Investment in capital assets		12,830	12,830
Restricted, nonexpendable, endowment		38,524,737	38,328,700
Restricted, other		21,037,346	17,497,882
Unrestricted		1,738,882	1,516,804
Total net position		61,313,795	57,356,216
TOTAL LIABILITIES AND NET POSITION	\$	61,359,589	\$ 57,496,600

The accompanying notes are an integral part of these financial statements.

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NORTHWEST FLORIDA STATE COLLEGE FOUNDATION, INC.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Year Ended June 30,	
	2023	2022
Operating revenues		
Rental income	\$ -	\$ 46,492
Membership revenue	58,156	53,775
Total operating revenues	58,156	100,267
Operating expenses		
Scholarships and waivers	724,621	636,030
Utilities and communications	-	15,522
Other services and expenses	639,329	619,977
Support to college	2,159,333	4,613,368
Materials and supplies	37,514	38,130
Total operating expenses	3,560,797	5,923,027
Operating loss	(3,502,641)	(5,822,760)
Nonoperating revenues		
Gifts and grants	823,044	692,178
Investment income	1,416,654	1,379,957
Gain on sale of property and equipment	-	2,687,966
Other income	66,193	163,072
Realized gain on investments	1,817,046	3,569,217
Net unrealized gain (loss) on investments	3,141,246	(11,361,212)
Total nonoperating revenues	7,264,183	(2,868,822)
Gain (loss) before additions to permanent endowments	3,761,542	(8,691,582)
Additions to permanent endowments	196,037	607,287
Increase (decrease) in net position	3,957,579	(8,084,295)
Net position, beginning of the year	57,356,216	65,440,511
Net position, end of the year	\$ 61,313,795	\$ 57,356,216

The accompanying notes are an integral part of these financial statements.

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NORTHWEST FLORIDA STATE COLLEGE FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

	Year Ended June 30,	
	2023	2022
Cash flows from operating activities		
Receipts from other sources	\$ 64,656	\$ 47,275
Receipts from rental income	-	46,492
Payments to the College for scholarships	(724,621)	(636,030)
Payments to the College as gifts and contributions	(2,250,008)	(4,498,834)
Payments to suppliers and others	(682,953)	(643,425)
Net cash used in operating activities	<u>(3,592,926)</u>	<u>(5,684,522)</u>
Cash flows from noncapital financing activities		
Gifts and grants received for other than capital or endowment purposes	893,625	1,007,292
Private gifts for endowment purposes	196,037	607,287
Other	66,193	163,072
Net cash provided by noncapital financing activities	<u>1,155,855</u>	<u>1,777,651</u>
Cash flows from capital and related financing activities		
Proceeds from sale of property and equipment	-	6,137,771
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>6,137,771</u>
Cash flows from investing activities		
Purchase of investments	(7,826,659)	(25,221,881)
Proceeds from sales and maturities of investments	8,732,208	21,866,691
Investment income	1,416,654	1,379,957
Net cash provided by (used in) investing activities	<u>2,322,203</u>	<u>(1,975,233)</u>
Net increase (decrease) in cash and cash equivalents	(114,868)	255,667
Cash at beginning of year	<u>560,017</u>	<u>304,350</u>
Cash at end of year	<u>\$ 445,149</u>	<u>\$ 560,017</u>
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	\$ (3,502,641)	\$ (5,822,760)
Adjustments to reconcile operating loss to net cash used in operating activities		
Changes in assets and liabilities		
Prepaid insurance	139	25,484
Accounts receivable and due from other funds	4,166	3,987
Accounts payable and due to college	(94,590)	108,767
Net cash used in operating activities	<u>\$ (3,592,926)</u>	<u>\$ (5,684,522)</u>
Noncash investing activities		
Net unrealized gain (loss) on investments	<u>\$ 3,141,246</u>	<u>\$ (11,361,212)</u>

The accompanying notes are an integral part of these financial statements.

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NORTHWEST FLORIDA STATE COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: The governing body of the Northwest Florida State College Foundation, Inc. (the "Foundation") is a 28 member Board of Directors that constitutes a corporation. The Board of Directors is directly responsible for the day-to-day operations and control of the Foundation within the framework of applicable state law and State Board of Education rules. The Foundation is a component unit and direct support organization of Northwest Florida State College (the "College") as defined in Section 1004.70, Florida Statutes. The Foundation is legally separate from the College, but is financially accountable to the College. The Foundation receives, holds, invests, and administers property and makes expenditures to or for the benefit of the College.

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

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

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

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

The Foundation's principal operating activity is College program support and student scholarships. Operating revenues include rental income and expenses and all fiscal transactions related to College support, Foundation management, fund raising, and depreciation of capital assets. Nonoperating revenues include state appropriations, grants, individual gifts, investment income, and capital funding.

Cash and Cash Equivalents: The amount reported as cash and cash equivalents consists of cash on hand and cash in demand accounts. Cash placed in money market accounts with Merrill Lynch are reported as investments. Cash deposits of the Foundation are held by banks qualified as public depositories under Florida Statute, Chapter 280. Therefore, all such deposits are covered by the FDIC limit of \$250,000 or were fully collateralized with securities held by the Foundation's financial institution.

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NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable: The Foundation records accounts receivable at their net realizable value. An allowance for doubtful accounts is established based on specific assessment of all amounts that remain unpaid following normal payment periods. All amounts deemed to be uncollectible are charged against the allowance for doubtful accounts in the period the determination is made. The allowance for doubtful accounts was \$25,500 and \$25,500 for the years ended June 30, 2023 and 2022, respectively.

Investments: Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of net position. Realized and unrealized gains and losses are included in the statement of revenues, expenses and changes in net position. Investment income includes interest and dividend income and is included in the statement of revenues, expenses and changes in net position separate from gains and losses.

Capital Assets: The Foundation's capital assets consist of land, buildings, furniture, and equipment and are stated at historical cost or estimated fair value if donated or acquired at nominal cost. The Foundation has a capitalization threshold of \$5,000 for capital assets. Depreciation is computed on the straight-line basis over the following estimated useful lives:

Buildings	38 Years
Building improvements and equipment	7 Years

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual amounts could differ from the estimates.

NOTE 2. CASH AND INVESTMENTS

Cash and investments held by the Foundation consisted of the following classifications at June 30:

	2023	2022
Cash and cash equivalents		
Unrestricted	\$ 445,149	\$ 560,017

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NORTHWEST FLORIDA STATE COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

Investments held by the Foundation are reported at fair value and were as follows at June 30 2023:

Investment Type	Fair Value	Investment Maturity in Years			
		Less than 1	1 - 5	6 - 10	More than 10
Cash and cash equivalents	\$ 2,065,173	\$ 2,065,173	\$ -	\$ -	\$ -
Life insurance/annuities	1,824,090	1,824,090	-	-	-
United States Government securities					
United States Government	3,537,374	382,288	3,026,887	95,713	32,486
Total United States Government securities	3,537,374	382,288	3,026,887	95,713	32,486
Corporate bonds	9,166,954	790,122	5,094,814	3,282,018	-
Alternative investments	5,620,078	5,620,078	-	-	-
Corporate stocks	32,142,744	N/A	-	-	-
Equities and mutual funds	6,467,698	N/A	-	-	-
Total investments	<u>\$ 60,824,111</u>	<u>\$ 10,681,751</u>	<u>\$ 8,121,701</u>	<u>\$ 3,377,731</u>	<u>\$ 32,486</u>

Investments held by the Foundation are reported at fair value and were as follows at June 30 2022:

Investment Type	Fair Value	Investment Maturity in Years			
		Less than 1	1 - 5	6 - 10	More than 10
Cash and cash equivalents	\$ 2,365,626	\$ 2,365,626	\$ -	\$ -	\$ -
Life insurance/annuities	1,877,021	1,877,021	-	-	-
United States Government securities					
United States Government	3,644,971	-	3,476,857	130,569	37,545
Total United States Government securities	3,644,971	-	3,476,857	130,569	37,545
Corporate bonds	9,120,612	784,994	4,704,377	3,631,241	-
Alternative investments	5,537,376	5,537,376	-	-	-
Corporate stocks	28,549,847	N/A	-	-	-
Equities and mutual funds	5,675,915	N/A	-	-	-
Total investments	<u>\$ 56,771,368</u>	<u>\$ 10,565,017</u>	<u>\$ 8,181,234</u>	<u>\$ 3,761,810</u>	<u>\$ 37,545</u>

Investments are managed in accordance with an investment policy. The investment policy sets target allocations of investments of 25% to 45% for fixed income, 45% to 65% for equities, 5% to 15% for alternative investments and 2% to 8% for cash and cash equivalents, in order to reduce risk by investing in a diversified portfolio of financial assets, primarily stock funds, bonds or bond funds, and cash equivalents.

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NOTES TO FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The investment policy for the Foundation states at least 50% of the short-term funds shall be invested in instruments having maturities no greater than two years. No more than 25% may be invested in instruments that have maturities greater than two years and less than five years and no more than 25% may be invested in instruments that have maturities greater than five years. The short-term funds are required to be invested in any of the following: obligations of the U.S. Government or agencies, obligations of agencies with implied federal sponsorship and guarantees, certificates of deposit, deposits that are insured by the FDIC, repurchase agreements, money market accounts, or government security mutual funds. The investments meet the Foundation's investment policy restrictions.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Common stocks should be held in seasoned, quality, well-managed, and highly marketable companies whose prospects appear good for growth of earnings, dividends and appreciation. Fixed income securities should be of the four highest bond ratings or the two highest commercial paper ratings. Corporate bonds held by the Foundation were rated as follows at June 30:

	2023	2022	Rating
Corporate bonds	\$ 4,294,607	\$ 4,371,138	AAA to A-
Corporate bonds	4,872,347	4,749,474	BBB+ to BBB -
Total corporate bonds	<u>\$ 9,166,954</u>	<u>\$ 9,120,612</u>	

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Foundation's investment policy requires that investments are to be diversified to the extent that no more than 4% of the funds may be invested in any one security, no more than 30% in any one industry and the Foundation should not control more than 10% of the debt or stock in any one company. These restrictions do not apply to obligations of the federal government. As of June 30, 2023, the Foundation does not have a concentration of credit risk.

Custodial Credit Risk: The Foundation will address investment custodial credit risk by permitting brokers that obtained investments for the Foundation to hold them only to the extent there is Securities Investor Protection Corporation (SIPC) and excess SIPC coverage available. Securities purchased that exceed available SIPC coverages shall be transferred to the Foundation's custodian.

Foreign Currency Risk: Foreign currency risk is the risk that the changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Foundation's investment policy permits the hedging of non U.S. dollar investments as long as the methods used to do such do not place the investments in a leveraged position, use investment securities purchased or a margin or result in open-hedge positions.

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NORTHWEST FLORIDA STATE COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements: The Foundation 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.

The Foundation has the following recurring fair value measurements as of June 30, 2023:

<u>Investment Type</u>	<u>Fair Value Hierarchy</u>				
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. Gov't and Federally					
Guaranteed Bonds:					
Federal National Mortgage Assoc.	\$ 1,021,200	\$ -	\$ 1,021,200	\$ -	\$ 1,021,200
Federal Home Loan Mortgage Corp	56,718	-	56,718	-	56,718
Federal Home Loan Bank	1,278,042	-	1,278,042	-	1,278,042
Federal Home Credit Bank	1,181,414	-	1,181,414	-	1,181,414
Corporate Bonds	9,166,954	-	9,166,954	-	9,166,954
Total U.S. Government and Bonds	12,704,328	-	12,704,328	-	12,704,328
Equity Mutual Funds:					
Alternative Investments	5,620,078	-	-	5,620,078	5,620,078
Equities	31,685,645	31,685,645	-	-	31,685,645
Vanguard	457,099	457,099	-	-	457,099
Ishares Core S&P MID CAP	4,675,524	4,675,524	-	-	4,675,524
Ishares TR Russell 2000	1,792,174	1,792,174	-	-	1,792,174
Total Equity Mutual Funds	44,230,520	38,610,442	-	5,620,078	44,230,520
Life Insurance/Annuities	1,824,090	-	-	1,824,090	1,824,090
Cash and Equivalents	2,065,173	2,065,173	-	-	2,065,173
Total Investments	\$ 60,824,111	\$ 40,675,615	\$ 12,704,328	\$ 7,444,168	\$ 60,824,111

The Foundation has the following recurring fair value measurements as of June 30, 2022:

<u>Investment Type</u>	<u>Fair Value Hierarchy</u>				
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. Gov't and Federally					
Guaranteed Bonds:					
U.S. Gov't Obligations	\$ 1,062,351	\$ -	\$ 1,062,351	\$ -	\$ 1,062,351
Federal National Mortgage Assoc.	79,262	-	79,262	-	79,262
Federal Home Loan Mortgage Corp	1,300,707	-	1,300,707	-	1,300,707
Federal Home Loan Bank	1,202,652	-	1,202,652	-	1,202,652
Corporate Bonds	9,120,611	-	9,120,611	-	9,120,611
Total U.S. Government and Bonds	12,765,583	-	12,765,583	-	12,765,583
Equity Mutual Funds:					
Alternative Investments	5,537,376	-	-	5,537,376	5,537,376
Equities	28,134,306	28,134,306	-	-	28,134,306
Vanguard	415,541	415,541	-	-	415,541
Ishares Core S&P MID CAP	4,160,143	4,160,143	-	-	4,160,143
Ishares TR Russell 2000	1,515,772	1,515,772	-	-	1,515,772
Total Equity Mutual Funds	39,763,138	34,225,762	-	5,537,376	39,763,138
Life Insurance/Annuities	1,877,021	-	-	1,877,021	1,877,021
Cash and Equivalents	2,365,626	2,365,626	-	-	2,365,626
Total Investments	\$ 56,771,368	\$ 36,591,388	\$ 12,765,583	\$ 7,414,397	\$ 56,771,368

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NORTHWEST FLORIDA STATE COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 3. PLEDGE RECEIVABLE

The Foundation has a major gifts campaign to assist the College in seeking partnerships and investment opportunities to help build a re-engineered launch pad for current students and generations to come. Pledge receivables are due to be collected as follows at June 30:

	<u>2023</u>	<u>2022</u>
Gross amounts due in		
One year	\$ 55,342	\$ 93,178
Two to five years	42,361	75,106
Allowance for doubtful accounts	<u>(25,500)</u>	<u>(25,500)</u>
Total pledge receivables	<u>\$ 72,203</u>	<u>\$ 142,784</u>

NOTE 4. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2023 is shown as follows:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets, not being depreciated				
Land	\$ 12,830	\$ -	\$ -	\$ 12,830
Capital assets, being depreciated				
Apartment buildings and improvements	-	-	-	-
Apartment building, new	-	-	-	-
Apartment building, remodeled	-	-	-	-
Total capital assets being depreciated	-	-	-	-
Accumulated depreciation	-	-	-	-
Total capital assets being depreciated, net	-	-	-	-
Total capital assets, net	<u>\$ 12,830</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,830</u>

Capital assets activity for the year ended June 30, 2022 is shown as follows:

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Capital assets, not being depreciated				
Land	\$ 254,001	\$ -	\$ (241,171)	\$ 12,830
Capital assets, being depreciated				
Apartment buildings and improvements	921,562	-	(921,562)	-
Apartment building, new	4,074,381	-	(4,074,381)	-
Apartment building, remodeled	669,380	-	(669,380)	-
Total capital assets being depreciated	5,665,323	-	(5,665,323)	-
Accumulated depreciation	(2,456,689)	-	2,456,689	-
Total capital assets being depreciated, net	3,208,634	-	(3,208,634)	-
Total capital assets, net	<u>\$ 3,462,635</u>	<u>\$ -</u>	<u>\$ (3,449,805)</u>	<u>\$ 12,830</u>

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NORTHWEST FLORIDA STATE COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 5. RELATIONSHIP WITH THE COLLEGE

The Foundation made contributions and payments to the College for the following purposes as of June 30:

	<u>2023</u>	<u>2022</u>
Scholarships and waivers	\$ 724,621	\$ 636,030
Gifts and contributions	<u>2,159,333</u>	<u>4,613,368</u>
	<u>\$ 2,883,954</u>	<u>\$ 5,249,398</u>

Of the amounts above, the Foundation had an outstanding balance payable to the College of \$43,849 and \$132,190 for the years ended June 30, 2023 and 2022, respectively. The Foundation had an outstanding receivable from the College in the amount of \$2,334 and \$- for the years ended June 30, 2023 and 2022, respectively. The above related-party transactions are not necessarily indicative of the terms and amounts that would have been incurred had a comparable transaction been entered into with independent parties.

NOTE 6. RESTRICTED NET POSITION

Expendable restricted net position is restricted for scholarships or other similar purposes and totaled \$21,037,346 and \$17,497,882 for the years ended June 30, 2023 and 2022, respectively.

Nonexpendable restricted net position (endowments) is donor-directed contributions restricted in perpetuity for scholarships, program instruction, the Arts Center, and other similar purposes. Nonexpendable restricted net position totaled \$38,524,737 and \$38,328,700 for the years ended June 30, 2023 and 2022, respectively.

The Board of Directors of the Foundation has interpreted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund, absent donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as nonexpendable restricted net position: (a) the original value of the gift donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The Foundation has adopted investment and spending policies for endowment assets that attempt to protect the principal of the fund, provide consistent long-term income returns and protect the Foundation against long-term inflation trends. To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Foundation limits spending on endowments to a maximum of 4% of the average of the three most recent prior year-end endowment fund balances provided net earnings are available.

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NORTHWEST FLORIDA STATE COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 7. RENTAL INCOME

In prior years, the Foundation rented apartments in a 62 apartment unit complex which was owned by the Foundation. The apartments were rented to either students with athletic scholarships, which are financed by the College, or members of the local community. As of June 30, 2021, the historical cost of the apartments of \$5,665,323 net of accumulated depreciation of \$2,456,689 has a carrying value of \$3,208,634. Rentals are commonly under agreements for one year or less. Rental income earned by the Foundation for the year ended June 30, 2022, for the apartment rentals totaled \$46,492, of which \$- was paid to the Foundation by the College for units rented by students with athletic scholarships.

The Foundation sold the 62 apartment unit complex in Niceville, Florida to an unrelated party on July 26, 2021 for \$6,400,000.

The Foundation owns rights to broadband waves which are leased to a telecommunication entity. The initial five-year lease agreement became effective October 2, 2006, and has five automatic additional five-year renewals, for a maximum of 30 years, unless the telecommunication entity notifies the Foundation in writing at least six months prior to the end of any renewal term that it declines to renew the agreement. The Foundation has not recognized the broadband waves as an asset since there was no cost incurred by the Foundation for its rights. Rental income earned by the Foundation for the years ended June 30, 2023 and 2022 under this rental agreement totaled \$38,500 and \$39,984, respectively. Minimum future rental income is as follows:

2024	\$ 42,000
2025	42,000
2026	42,000
2027	48,000
2028	48,000
	<hr/>
	\$ 222,000

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NORTHWEST FLORIDA STATE COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 8. NATURAL CLASSIFICATION OF EXPENSES

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

	2023	2022
Accounting and auditing	\$ 16,750	\$ 16,500
Advertising	273	433
Bad debt expense	-	2,500
Bank fees	1,137	663
Food and beverage	34,264	34,804
Gifts and contributions to College	2,159,333	4,613,368
Gifts, prizes and awards	925	1,025
Insurance	4,653	13,016
Internal support services	288,000	195,246
Investment management fee	252,665	282,743
Miscellaneous supplies	3,677	3,428
Printing and distribution	375	2,140
Professional fees	-	3,624
Professional development fees	72,678	91,503
Repairs and maintenance	1,261	9,516
Scholarships	724,621	636,030
Taxes and licenses	185	966
Utilities	-	15,522
	<u>\$ 3,560,797</u>	<u>\$ 5,923,027</u>

NOTE 9. SUBSEQUENT EVENTS

During August 2023, the Foundation entered into a participation agreement that establishes the Foundation as a participant in the Loan with Community Bank to finance the construction of Raider Village in an amount not to exceed \$5,358,484.00 and with a final maturity date no later than August 4, 2030.

The Foundation did not have any other subsequent events through November XX, 2023 which is the date the financial statements were available to be issued, for events requiring recording or disclosure in the financial statements for the year ended June 30, 2023.

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

Board of Directors
Northwest Florida State College Foundation, Inc.
Niceville, Florida

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Northwest Florida State College Foundation, Inc. (the "Foundation"), a direct support organization and component unit of the Northwest Florida State College, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated November XX, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control 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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bradenton, Florida
November XX, 2023

IRS e-file Signature Authorization
for a Tax Exempt Entity

OMB No. 1545-0047

Form 8879-TE

For calendar year 2022, or fiscal year beginning JUL 1, 2022, and ending JUN 30, 2023

2022

Department of the Treasury
Internal Revenue Service

Do not send to the IRS. Keep for your records.

Go to www.irs.gov/Form8879TE for the latest information.

Name of filer NORTHWEST FLORIDA STATE COLLEGE
FOUNDATION, INC.EIN or SSN
59-2865698Name and title of officer or person subject to tax CHRIS STOWERS
EXECUTIVE DIRECTOR

Part I Type of Return and Return Information

Check the box for the return for which you are using this Form 8879-TE and enter the applicable amount, if any, from the return. Form 8038-CP and Form 5330 filers may enter dollars and cents. For all other forms, enter whole dollars only. If you check the box on line 1a, 2a, 3a, 4a, 5a, 6a, 7a, 8a, 9a, or 10a below, and the amount on that line for the return being filed with this form was blank, then leave line 1b, 2b, 3b, 4b, 5b, 6b, 7b, 8b, 9b, or 10b, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than one line in Part I.

1a Form 990 check here	<input checked="" type="checkbox"/>	b Total revenue, if any (Form 990, Part VIII, column (A), line 12)	1b 4,377,130.
2a Form 990-EZ check here	<input type="checkbox"/>	b Total revenue, if any (Form 990-EZ, line 9)	2b
3a Form 1120-POL check here	<input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b
4a Form 990-PF check here	<input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part V, line 5)	4b
5a Form 8868 check here	<input type="checkbox"/>	b Balance due (Form 8868, line 3c)	5b
6a Form 990-T check here	<input type="checkbox"/>	b Total tax (Form 990-T, Part III, line 4)	6b
7a Form 4720 check here	<input type="checkbox"/>	b Total tax (Form 4720, Part III, line 1)	7b
8a Form 5227 check here	<input type="checkbox"/>	b FMV of assets at end of tax year (Form 5227, Item D)	8b
9a Form 5330 check here	<input type="checkbox"/>	b Tax due (Form 5330, Part II, line 19)	9b
10a Form 8038-CP check here	<input type="checkbox"/>	b Amount of credit payment requested (Form 8038-CP, Part III, line 22)	10b

Part II Declaration and Signature Authorization of Officer or Person Subject to Tax

Under penalties of perjury, I declare that ☒ I am an officer of the above entity or ☐ I am a person subject to tax with respect to (name of entity) _____, (EIN) _____ and that I have examined a copy of the 2022 electronic return and accompanying schedules and statements, and, to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the electronic return and, if applicable, the consent to electronic funds withdrawal.

PIN: check one box only

☒ I authorize MAULDIN & JENKINS, LLC to enter my PIN 65698
ERO firm name Enter five numbers, but do not enter all zeros

as my signature on the tax year 2022 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

☐ As an officer or person subject to tax with respect to the entity, I will enter my PIN as my signature on the tax year 2022 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Signature of officer or person subject to tax

**** THIS IS NOT A FILEABLE COPY ****

Date

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

58030392043

Do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2022 electronically filed return indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature MAULDIN & JENKINS, LLC

Date 11/01/23

ERO Must Retain This Form - See Instructions

Do Not Submit This Form to the IRS Unless Requested To Do So

LHA For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form 8879-TE (2022)

Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

Do not enter social security numbers on this form as it may be made public.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2022Open to Public
Inspection**A** For the 2022 calendar year, or tax year beginning **JUL 1, 2022** and ending **JUN 30, 2023****B** Check if applicable:

- ☐ Address change
☐ Name change
☐ Initial return
☐ Final return/terminated
☐ Amended return
☐ Application pending

C Name of organization**NORTHWEST FLORIDA STATE COLLEGE
FOUNDATION, INC.**

Doing business as

Number and street (or P.O. box if mail is not delivered to street address) Room/suite
100 COLLEGE BLVD ECity or town, state or province, country, and ZIP or foreign postal code
NICEVILLE, FL 32578-1347**F** Name and address of principal officer: **CHRIS STOWERS
SAME AS C ABOVE****D** Employer identification number**59-2865698****E** Telephone number**850-729-5357****G** Gross receipts \$ **11,292,292.****H(a)** Is this a group returnfor subordinates? ☐ Yes ☒ No**H(b)** Are all subordinates included? ☐ Yes ☐ No

If "No," attach a list. See instructions

H(c) Group exemption number**I** Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) () (insert no.) ☐ 4947(a)(1) or ☐ 527**J** Website: **WWW.NWFSCFOUNDATION.ORG****K** Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other**L** Year of formation: **1988** **M** State of legal domicile: **FL****Part I Summary**

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: SEE SCHEDULE O
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.
	3	Number of voting members of the governing body (Part VI, line 1a) 27
	4	Number of independent voting members of the governing body (Part VI, line 1b) 26
	5	Total number of individuals employed in calendar year 2022 (Part V, line 2a) 0
	6	Total number of volunteers (estimate if necessary) 23
	7a	Total unrelated business revenue from Part VIII, column (C), line 12 0.
7b	Net unrelated business taxable income from Form 990-T, Part I, line 11 0.	
Revenue	8	Contributions and grants (Part VIII, line 1h) 1,353,240.
	9	Program service revenue (Part VIII, line 2g) 86,476.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d) 7,637,140.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) 123,088.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) 9,199,944.
	Expenses	13
14		Benefits paid to or for members (Part IX, column (A), line 4) 0.
15		Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) 0.
16a		Professional fundraising fees (Part IX, column (A), line 11e) 0.
b		Total fundraising expenses (Part IX, column (D), line 25) 0.
17		Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) 673,629.
18		Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) 5,923,027.
19		Revenue less expenses. Subtract line 18 from line 12 3,276,917.
Net Assets or Fund Balances		20
	21	Total liabilities (Part X, line 26) 140,384.
	22	Net assets or fund balances. Subtract line 21 from line 20 57,356,216.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer		Date		
	CHRIS STOWERS, EXECUTIVE DIRECTOR				
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	BRIAN CARTER	BRIAN CARTER	11/01/23		P00536712
Firm's name	Firm's EIN		Phone no.		
	MAULDIN & JENKINS, LLC	58-0692043	941-747-4483		
Firm's address 1401 MANATEE AVE. W., STE. 1200 BRADENTON, FL 34205					

May the IRS discuss this return with the preparer shown above? See instructions ☒ Yes ☐ No

NORTHWEST FLORIDA STATE COLLEGE
FOUNDATION, INC.

Form 990 (2022)

59-2865698 Page **2**

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III ☐

1 Briefly describe the organization's mission:

**THE NORTHWEST FLORIDA STATE COLLEGE FOUNDATION UTILIZES YOUR GIFTS TO
SUPPORT THE COLLEGE, ENHANCE OUR COMMUNITY AND IMPROVE STUDENTS'
LIVES.**

2 Did the organization undertake any significant program services during the year which were not listed on the
prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.

Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and
revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ **3,171,368.** including grants of \$ **2,883,954.**) (Revenue \$ **42,545.**)

**ALL ACTIVITIES OF THE FOUNDATION ARE FOR THE BENEFIT OF NORTHWEST
FLORIDA STATE COLLEGE PROGRAMS AND STUDENTS.**

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe on Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses **3,171,368.**

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**NORTHWEST FLORIDA STATE COLLEGE
FOUNDATION, INC.**

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Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ? See instructions	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Rev. Proc. 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi endowments? <i>If "Yes," complete Schedule D, Part V</i>	X	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X, as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b Did the organization report an amount for investments - other securities in Part X, line 12, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		X
c Did the organization report an amount for investments - program related in Part X, line 13, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d Did the organization report an amount for other assets in Part X, line 15, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>		X
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I. See instructions</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	X	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	X	

**NORTHWEST FLORIDA STATE COLLEGE
FOUNDATION, INC.**

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Part IV Checklist of Required Schedules (continued)

	Yes	No
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22 X	
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	24a	X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a	X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b	X
26 Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part II</i>	26	X
27 Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27	X
28 Was the organization a party to a business transaction with one of the following parties (see the Schedule L, Part IV, instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? <i>If "Yes," complete Schedule L, Part IV</i>	28a	X
b A family member of any individual described in line 28a? <i>If "Yes," complete Schedule L, Part IV</i>	28b	X
c A 35% controlled entity of one or more individuals and/or organizations described in line 28a or 28b? <i>If "Yes," complete Schedule L, Part IV</i>	28c	X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30	X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31	X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32	X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33	X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34 X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	X
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36	X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37	X
38 Did the organization complete Schedule O and provide explanations on Schedule O for Part VI, lines 11b and 19? Note: All Form 990 filers are required to complete Schedule O	38 X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V ☐

	Yes	No
1a Enter the number reported in box 3 of Form 1096. Enter -0- if not applicable	1a 3	
b Enter the number of Forms W-2G included on line 1a. Enter -0- if not applicable	1b 0	
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	

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Part V **Statements Regarding Other IRS Filings and Tax Compliance** (continued)

		Yes	No
2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 0		
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b		
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a		X
b If "Yes," has it filed a Form 990-T for this year? <i>If "No" to line 3b, provide an explanation on Schedule O</i>	3b		
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		X
b If "Yes," enter the name of the foreign country See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).			
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X
c If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c		
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a		X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7 Organizations that may receive deductible contributions under section 170(c).			
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	X	
b If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	X	
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		X
d If "Yes," indicate the number of Forms 8282 filed during the year	7d		
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		X
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		X
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		
8 Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8		
9 Sponsoring organizations maintaining donor advised funds.			
a Did the sponsoring organization make any taxable distributions under section 4966?	9a		
b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b		
10 Section 501(c)(7) organizations. Enter:			
a Initiation fees and capital contributions included on Part VIII, line 12	10a		
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b		
11 Section 501(c)(12) organizations. Enter:			
a Gross income from members or shareholders	11a		
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b		
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a		
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b		
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
a Is the organization licensed to issue qualified health plans in more than one state? Note: See the instructions for additional information the organization must report on Schedule O.	13a		
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b		
c Enter the amount of reserves on hand	13c		
14a Did the organization receive any payments for indoor tanning services during the tax year?	14a		X
b If "Yes," has it filed a Form 720 to report these payments? <i>If "No," provide an explanation on Schedule O</i>	14b		
15 Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see the instructions and file Form 4720, Schedule N.	15		X
16 Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O.	16		X
17 Section 501(c)(21) organizations. Did the trust, or any disqualified or other person engage in any activities that would result in the imposition of an excise tax under section 4951, 4952 or 4953? If "Yes," complete Form 6069.	17		

**NORTHWEST FLORIDA STATE COLLEGE
FOUNDATION, INC.**

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Part VI Governance, Management, and Disclosure. For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes on Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI ☒ **X**

Section A. Governing Body and Management

		Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year 1a 27 If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O.			
b Enter the number of voting members included on line 1a, above, who are independent 1b 26			
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X	
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?	3		X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?	5		X
6 Did the organization have members or stockholders?	6		X
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a		X
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a The governing body?	8a	X	
b Each committee with authority to act on behalf of the governing body?	8b	X	
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O	9		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a Did the organization have local chapters, branches, or affiliates?	10a		X
b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	X	
b Describe on Schedule O the process, if any, used by the organization to review this Form 990.			
12a Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	X	
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe on Schedule O how this was done	12c	X	
13 Did the organization have a written whistleblower policy?	13	X	
14 Did the organization have a written document retention and destruction policy?	14	X	
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a The organization's CEO, Executive Director, or top management official	15a		X
b Other officers or key employees of the organization	15b		X
If "Yes" to line 15a or 15b, describe the process on Schedule O. See instructions.			
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed **NONE**

18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain on Schedule O)

19 Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, address, and telephone number of the person who possesses the organization's books and records
CHRIS STOWERS - 850-729-5210
100 COLLEGE BLVD, NICEVILLE, FL 32578

**NORTHWEST FLORIDA STATE COLLEGE
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Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
 - List all of the organization's **current** key employees, if any. See the instructions for definition of "key employee."
 - List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (box 5 of Form W-2, box 6 of Form 1099-MISC, and/or box 1 of Form 1099-NEC) of more than \$100,000 from the organization and any related organizations.
 - List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
 - List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.
- See the instructions for the order in which to list the persons above.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) CHRIS STOWERS EXECUTIVE DIRECTOR	40.00			X				0.	91,800.	20,995.
(2) BO ARNOLD CHAIR	1.00	X		X				0.	0.	0.
(3) ALAN M. WOOD VICE CHAIR	1.00	X		X				0.	0.	0.
(4) JONATHAN OCHS TREASURER	1.00	X		X				0.	0.	0.
(5) KENNETH J. WAMPLER PAST CHAIR	1.00	X		X				0.	0.	0.
(6) DEVIN STEPHENSON COLLEGE PRESIDENT	1.00			X				0.	0.	0.
(7) DONALD LITKE TRUSTEE LIAISON	1.00	X		X				0.	0.	0.
(8) CHRISTIE AUSTIN DIRECTOR	1.00	X						0.	0.	0.
(9) JAMES BAGBY DIRECTOR	1.00	X						0.	0.	0.
(10) DESTIN COBB DIRECTOR	1.00	X						0.	0.	0.
(11) CINDY FRANKS DIRECTOR	1.00	X						0.	0.	0.
(12) TODD GRISOFF DIRECTOR	1.00	X						0.	0.	0.
(13) TERESA HALVERSON DIRECTOR	1.00	X						0.	0.	0.
(14) TYLER JARVIS DIRECTOR	1.00	X						0.	0.	0.
(15) DAVE JEFFERSON DIRECTOR	1.00	X						0.	0.	0.
(16) BERNARD JOHNSON DIRECTOR	1.00	X						0.	0.	0.
(17) HEATHER KILBEY DIRECTOR	1.00	X						0.	0.	0.

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Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) GORDON KING DIRECTOR	1.00	X						0.	0.	0.
(19) KIM KIRBY DIRECTOR	1.00	X						0.	0.	0.
(20) VINCENT MAYFIELD DIRECTOR	1.00	X						0.	0.	0.
(21) MICHELLE MCGEE FREEMAN DIRECTOR	1.00	X						0.	0.	0.
(22) J.D. PEACOCK DIRECTOR	1.00	X						0.	0.	0.
(23) BRIAN PENNINGTON DIRECTOR	1.00	X						0.	0.	0.
(24) STEPHEN RHODES DIRECTOR	1.00	X						0.	0.	0.
(25) HUBERT ROSS DIRECTOR	1.00	X						0.	0.	0.
(26) STANLEY SIEFKE DIRECTOR	1.00	X						0.	0.	0.
1b Subtotal								0.	91,800.	20,995.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								0.	91,800.	20,995.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization 0

	Yes	No
3 Did the organization list any former officer, director, trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>		X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
NONE		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization 0

SEE PART VII, SECTION A CONTINUATION SHEETS

Form **990** (2022)

(F)
Estimated
amount of
other
compensation
from the
organization
and related
organizations

0.

0.

**NORTHWEST FLORIDA STATE COLLEGE
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Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a					
	b Membership dues	1b	58,156.				
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above ...	1f	1,019,081.				
	g Noncash contributions included in lines 1a-1f	1g	\$				
	h Total. Add lines 1a-1f						
Program Service Revenue	2 a RENTAL INCOME	Business Code	531110	38,500.	38,500.		
	b						
	c						
	d						
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f			38,500.			
	Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			1,416,654.		
4 Income from investment of tax-exempt bond proceeds							
5 Royalties							
6 a Gross rents		6a	(i) Real (ii) Personal				
b Less: rental expenses ...		6b					
c Rental income or (loss)		6c					
d Net rental income or (loss)							
7 a Gross amount from sales of assets other than inventory		7a	(i) Securities (ii) Other	8,732,208.			
b Less: cost or other basis and sales expenses		7b		6,915,162.			
c Gain or (loss)		7c		1,817,046.			
d Net gain or (loss)				1,817,046.			1817046.
8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18		8a		23,648.			
b Less: direct expenses		8b		0.			
c Net income or (loss) from fundraising events				23,648.			23,648.
9 a Gross income from gaming activities. See Part IV, line 19		9a					
b Less: direct expenses	9b						
c Net income or (loss) from gaming activities							
10 a Gross sales of inventory, less returns and allowances	10a						
b Less: cost of goods sold	10b						
c Net income or (loss) from sales of inventory							
Miscellaneous Revenue	11 a MISC REVENUE	Business Code	611710	4,045.	4,045.		
	b						
	c						
	d All other revenue						
	e Total. Add lines 11a-11d			4,045.			
	12 Total revenue. See instructions			4,377,130.	42,545.	0.	3257348.

**NORTHWEST FLORIDA STATE COLLEGE
FOUNDATION, INC.**

Form 990 (2022)

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Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ...	2,159,333.	2,159,333.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22	724,621.	724,621.		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages				
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (nonemployees):				
a Management				
b Legal				
c Accounting	16,750.		16,750.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	252,665.	252,665.		
g Other. (If line 11g amount exceeds 10% of line 25, column (A), amount, list line 11g expenses on Sch O.)	72,678.	2,699.	69,979.	
12 Advertising and promotion	273.		273.	
13 Office expenses				
14 Information technology				
15 Royalties				
16 Occupancy				
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization				
23 Insurance	4,653.		4,653.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A), amount, list line 24e expenses on Schedule O.)				
a <u>INTERNAL SUPPORT SERVICE</u>	288,000.	29,864.	258,136.	
b <u>FOOD & BEVERAGE</u>	34,264.		34,264.	
c <u>MISC SUPPLIES</u>	3,677.		3,677.	
d <u>REPAIRS & MAINTENANCE</u>	1,261.	1,261.		
e All other expenses	2,622.	925.	1,697.	
25 Total functional expenses. Add lines 1 through 24e	3,560,797.	3,171,368.	389,429.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

**NORTHWEST FLORIDA STATE COLLEGE
FOUNDATION, INC.**

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Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X ☐

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	560,017.	1	445,149.
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net	142,784.	3	72,203.
	4 Accounts receivable, net	6,500.	4	2,334.
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	3,101.	9	2,962.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	12,830.		
	b Less: accumulated depreciation	12,830.	10c	12,830.
	11 Investments - publicly traded securities	56,771,368.	11	60,824,111.
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11		15	
16 Total assets. Add lines 1 through 15 (must equal line 33)	57,496,600.	16	61,359,589.	
Liabilities	17 Accounts payable and accrued expenses	8,194.	17	1,945.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	132,190.	25	43,849.
	26 Total liabilities. Add lines 17 through 25	140,384.	26	45,794.
Net Assets or Fund Balances	Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33.			
	27 Net assets without donor restrictions	1,529,634.	27	1,751,712.
	28 Net assets with donor restrictions	55,826,582.	28	59,562,083.
	Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33.			
	29 Capital stock or trust principal, or current funds		29	
	30 Paid-in or capital surplus, or land, building, or equipment fund		30	
	31 Retained earnings, endowment, accumulated income, or other funds		31	
	32 Total net assets or fund balances	57,356,216.	32	61,313,795.
	33 Total liabilities and net assets/fund balances	57,496,600.	33	61,359,589.

Form **990** (2022)

**NORTHWEST FLORIDA STATE COLLEGE
FOUNDATION, INC.**

Form 990 (2022)

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Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	4,377,130.
2	Total expenses (must equal Part IX, column (A), line 25)	2	3,560,797.
3	Revenue less expenses. Subtract line 2 from line 1	3	816,333.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	57,356,216.
5	Net unrealized gains (losses) on investments	5	3,141,246.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain on Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	61,313,795.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII ☒

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain on Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	2a	X
b Were the organization's financial statements audited by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	2b	X
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? _____ If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.	2c	X
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Uniform Guidance, 2 C.F.R. Part 200, Subpart F? _____	3a	X
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits _____	3b	

Form **990** (2022)

SCHEDULE A
(Form 990)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.
Attach to Form 990 or Form 990-EZ.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2022

Open to Public
Inspection

Name of the organization **NORTHWEST FLORIDA STATE COLLEGE
FOUNDATION, INC.**

Employer identification number
59-2865698

Part I Reason for Public Charity Status. (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990).)
- 3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 9 ☐ An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
- 10 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions, subject to certain exceptions; and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 11 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 12 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box on lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
- a ☐ **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
- b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
- c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
- d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
- e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.

f Enter the number of supported organizations _____

g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
Total						

**NORTHWEST FLORIDA STATE COLLEGE
FOUNDATION, INC.**

Schedule A (Form 990) 2022

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Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2018	(b) 2019	(c) 2020	(d) 2021	(e) 2022	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	2654222.	876,400.	1657657.	1353240.	1077237.	7618756.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge	210,593.	258,226.	247,097.	177,716.	67,079.	960,711.
4 Total. Add lines 1 through 3	2864815.	1134626.	1904754.	1530956.	1144316.	8579467.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						1182753.
6 Public support. Subtract line 5 from line 4.						7396714.

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2018	(b) 2019	(c) 2020	(d) 2021	(e) 2022	(f) Total
7 Amounts from line 4	2864815.	1134626.	1904754.	1530956.	1144316.	8579467.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources	1409374.	1301273.	1183607.	1379957.	1416654.	6690865.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)	7,547.	3,049.	544.	99,707.	4,045.	114,892.
11 Total support. Add lines 7 through 10						15385224.
12 Gross receipts from related activities, etc. (see instructions)					12	2,020,390.

13 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2022 (line 6, column (f), divided by line 11, column (f))	14	48.08	%
15 Public support percentage from 2021 Schedule A, Part II, line 14	15	48.17	%
16a 33 1/3% support test - 2022. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization <input checked="" type="checkbox"/>			
b 33 1/3% support test - 2021. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization <input type="checkbox"/>			
17a 10% -facts-and-circumstances test - 2022. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization <input type="checkbox"/>			
b 10% -facts-and-circumstances test - 2021. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization <input type="checkbox"/>			
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions <input type="checkbox"/>			

Schedule A (Form 990) 2022

**NORTHWEST FLORIDA STATE COLLEGE
FOUNDATION, INC.**

Schedule A (Form 990) 2022

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Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2018	(b) 2019	(c) 2020	(d) 2021	(e) 2022	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2018	(b) 2019	(c) 2020	(d) 2021	(e) 2022	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included on line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2022 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2021 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2022 (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from 2021 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2022. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ☐

b 33 1/3% support tests - 2021. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ☐

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ☐

**NORTHWEST FLORIDA STATE COLLEGE
FOUNDATION, INC.**

Schedule A (Form 990) 2022

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Part IV Supporting Organizations

(Complete only if you checked a box on line 12 of Part I. If you checked box 12a, Part I, complete Sections A and B. If you checked box 12b, Part I, complete Sections A and C. If you checked box 12c, Part I, complete Sections A, D, and E. If you checked box 12d, Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer lines 3b and 3c below.</i>		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked box 12a or 12b in Part I, answer lines 4b and 4c below.</i>		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer lines 5b and 5c below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990).</i>		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described on line 7? <i>If "Yes," complete Part I of Schedule L (Form 990).</i>		
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons, as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
b Did one or more disqualified persons (as defined on line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
c Did a disqualified person (as defined on line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer line 10b below.</i>		
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

**NORTHWEST FLORIDA STATE COLLEGE
FOUNDATION, INC.**

Schedule A (Form 990) 2022

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Part IV Supporting Organizations (continued)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described on lines 11b and 11c below, the governing body of a supported organization?	11a	
b A family member of a person described on line 11a above?	11b	
c A 35% controlled entity of a person described on line 11a or 11b above? <i>If "Yes" to line 11a, 11b, or 11c, provide detail in Part VI.</i>	11c	

Section B. Type I Supporting Organizations

	Yes	No
1 Did the governing body, members of the governing body, officers acting in their official capacity, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's officers, directors, or trustees at all times during the tax year? <i>If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove officers, directors, or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i>	1	
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <i>If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.</i>	2	

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <i>If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i>	1	

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?	1	
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>	2	
3 By reason of the relationship described on line 2, above, did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>	3	

Section E. Type III Functionally Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a governmental entity (see instructions).		
2 Activities Test. Answer lines 2a and 2b below.		
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i>	2a	
b Did the activities described on line 2a, above, constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i>	2b	
3 Parent of Supported Organizations. Answer lines 3a and 3b below.		
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>If "Yes" or "No" provide details in Part VI.</i>	3a	
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>	3b	

**NORTHWEST FLORIDA STATE COLLEGE
FOUNDATION, INC.**

Schedule A (Form 990) 2022

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Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

- 1 ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (*explain in Part VI*). **See instructions.**
All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3.	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6, and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (<i>explain in detail in Part VI</i>):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d.	3	
4	Cash deemed held for exempt use. Enter 0.015 of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by 0.035.	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C - Distributable Amount		Current Year
1	Adjusted net income for prior year (from Section A, line 8, column A)	1
2	Enter 0.85 of line 1.	2
3	Minimum asset amount for prior year (from Section B, line 8, column A)	3
4	Enter greater of line 2 or line 3.	4
5	Income tax imposed in prior year	5
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).	

Schedule A (Form 990) 2022

**NORTHWEST FLORIDA STATE COLLEGE
FOUNDATION, INC.**

Schedule A (Form 990) 2022

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Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions		Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	1	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	2	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	3	
4 Amounts paid to acquire exempt-use assets	4	
5 Qualified set-aside amounts (prior IRS approval required - <i>provide details in Part VI</i>)	5	
6 Other distributions (<i>describe in Part VI</i>). See instructions.	6	
7 Total annual distributions. Add lines 1 through 6.	7	
8 Distributions to attentive supported organizations to which the organization is responsive (<i>provide details in Part VI</i>). See instructions.	8	
9 Distributable amount for 2022 from Section C, line 6	9	
10 Line 8 amount divided by line 9 amount	10	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2022	(iii) Distributable Amount for 2022
1 Distributable amount for 2022 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2022 (reasonable cause required - <i>explain in Part VI</i>). See instructions.			
3 Excess distributions carryover, if any, to 2022			
a From 2017			
b From 2018			
c From 2019			
d From 2020			
e From 2021			
f Total of lines 3a through 3e			
g Applied to underdistributions of prior years			
h Applied to 2022 distributable amount			
i Carryover from 2017 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from line 3f.			
4 Distributions for 2022 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2022 distributable amount			
c Remainder. Subtract lines 4a and 4b from line 4.			
5 Remaining underdistributions for years prior to 2022, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, <i>explain in Part VI</i> . See instructions.			
6 Remaining underdistributions for 2022. Subtract lines 3h and 4b from line 1. For result greater than zero, <i>explain in Part VI</i> . See instructions.			
7 Excess distributions carryover to 2023. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2018			
b Excess from 2019			
c Excess from 2020			
d Excess from 2021			
e Excess from 2022			

Schedule A (Form 990) 2022

NORTHWEST FLORIDA STATE COLLEGE
FOUNDATION, INC.

Schedule A (Form 990) 2022

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Part VI

Supplemental Information. Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information.
(See instructions.)

DRAFT

Schedule B
(Form 990)Department of the Treasury
Internal Revenue Service**Schedule of Contributors**Attach to Form 990 or Form 990-PF.
Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2022

Name of the organization

NORTHWEST FLORIDA STATE COLLEGE
FOUNDATION, INC.

Employer identification number

59-2865698

Organization type (check one):

Filers of:**Section:**

Form 990 or 990-EZ

☒ 501(c)(3) (enter number) organization☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation☐ 501(c)(3) taxable private foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**.**Note:** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.**General Rule**

- ☐ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

- ☒ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of **(1)** \$5,000; or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I (entering "N/A" in column (b) instead of the contributor name and address), II, and III.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year \$

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990).

Name of organization

NORTHWEST FLORIDA STATE COLLEGE
FOUNDATION, INC.

Employer identification number

59-2865698

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	DUGAS FAMILY FOUNDATION 138 SECOND AVENUE NORTH NASHVILLE, TN 37201	\$ 100,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	FLORIDA COLLEGE SYSTEM FOUNDATION P O BOX 10503 TALLAHASSEE, FL 32302	\$ 27,862.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3	NWF ASSOCIATION OF FLORIDA COLLEGES CHAPTER 100 COLLEGE BLVD E NICEVILLE, FL 32578	\$ 80,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4	CARL A. NYQUIST 270 ECHO CIRCLE FORT WALTON BEACH, FL 32548	\$ 34,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
5	JESSE W. COUCH CHARITABLE FOUNDATION 501 SILVERSIDE ROAD SUITE 123 WILMINGTON, DE 19809	\$ 176,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
6	JANICE C. EICHORST 2036 KILDARE CIR NICEVILLE, FL 32578	\$ 86,257.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization NORTHWEST FLORIDA STATE COLLEGE FOUNDATION, INC.	Employer identification number 59-2865698
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7	OKALOOSA ISLAND FIRE DISTRICT 104 SANTA ROSA BLVD FORT WALTON BEACH, FL 32548-6158	\$ 80,050.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
8	NEXTERA ENERGY FOUNDATION, INC. 700 UNIVERSE BLVD JUNO BEACH, FL 33408-2657	\$ 30,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
9	HCA FLORIDA FORT WALTON-DESTIN HOSTPITAL 1000 MAR WALT DR FORT WALTON BEACH, FL 32547-6708	\$ 65,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
10	JOSEPH FRANZALIA LODGE 2422 SONS AND DAUGHTERS OF ITALY PO BOX 160 FORT WALTON BEACH, FL 32549-0160	\$ 50,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Employer identification number

59-2865698

Part II

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
 	 	\$ 	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
 	 	\$ 	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
 	 	\$ 	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
 	 	\$ 	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
 	 	\$ 	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
 	 	\$ 	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
 	 	\$ 	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
 	 	\$ 	

Name of organization

NORTHWEST FLORIDA STATE COLLEGE
FOUNDATION, INC.

Employer identification number

59-2865698

Part III

Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this info. once.) \$ _____

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

Complete if the organization answered "Yes" on Form 990,
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2022

Open to Public
Inspection

Name of the organization **NORTHWEST FLORIDA STATE COLLEGE
FOUNDATION, INC.**

Employer identification number
59-2865698

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/> Preservation of land for public use (for example, recreation or education)	<input type="checkbox"/> Preservation of a historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after July 25, 2006, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year

4 Number of states where property subject to conservation easement is located

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under FASB ASC 958, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide in Part XIII the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under FASB ASC 958, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1

(ii) Assets included in Form 990, Part X

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under FASB ASC 958 relating to these items:

a Revenue included on Form 990, Part VIII, line 1

b Assets included in Form 990, Part X

Part III	Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets <i>(continued)</i>
-----------------	---

- 3** Using the organization's acquisition, accession, and other records, check any of the following that make significant use of its collection items (check all that apply):
- a** ☐ Public exhibition
- b** ☐ Scholarly research
- c** ☐ Preservation for future generations
- d** ☐ Loan or exchange program
- e** ☐ Other _____
- 4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5** During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☒ No
- b** If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

- 2a** Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ **Yes** ☐ **No**
- b** If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII ☐

Part V	Endowment Funds. Complete if the organization answered "Yes" on Form 990, Part IV, line 10.
---------------	--

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	54,589,676.	61,715,343.	49,435,806.	50,418,839.	48,646,967.
b Contributions	196,037.	607,287.	553,074.	253,975.	1,238,409.
c Net investment earnings, gains, and losses	6,123,476.	-5,367,627.	13,832,086.	1,087,452.	2,437,862.
d Grants or scholarships	2,040,576.	1,928,853.	1,526,629.	1,831,625.	1,420,694.
e Other expenditures for facilities and programs	473,120.	436,474.	578,994.	492,835.	483,705.
f Administrative expenses					
g End of year balance	58,395,493.	54,589,676.	61,715,343.	49,435,806.	50,418,839.

- 2** Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment _____
- b Permanent endowment 65.9700 %
- c Term endowment 34.0300 %
- The percentages on lines 2a, 2b, and 2c should equal 100%.

- 3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
3a(i)	X	
3a(ii)		X
3b		

- (i) Unrelated organizations
- (ii) Related organizations
- b** If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?

- 4** Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI	Land, Buildings, and Equipment.
----------------	--

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		12,830.		12,830.
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				12,830.

Schedule D (Form 990) 2022

**NORTHWEST FLORIDA STATE COLLEGE
FOUNDATION, INC.**

Schedule D (Form 990) 2022

59-2865698 Page **3**

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.)		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.)		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.)	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) DUE TO COLLEGE	43,849.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.)	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII ☐

Schedule D (Form 990) 2022

**NORTHWEST FLORIDA STATE COLLEGE
FOUNDATION, INC.**

Schedule D (Form 990) 2022

59-2865698 Page **4**

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1 Total revenue, gains, and other support per audited financial statements	1	7,518,376.
2 Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a Net unrealized gains (losses) on investments	2a	3,141,246.
b Donated services and use of facilities	2b	
c Recoveries of prior year grants	2c	
d Other (Describe in Part XIII.)	2d	
e Add lines 2a through 2d	2e	3,141,246.
3 Subtract line 2e from line 1	3	4,377,130.
4 Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b Other (Describe in Part XIII.)	4b	
c Add lines 4a and 4b	4c	0.
5 Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)	5	4,377,130.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1 Total expenses and losses per audited financial statements	1	3,560,797.
2 Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a Donated services and use of facilities	2a	
b Prior year adjustments	2b	
c Other losses	2c	
d Other (Describe in Part XIII.)	2d	
e Add lines 2a through 2d	2e	0.
3 Subtract line 2e from line 1	3	3,560,797.
4 Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b Other (Describe in Part XIII.)	4b	
c Add lines 4a and 4b	4c	0.
5 Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)	5	3,560,797.

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART V, LINE 4:

THE FOUNDATION'S ENDOWMENT FUNDS ARE FOR SCHOLARSHIPS, PROGRAM
INSTRUCTION, THE ARTS CENTER AND OTHER SIMILAR PURPOSES.

Department of the Treasury
Internal Revenue Service

Complete if the organization answered "Yes" on Form 990, Part IV, line 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.

Go to www.irs.gov/Form990 for instructions and the latest information.

2022

Open to Public Inspection

Employer identification number
59-2865698

Fundraising Activities. Complete if the organization answered "Yes" on Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

**NORTHWEST FLORIDA STATE COLLEGE
FOUNDATION, INC.**

Schedule G (Form 990) 2022

59-2865698 Page 2

Part II Fundraising Events. Complete if the organization answered "Yes" on Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1 GOLF TOURNAMENT (event type)	(b) Event #2 (event type)	(c) Other events NONE (total number)	(d) Total events (add col. (a) through col. (c))
Revenue	1 Gross receipts	23,648.			23,648.
	2 Less: Contributions				
	3 Gross income (line 1 minus line 2)	23,648.			23,648.
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs				
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses				
	10 Direct expense summary. Add lines 4 through 9 in column (d)				
11 Net income summary. Subtract line 10 from line 3, column (d)				23,648.	

Part III Gaming. Complete if the organization answered "Yes" on Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
	7 Direct expense summary. Add lines 2 through 5 in column (d)				
	8 Net gaming income summary. Subtract line 7 from line 1, column (d)				

9 Enter the state(s) in which the organization conducts gaming activities: _____

a Is the organization licensed to conduct gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain: _____

10a Were any of the organization's gaming licenses revoked, suspended, or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain: _____

**NORTHWEST FLORIDA STATE COLLEGE
FOUNDATION, INC.**

Schedule G (Form 990) 2022

59-2865698 Page 3

- 11** Does the organization conduct gaming activities with nonmembers? ☐ Yes ☐ No
- 12** Is the organization a grantor, beneficiary or trustee of a trust, or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No
- 13** Indicate the percentage of gaming activity conducted in:
- | | | |
|--------------------------------------|------------|---|
| a The organization's facility | 13a | % |
| b An outside facility | 13b | % |
- 14** Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name

Address

- 15a** Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No

b If "Yes," enter the amount of gaming revenue received by the organization \$ and the amount of gaming revenue retained by the third party \$

c If "Yes," enter name and address of the third party:

Name

Address

- 16** Gaming manager information:

Name

Gaming manager compensation \$

Description of services provided

☐ Director/officer ☐ Employee ☐ Independent contractor

- 17** Mandatory distributions:

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year \$

Part IV Supplemental Information. Provide the explanations required by Part I, line 2b, columns (iii) and (v); and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also provide any additional information. See instructions.

NORTHWEST FLORIDA STATE COLLEGE
FOUNDATION, INC.

Schedule G (Form 990)

59-2865698 Page 4

Part IV Supplemental Information *(continued)*

DRAFT

SCHEDULE I
(Form 990)

Department of the Treasury
Internal Revenue Service

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States**

Complete if the organization answered "Yes" on Form 990, Part IV, line 21 or 22.

Attach to Form 990.

Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2022

**Open to Public
Inspection**

Name of the organization **NORTHWEST FLORIDA STATE COLLEGE
FOUNDATION, INC.**

Employer identification number
59-2865698

Part I **General Information on Grants and Assistance**

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

☒ **Yes** ☐ **No**

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II **Grants and Other Assistance to Domestic Organizations and Domestic Governments.** Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of noncash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
NORTHWEST FLORIDA STATE COLLEGE 100 COLLEGE BLVD NICEVILLE, FL 32578	59-1214054	GOV	2,159,333.	0.			EDUCATIONAL SUPPORT

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table

3 Enter total number of other organizations listed in the line 1 table

LHA **For Paperwork Reduction Act Notice, see the Instructions for Form 990.**

Schedule I (Form 990) 2022

Schedule I (Form 990) 2022

Page 2

Grants and Other Assistance to Domestic Individuals. Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of noncash assistance
SCHOLARSHIPS	518	724,621.	0.		SCHOLARSHIPS FOR STUDENTS

Supplemental Information. Provide the information required in Part I, line 2; Part III, column (b); and any other additional information.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest
Compensated Employees
Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
Attach to Form 990.
Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2022

Open to Public
Inspection

Name of the organization **NORTHWEST FLORIDA STATE COLLEGE
FOUNDATION, INC.** Employer identification number **59-2865698**

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (such as maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

3 Indicate which, if any, of the following the organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- | | |
|--|---|
| <input type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

a Receive a severance payment or change-of-control payment?

b Participate in or receive payment from a supplemental nonqualified retirement plan?

c Participate in or receive payment from an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

a The organization?

b Any related organization?

If "Yes" on line 5a or 5b, describe in Part III.

6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

a The organization?

b Any related organization?

If "Yes" on line 6a or 6b, describe in Part III.

7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

Yes No

1b		
2		
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2022

Schedule J (Form 990) 2022

Page 2

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

[illegible]

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

DRAFT

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

Attach to Form 990 or Form 990-EZ.

Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2022

Open to Public
Inspection

Name of the organization

NORTHWEST FLORIDA STATE COLLEGE
FOUNDATION, INC.

Employer identification number
59-2865698

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

PROVIDES FUNDING AND SERVICES TO SUPPORT AND FOSTER THE PURSUIT OF
HIGHER EDUCATION AT NORTHWEST FLORIDA STATE COLLEGE

FORM 990, PART VI, SECTION A, LINE 2:

AS PRESIDENT OF NWFSC DEVIN STEPHENSON HAS A BUSINESS RELATIONSHIP WITH
EACH MEMBER OF THE BOARD OF DIRECTORS; HE SERVES AS EX-OFFICIO FOR THIS
REASON.

FORM 990, PART VI, SECTION B, LINE 11B:

THE FORM IS PRESENTED TO THE BOARD PRIOR TO THE EARLIEST POSSIBLE BOARD
MEETING FOR REVIEW AND APPROVAL AT THE REGULARLY SCHEDULED MEETING

FORM 990, PART VI, SECTION B, LINE 12C:

THE NWFSC FOUNDATION PROVIDES A MANDATORY QUESTIONNAIRE ANNUALLY TO ALL
BOARD MEMBERS REQUIRING THEY DISCLOSE ANY CONFLICTS OF INTEREST OR
POTENTIAL CONFLICTS OF INTEREST.

FORM 990, PART VI, SECTION C, LINE 19:

DOCUMENTS ARE MAINTAINED IN THE FOUNDATION OFFICE AND AVAILABLE UPON
REQUEST. SOME DOCUMENTS ARE ON THE FOUNDATION WEBSITE.
WWW.NWFSCFOUNDATION.ORG.

FORM 990, PART XII, LINE 2C

THE FINANCE COMMITTEE REVIEWS AND APPROVES THE DRAFT FINANCIAL

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990) 2022

Name of the organization **NORTHWEST FLORIDA STATE COLLEGE
FOUNDATION, INC.**

Employer identification number
59-2865698

STATEMENTS PRIOR TO THEIR ISSUANCE. THIS PROCESS IS UNCHANGED FROM THE
PRIOR YEAR.

DRAFT

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships
Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2022

**Open to Public
Inspection**

Name of the organization **NORTHWEST FLORIDA STATE COLLEGE
FOUNDATION, INC.** Employer identification number
59-2865698

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
NORTHWEST FLORIDA STATE COLLEGE 100 COLLEGE BLVD EAST NICEVILLE, FL 34205-7440	PROVIDE EDUCATION	FLORIDA					X

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2022

FOUNDATION, INC.

59-2865698 Page 2

Part III

[illegible]

Part IV

Trust. Complete if the organization answered "Yes"									
	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp or trust)						

**NORTHWEST FLORIDA STATE COLLEGE
FOUNDATION, INC.**

Schedule R (Form 990) 2022

59-2865698 Page 3

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note: Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

	Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity	1a	X
b Gift, grant, or capital contribution to related organization(s)	1b	X
c Gift, grant, or capital contribution from related organization(s)	1c	X
d Loans or loan guarantees to or for related organization(s)	1d	X
e Loans or loan guarantees by related organization(s)	1e	X
f Dividends from related organization(s)	1f	X
g Sale of assets to related organization(s)	1g	X
h Purchase of assets from related organization(s)	1h	X
i Exchange of assets with related organization(s)	1i	X
j Lease of facilities, equipment, or other assets to related organization(s)	1j	X
k Lease of facilities, equipment, or other assets from related organization(s)	1k	X
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	X
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	X
o Sharing of paid employees with related organization(s)	1o	X
p Reimbursement paid to related organization(s) for expenses	1p	X
q Reimbursement paid by related organization(s) for expenses	1q	X
r Other transfer of cash or property to related organization(s)	1r	X
s Other transfer of cash or property from related organization(s)	1s	X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) NORTHWEST FLORIDA STATE COLLEGE	B	2,159,333.	
(2)			
(3)			
(4)			
(5)			
(6)			

Schedule R (Form 990) 2022

Page 4

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

[illegible]

Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R. See instructions.

DRAFT

MEMORANDUM

TO: NWFSC Foundation Board of Directors

FROM: Ms. Cindy Frakes

DATE: November 7, 2023

SUBJECT: EBS Licenses

Ahead of the Board of Directors' regularly scheduled meeting on November 7, 2023, T-Mobile submitted an offer to purchase the College's and the Foundation's Education Broadband Service (EBS) licenses for \$1,750,000. To ensure that Finance committee members had an opportunity to discuss before their October 31 meeting, the Finance Committee held a special informational meeting on September 27, 2023, to present and discuss the offer. The College's Board of Trustees first discussed this offer at their September meeting, and, at their October 17 meeting, the Board of Trustees approved the sale of the College's license as described in this memo.

The offer materials are presented for action by the Foundation Board of Directors. As you consider these materials, please bear in mind that T-Mobile treats the amount of the offer as proprietary, confidential information and therefore it should not be discussed outside of meetings of the Board.

I. Background on EBS Licenses

The College and the Foundation each came to own one EBS license through the distribution of spectrum bands several decades ago. The Federal Communications Commission (FCC) is responsible for distributing spectrum bands (also referred to as radio frequencies or airwaves), which allow transmission of information through radio waves. The FCC set aside EBS as a spectrum band dedicated to public use for educational purposes, with public organizations (such as colleges, universities, school districts, and local governments) across the United States holding licenses. Generally, public organizations used this spectrum band to create a public radio station. Neither the College nor the Foundation used their EBS licenses in this way nor did they have another way to use the licenses.

Due to limited public use of the spectrum band, in the mid-2000s, the FCC expanded the allowable use for EBS licenses to broadband services. This expansion allowed two ways for license holders to take advantage of the spectrum: use it themselves or lease it. In 2006, like most public organizations nationwide, the College and the Foundation entered long-term leases with a telecom company, Sprint (now T-Mobile), to create a revenue stream from an asset that was otherwise unused. The 30-year lease, which is enclosed in your materials, offered the College and the Foundation an upfront payment (\$125,000 each) and then annual lease payments to each organization beginning at \$24,000 annually per license and escalating to \$54,000 annually in Year 30. T-Mobile has the right to automatically renew the lease every five years. Currently, the leases are in Year 17 with thirteen years remaining.

Each organization has received \$659,000 to date. The Foundation has invested its lease revenue in the Innovation Fund. In 2022, the Foundation directed \$500,000 of that revenue to the Raider Champion fund, leaving approximately \$200,000 in the Innovation Fund. The College receives the lease revenue into a Fund 3 account, which is spent annually on College operations. If the Foundation and College continue under the existing lease model, the combined total of lease revenue remaining for Years 18 – 30 is \$1,272,000.

II. Offer

In 2020, the FCC implemented a rule permitting EBS license owners to sell their licenses, opening a third path to exploit the EBS licenses. Despite the FCC offering a new way to create value from the EBS licenses, the College and the Foundation

have limited options for sale under the existing leases. The leases prohibit soliciting an offer for the licenses and require disclosure of any unsolicited offer submitted to T-Mobile. T-Mobile has the right to challenge whether an offer from a competitor is bona fide as well as the first right to purchase.

The value of the EBS licenses is projected to increase for the next several years; provided, however, the value is dependent on population growth, a continued limited market for these licenses, and the pace of technological innovation. The major telecom companies, including T-Mobile, are using this spectrum band to build out their 5G networks. Outside of the major telecom companies, few investment companies currently exist that are interested in submitting offers to purchase the licenses. Last year, the College received a public records request from one such investment company. After responding to that request and to date, the College has not received an unsolicited offer from that firm. Because the College and the Foundation have received limited value from the licenses and have no options for a competitive sale, we requested that T-Mobile present an offer to purchase.

Through discussions, T-Mobile has offered \$1,750,000 for the two licenses. Generally, the licenses are valued based off the spectrum available under the licenses and the population of the license area; the College is in a relatively small license area as compared to metropolitan areas in Florida and throughout the Southeast. The population maps are based on census data. Those maps show approximately 300,000 residents in each license area, which covers Okaloosa, Walton, and a part of Santa Rosa counties. Through negotiation, the College submitted data showing the growth of the counties in question and the millions of seasonal residents not accounted for by the census. Additionally, the College explained the public purpose motivating a sale: endowing the funds to support the College's students and programs. These factors increased the offer submitted from less than the remaining face value of the leases to \$478,000 more than the current remaining value of the leases.

III. Proposed Use of the Funds

If both the Foundation Board of Directors and the College Board of Trustees choose to sell the licenses, the College proposes 100% of the sale proceeds being directed to the Foundation for investment in the Raider Legacy Fund as part of the Sound the Siren campaign for the Athletic Department. Upon approval by the Foundation Board, The College also proposes including with the \$1.75 million purchase price, the \$500,000 placed in the Raider Champions Scholarship Endowment last year and the \$200,000 remaining in the Innovation Fund for a beginning investment in the Raider Legacy Fund of approximately \$2.45 million. The approval for the use of the funds will be determined at a later meeting. Enclosed with your materials are spreadsheets showing a comparison of return on investment between continuing to lease and selling the licenses.

The offer presented today is higher than the remaining face value of the leases; higher than the net present value of the leases; and will support a stronger return on investment than only investing the lease payments received by the Foundation. This investment would also be a significant investment in the Sound the Siren campaign.

For your discussion, the offer and proposed asset purchase agreement are enclosed along with this memo, along with the non-disclosure agreement guiding release of materials related to the offer, the Foundation's lease with T-Mobile (which matches the College's lease), the license maps, and valuation information.

RECOMMENDATION:

The Board of Directors: (1) approve the sale of the Foundation's EBS license to T-Mobile for the purchase price reflected in the asset purchase agreement; (2) approve the proceeds of the sale of both the College's and Foundation's licenses being directed to the Northwest Florida State College Foundation; and (3) authorize and direct the Board of Directors Chair and Foundation Executive Director to take all required action and sign documents necessary to close the sale.

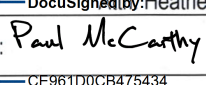
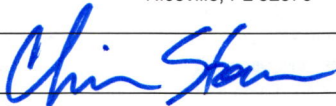
NON-DISCLOSURE AGREEMENT

This Non-Disclosure Agreement (the "**Agreement**") is by and between T-Mobile USA, Inc. ("**T-Mobile**") and Northwest Florida State Foundation, Inc. (the "**Foundation**").

1. **Purpose.** The parties desire to exchange information on a confidential basis related to an actual or potential business transaction concerning 2.5 GHz License(s)(the "**Purpose**"). "Confidential Information" means all non-public information or materials that are marked as confidential upon delivery and are confidential and exempt from disclosure under applicable public records law. However, Confidential Information does not include anything that (i) was previously known to the receiving party without any confidentiality obligation, (ii) is or becomes publicly known through no wrongful act of the receiving party, (iii) was rightfully received from a third party without any confidentiality obligation to that third party, or (iv) was independently developed by the receiving party without using any Confidential Information; or (v) is disclosed in compliance with applicable federal or state public records or open meetings law or other governmental or court order. This Agreement (two pages) is not confidential.
2. **Nondisclosure and Limited Use Obligations.** Each party will protect Confidential Information disclosed by the other party by (i) not disclosing it to third parties, except in compliance with applicable federal or state public records or open meetings law, (ii) preserving its confidentiality with the same level of care it applies to its own similar types of Confidential Information by taking reasonable steps to preserve confidentiality, and (iii) using it only for the Purpose. A party will disclose the other party's Confidential Information only to its employees, affiliates and consultants who need to know such information and in compliance with applicable federal or state public records law or other governmental or court order. A party is responsible for any disclosure or misuse of Confidential Information by its employees, affiliates or consultants.
3. **Legally-Required Disclosures.** A receiving party may, without breaching this Agreement, disclose Confidential Information disclosed by the other party to the extent required to comply with a court order or applicable law or regulation, which includes applicable federal or state public records law. If a receiving party is subject to such a requirement, such as the ongoing requirement under Florida public records law to disclose public records upon request, it will notify the disclosing party as soon as possible and it will cooperate with the non-disclosing party (if requested, and at the non-disclosing party's expense) to seek a protective order or similar protection for the information that the non-disclosing party argues is confidential and exempt from disclosure under public records law. The receiving party will disclose only such information as is legally required and will use commercially reasonable efforts to obtain confidential treatment for any Confidential Information that is so disclosed.
4. **Public Records.** The Foundation is subject to Florida Public Records law, which includes but is not limited to Florida Statutes Chapter 119, and Florida Open Meetings law, which includes but is not limited to Florida Statutes Chapter 286. This Agreement is subject to such law. The terms of this Agreement are subject to Florida Public Records law as are any discussions during a public meeting regarding its terms.
5. **Injunctive Relief.** Each party acknowledges that money damages may not adequately protect the disclosing party against actual or threatened breach of this Agreement and that such breach would result in irreparable harm to the disclosing party. Because of this, a disclosing party may pursue injunctive relief to protect information that it argues is confidential and exempt from disclosure in any court of competent jurisdiction, without having to post bond or guarantee. The party who has breached or threatened to breach this Agreement (and such breach or threatened breach does not include a party complying with applicable public records law) will not raise the defense of an adequate remedy at law. This provision does not alter any other remedies available to either party.
6. **Length of Obligations.** This Agreement takes effect when both T-Mobile and the Foundation have signed and will continue until either party elects to terminate with thirty (30) days prior written notice to the other party. In the event that a definitive agreement is entered into by the parties, and such definitive agreement includes provisions that conflict with provisions contained herein, then the provisions of the definitive agreement control with regard to the subject matter contained therein. This Agreement applies to any Confidential Information disclosed while it is in effect and it will apply to all such Confidential Information for a period of five (5) years from its disclosure, regardless of any termination of this Agreement, except this Agreement will apply indefinitely to trade secret information and personal or customer information.
7. **Other Terms.** Each party will comply with all applicable laws and regulations, including but not limited to, public records, data privacy, sanctioned persons and export, in the disclosure and use of Confidential Information. The disclosing party does not grant, under this Agreement, any rights under its patents, copyrights, trademarks or other proprietary rights. The disclosing party does not make any representation or warranty (whether express, implied or statutory) under this Agreement regarding any Confidential Information it discloses. This Agreement does not create any formal business association between the parties, nor any obligation to buy, sell or otherwise transact in any products or services. If a party transfers this Agreement, including as part of a change of control, it will not disclose Confidential Information disclosed by the other party to its transferee unless it has received the disclosing party's express written approval. This Agreement may be changed only in a writing signed by both parties. The laws of the State of Florida, without reference to conflicts of law principles, and the rules and regulations of the Florida Department of Education govern this Agreement, and any provisions in this Agreement in conflict with the foregoing shall be void and of no effect. If any term of this Agreement is deemed illegal or otherwise unenforceable, that term will be severed and the rest of this Agreement will remain in full force and effect. If any legal proceedings are commenced with respect to any matter arising under or related to this Agreement, the parties agree that the courts of the State of Florida or federal courts located in the State of Florida will have exclusive jurisdiction over each of the parties and over the subject matter of any such proceedings and that the venue of any such action will be in Okaloosa County, Florida, or the United States District Court for the Northern District of Florida. With the exception of any separate agreement that references this Agreement, this Agreement is the entire agreement between the parties on disclosure and use of Confidential Information, and it supersedes any other negotiations, communications or agreements on those topics. Nothing in this Agreement shall be construed or interpreted to be a waiver of the Foundation's sovereign immunity or of the application of § 768.28, Florida Statutes, as amended, or of any other constitutional, statutory, or other protections afforded to the Foundation. Nothing in this Agreement shall be construed as consent by the Foundation to be sued by third parties in any matter arising out of or related to this or any other agreement.

IN WITNESS HEREOF, the Parties have entered into this Agreement as of the date of the second signature below.

T-Mobile USA, Inc.

T-Mobile USA, Inc. Address for notices: 12502 Sunrise Valley Drive Mailstop: VARESA0209-2D187 Reston, VA 20196 <small>DocuSigned by: Heather Brown, Director Legal Affairs</small>	Northwest Florida State Foundation Address for notices: General Counsel 100 College Blvd, East Niceville, FL 32578
Signature: 	Signature: 
Name: Paul McCarthy <small>CE961D0CB475434...</small>	Name: Christopher Stowers
Title: Senior Director	Title: Executive Director
Date: 7/20/2023 8:27 AM PDT	Date: July 13, 2023

Reviewed by T-Mobile Legal:

DocuSigned by:



Name: Toni Haddix
3845155C412D494...
Title: Principal Corp. Counsel



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September 5, 2023

Via Email

Dr. Devin Stephenson
President
Northwest Florida State College

Mr. Christopher Stowers
Executive Director
Northwest Florida State College Foundation, Inc.

Mr. Tanner McKnight
CFO and VP for Business and Operations
Northwest Florida State College

Re: Offer to Purchase 2.5 GHz Licenses WNC885 and WLX931

Dear Sirs,

NSAC, LLC, a subsidiary of T-Mobile US, Inc. ("T-Mobile") and Northwest Florida State College Foundation, Inc. are parties to that certain Educational Broadband Service Long-Term De facto Transfer Lease Agreement dated October 2, 2006; and NSAC, LLC, a subsidiary of T-Mobile, and Northwest Florida State College are parties to that certain Educational Broadband Service Long-Term De facto Transfer Lease Agreement dated October 2, 2006 (Each lease is a "Lease Agreement" and together are the "Lease Agreements". Northwest Florida State College Foundation, Inc. and Northwest Florida State College are each a "Licensee" and together the "Licensees") that has mutually benefited both T-Mobile and the Licensees.

On behalf of T-Mobile, following our negotiations and acknowledging your counter offer, I am prepared to make the following confidential non-binding offer ("Offer") to Licensees regarding your 2.5 GHz Federal Communications Commission ("FCC") licenses under call signs WNC885 and WLX931 (each a "License" and together the "Licenses"). According to the terms and conditions below, and subject to necessary FCC approvals and T-Mobile fiscal approval, a wholly owned subsidiary of T-Mobile is willing to purchase the Licenses from Licensees for One Million, Seven Hundred and Fifty Thousand Dollars (\$1,750,000.00) (the "Purchase Price").

The transaction will be structured as an asset purchase agreement ("APA") where T-Mobile and Licensees agree to complete the necessary FCC assignment applications to transfer the Licenses to T-Mobile, and in return, T-Mobile will pay the Purchase Price to Licensees at closing. The closing will occur after the FCC consent to the assignment of the Licenses reaches Final Order (as that term is defined by the FCC), and other standard conditions.

This Offer to complete a transaction upon these general terms (subject to the negotiation, documentation, and execution of a definitive agreement), will remain open for a period of ninety (**90**) days from the date of



12920 SE 38th Street, Bellevue, WA 98006
www.t-mobile.com



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this letter. This Offer, and the financial information within, are provided to Licensees for the exclusive negotiation of a sale with T-Mobile pursuant to the exclusivity provision in the Lease Agreements and shall be kept confidential pursuant to that certain Non-Disclosure Agreement dated July 20, 2023, between T-Mobile and Northwest Florida State College, and that certain Non-Disclosure Agreement dated July 20, 2023, between T-Mobile and Northwest Florida State College Foundation, Inc. To move forward immediately, please complete the attached Notice of Intent and return by email to me at john.wilson1@t-mobile.com. I am also available at 954-275-1460 to discuss any questions or concerns.

Thank you for your consideration and we look forward to working with you.

Sincerely,

DocuSigned by:


3B8578A0DE8B4E2...
John Wilson

Group Project Manager, Technical

cc: Whitney Rutherford
General Counsel
Northwest Florida State College
wrutherford@nwfsc.edu

Todd Gray, Esq.
tgray@graymillerpersh.com



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Notice of Intent

Licenses: WNC885 and WLX931

Licensees: Northwest Florida State College and Northwest Florida State College Foundation, Inc.

Purchase Price: \$1,750,000.00

The undersigned accepts T-Mobile's Offer to purchase the Licenses pursuant to the letter dated September 5, 2023, and agrees to enter into an Asset Purchase Agreement for such Licenses within thirty (30) days of the date of Licensee signature on this Notice of Intent.

By: _____

Name:

Title:

Date:



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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “**Agreement**”) is made as of _____, (“**Effective Date**”) by and between NSAC, LLC, a Delaware limited liability company (the “**Buyer**”), and The District Board of Trustees of Northwest Florida State College and Northwest Florida State College Foundation, Inc. (individually each a “**Seller**” and collectively the “**Sellers**”). Buyer and Seller(s) may be referred to herein collectively as the “**Parties**” and individually, as a “**Party**”.

RECITALS

A. Sellers are the licensees of certain Educational Broadband Service (“**EBS**”) licenses as listed on Schedule 1 (each a “**License**” and together the “**Licenses**”) issued by the Federal Communications Commission (the “**FCC**”).

B. The District Board of Trustees of Northwest Florida State College and NSAC, LLC are parties to that certain EBS Long Term de facto Transfer Lease Agreement dated October 2, 2006, for WLX931; and Northwest Florida State College Foundation, Inc, and NSAC, LLC are parties to that certain EBS Long Term de facto Transfer Lease Agreement dated October 2, 2006, for WNC885 (each a “**Lease**” and together the “**Leases**”).

C. On July 10, 2019 the FCC adopted a *Report and Order* in its WT Docket No. 18-120 (“**July 2019 R&O**”) which made material changes to the FCC’s rules, regulations and policies governing EBS (such rules, regulations, and policies, along with all other statutes, rules, regulations and policies applicable to the Channels, the License or this Agreement, (the “**FCC Rules**”), expanding the entities eligible to hold EBS licenses to include Buyer.

D. The changes to the FCC Rules adopted by the July 2019 R&O applicable to the transaction contemplated by this Agreement became effective on April 27, 2020;

E. Pursuant to the terms of this Agreement, Sellers desire to assign and transfer the Licenses to Buyer and Buyer desires to take assignment and transfer of the Licenses from Sellers. All other assets of Sellers will be excluded for purposes of this Agreement.

F. Buyer and Sellers desire to enter into this Agreement to cause the assignment and transfer of the Licenses to Buyer free and clear of all liens, claims, mortgages, pledges, security interests, encumbrances, adverse claims or restrictions whatsoever (collectively, “**Liens**”).

AGREEMENTS

1. **Assignment and Transfer of License:** Upon the terms and subject to the conditions outlined in this Agreement, on the Closing Date (as defined below), Sellers will assign, and transfer to Buyer, and Buyer will take assignment and transfer from Sellers, of all of Sellers’ rights and interests in and to the Licenses, free and clear of all Liens, in consideration of the payment by Buyer to Northwest Florida State College Foundation, Inc. of the Consideration (as defined

below). The Parties agree to cooperate in good faith to prepare and file the FCC assignment applications for the Licenses (the “**Assignment Applications**”) within fifteen (15) business days from the Effective Date and receipt of Attachments A-C completed by Sellers; provided, however, that the failure to submit the Assignment Applications within this timeframe shall not be deemed a breach of this Agreement.

2. **Payment of Consideration**: The consideration paid for the Licenses will be One Million and Seven Hundred and Fifty Thousand Dollars (**\$1,750,000.00**) (the “**Consideration**”), paid to Northwest Florida State College Foundation, Inc. The Consideration shall be payable by Buyer to Northwest Florida State College Foundation, Inc. on the Closing Date (as defined below) by wire transfer of immediately available funds to the account designated in Attachment B.

3. **Assumption of Liabilities**: Buyer is not assuming and will not be responsible for any liabilities or obligations of Sellers whether arising out of or in connection with the Licenses, or otherwise.

4. **Payment of Expenses**: Buyer and Sellers will each bear their own legal, accounting and brokerage expenses in connection with this Agreement. Sellers will pay all applicable sales and transfer taxes customarily paid by a Seller, if any, and Buyer will pay all applicable sales and transfer taxes customarily paid by a Buyer, if any. Buyer will pay all FCC fees in connection with the Assignment Applications.

5. **Lease Agreement**. Each Lease will remain active, in full force and effect until the Closing Date. Buyer will remain obligated to make all payments through the Closing Date and continue to provide service credits/devices, if any, as required by a Lease. Buyer and Sellers agree to coordinate, complete and file any necessary FCC applications in order to maintain the Leases until the Closing Date including but not limited to extensions of the existing leasing authorizations, License renewals and ownership reports.

6. **Closing**:

(a) **Closing Date**: The closing (“**Closing**”) for the assignment and transfer of the Licenses will occur five (5) business days after the Final Order (as defined below) to the assignment of both of the Licenses to Buyer and the satisfaction of all other conditions specified in this Agreement (the “**Closing Date**”).

(b) **Cooperation**: Buyer and Sellers will cooperate in good faith and exercise their reasonable best efforts to obtain FCC and third party consent, if any, and finalize and execute the documents required for Closing on Attachment D and any and all other documents or agreements required by the FCC to effect the assignment and transfer of the Licenses on or prior to the Closing Date. Buyer shall file proper and timely notice of consummation to the FCC of the assignment and transfer of the Licenses following the Closing Date.

(c) **Definitions**: As used in this Agreement, “**Final Order**” will mean that forty (40) days have elapsed from the date of the FCC’s issuance of Public Notice of consent (“**FCC Consent**”)

without any filing of any adverse request, petition or appeal by any Party or third party or by the FCC on its own motion with respect to an Assignment Application, or any resubmission of any application, or, if challenged, the FCC Consent will have been reaffirmed or upheld and the applicable period for seeking further administrative or judicial review will have expired without the filing of any action, petition or request for further review.

7. Closing Conditions:

(a) Sellers' Closing Conditions. Sellers' obligation to close shall be subject to the satisfaction of all of the following conditions (except to the extent any such conditions are expressly waived by Seller in writing): (i) receipt of FCC Consent, by Final Order, of the assignment of each License to Buyer; (ii) receipt of any required third party consents and approvals required for the transfer of each License; (iii) the continued truth and accuracy of Buyer's representations and warranties provided herein; (iv) execution and delivery of appropriate instruments of sale and assignment and such other documents and instruments as the Parties or their counsel may reasonably request; and (v) payment by Buyer of the Purchase Price on the Closing Date. Sellers' Closing Conditions will survive this Agreement for a period of one (1) year.

(b) Buyer's Closing Conditions. Buyer's obligation to close shall be subject to the satisfaction of all of the following conditions (except to the extent any such conditions are expressly waived by Buyer in writing): (i) receipt of FCC Consent, by Final Order, of the assignment of each License to Buyer; (ii) receipt of any required third party consents and approvals required for the transfer of each License; (iii) the continued truth and accuracy of Sellers' representations and warranties provided herein; and (iv) execution and delivery of appropriate instruments of sale and assignment and such other documents and instruments as the Parties or their counsel may reasonably request. Buyer's Closing Conditions will survive this Agreement for a period of one (1) year.

8. Representations and Warranties:

(a) Sellers' Representations and Warranties: Each Seller represents and warrants to Buyer as follows: (i) Seller or its affiliate is the lawful and exclusive owner of the respective License and Seller has the unrestricted right to assign and transfer the License to Buyer at Closing free and clear of Liens; (ii) this Agreement has been duly authorized and approved by all required action of Seller; (iii) neither the execution nor the delivery of this Agreement nor the consummation of the transaction contemplated by it will conflict with, or result in any violation or default under, any term of the organizational documents of Seller, or any agreement, mortgage, indenture, license, permit, lease or other instrument, judgment, decree, order, law or regulation by which Seller is bound; (iv) there is no pending or threatened action, petition, pleading or competing application by the FCC, or any other governmental agency or third party to suspend, revoke, terminate or challenge the License, Seller's qualifications as licensee, or otherwise investigate the operation pursuant to the License; (vii) to the best of Seller's knowledge, no person or entity other than Buyer or an affiliate of Buyer holds or has been granted a right of first refusal or option to purchase the License other than as stated in this Agreement; and (viii) all written information provided by Seller to Buyer concerning the License is true and complete. Each of Seller's representations and warranties will survive the Closing.

(b) **Buyer's Representations and Warranties:** Buyer represents and warrants to Sellers as follows: (i) Buyer is duly incorporated and in good standing under the laws of the state of its incorporation; (ii) this Agreement has been duly authorized and approved by all required corporate action of Buyer; (iii) Buyer is financially and legally able to meet its obligations under this Agreement; and (iv) neither the execution nor the delivery of this Agreement nor the consummation of the transaction it contemplates will conflict with, or result in, any material violation or default under any term of the articles of incorporation or by-laws of Buyer, or any agreement, mortgage, indenture, license, permit, lease or other instrument, judgment, decree, order, law or regulation by which Buyer is bound. Each of Buyer's representations and warranties will survive the Closing.

9. **Sellers' Covenants:** From the date of this Agreement to the Closing Date, each Seller will: (i) not, except as may be permitted by Section 19 sell, dispose, encumber or permit the assignment and transfer, disposal or encumbrance of its respective License; (ii) cooperate with Buyer, at no cost to Seller, in taking all necessary actions to maintain the continued validity of the License; (iii) afford Buyer and its representatives reasonable access to Seller's records relating to the License during normal business hours; (iv) not seek to modify or allow modification of any of the parameters under the License; and (v) cooperate with Buyer in all applications or filings with the FCC in connection with this transaction. From and after the Closing Date, Seller will at any time and from time to time, upon Buyer's request and without further cost to Buyer, prepare, execute and deliver instruments of conveyance and assignment and will take action as Buyer may reasonably request to more effectively transfer to and vest in Buyer, or its successors and assigns, and to put Buyer in possession of the License, free and clear of any and all Liens.

10. **Conflicting Agreements:** (a) Each Seller is not a party to, nor is its License subject to, any contract or arrangement that would preclude or would be violated by Seller's performance of Seller's obligations under this Agreement or by the consummation of the transactions contemplated by the Agreement; and (b) each Seller covenants that Seller will not enter into, nor cause the License to be or become subject to, any contract or arrangement, and that, if any person should allege that any contract or arrangement exists or otherwise seeks to challenge consummation of the transactions (or any portion of the transactions) contemplated by this Agreement then Seller will promptly use Seller's best efforts to resolve the allegations or challenges so as to permit the transactions contemplated by this Agreement to be consummated as soon as is practicable, and Seller acknowledges that, until all allegations and challenges have been finally and favorably so resolved, Buyer will not be obligated to close the transactions contemplated.

11. **Confidentiality:** The Consideration listed in this Agreement and any other non-public information about Buyer's or Sellers' business will be kept strictly confidential by the Parties and their agents, which confidentiality will survive the Closing or termination of this Agreement for a period of three (3) years. The Parties may make disclosures solely to the extent required by law or any governmental entity of competent jurisdiction, to enforce this Agreement, and to employees, shareholders, agents, attorneys and accountants (collectively, "**Agents**") as required to perform obligations under this Agreement, provided, however, that the Parties will cause all Agents to honor the provisions of this section. The foregoing notwithstanding, the parties acknowledge Seller is a public entity of the state of Florida and is therefore subject to the provisions of Chapter 119,

Florida Statutes (“Florida Public Records Act”). As such, this Agreement is a “public record”, except for the Consideration, which Buyer maintains is a trade secret pursuant to ss. 815.045, 812.081, and 815.04(3), F.S. If Seller becomes subject to a requirement to disclose the Consideration under the Florida Public Records Act, it will notify Buyer as soon as possible and, in any case, before it makes the required disclosure (if such notice is allowed), and Seller will cooperate with the Buyer, if requested and at Buyer’s expense, to seek a protective order or similar protection for the Consideration.

Notwithstanding anything in this section, Seller is permitted to disclose this Agreement, including Consideration, to its employees, trustees, directors, legal counsel, auditors, or other authorized federal or Florida governmental representatives who have the right to access Seller’s agreements, and Seller is likewise permitted to disclose this agreement as required for discussion during meetings of its trustees and directors, respectively.

12. Indemnity

(a) Sellers’ Indemnity: Subject to Section 13, commencing on the Execution Date, Sellers will indemnify, defend and hold Buyer, its officers, directors, employees and agents harmless from and against all demands, claims, actions, losses, damages, liabilities, costs and expenses, including, without limitation, reasonable attorneys’ fees and expenses (collectively, “**Costs**”), asserted against, imposed upon or incurred by Buyer resulting from: (i) any breach of any covenant, agreement, representation or warranty of Seller(s) contained in, or made pursuant to, this Agreement or in any of Seller(s)’ closing deliveries; (ii) any and all liabilities (including successor liabilities) or obligations relating to periods prior to the Closing Date resulting from Seller(s)’ operation under the License or from Seller(s)’ employment, or termination of employment of its employees; (iii) any claim or finders’ fee or brokerage or other commission arising by reason of any services alleged to have been rendered to or at the insistence of Seller(s) with respect to this Agreement or any of the transactions contemplated by this Agreement; provided, however, that Seller’s indemnification shall be limited to the extent provided by Section 768.28 of the Florida Statutes. Nothing in this Agreement shall be construed or interpreted to be a waiver of Seller’s sovereign immunity or of the application of § 768.28, Florida Statutes, as amended, or of any other constitutional, statutory, or other protections afforded to Seller. Nothing contained in the foregoing or elsewhere in this Agreement shall be construed as an explicit or implied waiver of the Seller’s sovereign immunity under Florida Law.

(b) Buyer’s Indemnity: Subject to Section 13, commencing on the Execution Date, Buyer will indemnify, defend and hold Seller(s), its officers, directors, employees and agents harmless from and against all Costs asserted against, imposed upon or incurred by Seller(s) resulting from: (i) any breach of any covenant, agreement, representation or warranty of Buyer contained in, or made pursuant to, this Agreement or in any of Buyer’s closing deliveries; (ii) any and all liabilities or obligations relating to periods after the Closing Date resulting from Buyer’s operation under the License or assignment and transfer of the License or from Buyer’s employment, or termination of employment of its employees; (iii) any claim or finders’ fee or brokerage or other commission arising by reason of any services alleged to have been rendered to or at the insistence of Buyer with respect to this Agreement or any of the transactions contemplated by this Agreement.

13. **Limitation of Liability:** Notwithstanding anything in this Agreement to the contrary, in no event shall any Party be liable for indirect, special, consequential (including, but not limited to lost profits), punitive damages or exemplary damages to another Party arising out of a breach of this Agreement, even if advised at the time of breach of the possibility of such damages, except with respect to such damages payable by any indemnified party to any third party. In no event shall either Party be liable for damages in excess of the Consideration. Any liability incurred by a Party in connection with this Agreement shall be without recourse to the Party's owners, officers, managers, directors and agents and it is agreed that such persons shall be free from liability with respect to this Agreement and the transaction of this Agreement, regardless of whether such liability is asserted under theory of contract, tort, statutory or other type of claim.

14. **Termination:** This Agreement may be terminated and the transactions contemplated by this Agreement abandoned: (i) by mutual consent of the Parties provided in writing; (ii) by either Party upon material breach of the other Party of this Agreement, following a thirty (30) day period for cure that was unresolved by the breaching Party following written notice of the breach; or (iii) by Buyer or Sellers, in the event that the Closing has not occurred within eighteen (18) months from the date of filing the Assignment Applications provided however, that the Party seeking to terminate the Agreement provides one (1) month's notice to the other Party and agrees to negotiate in good faith for the extension of the deadline. This Agreement terminates upon the Closing Date, except with respect to those paragraphs that are intended to survive such termination as provided therein.

15. **Specific Performance:** The Parties recognize that, in the event a Party fails or refuses to perform any provision of this Agreement, monetary damages alone will not be adequate. To the extent permitted by law, the non-defaulting Party shall therefore be entitled, in addition to any other remedies which may be available, including money damages, to obtain specific performance of the terms of this Agreement by temporary and/or permanent injunction or order without a showing of the inadequacy of remedies at law, without the posting of bond and without making any other showing except for the failure or refusal. In no event shall a Party be subject to a claim of wrongful enjoinder (or the jurisdictional equivalent of that claim) for obtaining a preliminary or permanent injunction that is subsequently found to have been wrongly issued. Notwithstanding the foregoing, in no event shall specific performance be available to a Party that is then in material breach of this Agreement (regardless of whether the associated cure period has expired or has not expired). Except as expressly set forth in this Agreement, no remedy conferred by any of the specific provisions of this Agreement is intended to be exclusive of any other remedy, and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. Except as expressly set forth in this Agreement, the election of any one or more remedies by a Party shall not constitute a waiver of the right to pursue other available remedies at any time.

16. **Waiver:** Buyer and Sellers, by written notice to the other, may (a) extend the time for performance of any of the obligations or other actions of the other under this Agreement, (b) waive any inaccuracies in the representations or warranties of the other contained in this Agreement or in any document delivered pursuant to this Agreement, (c) waive compliance with any of the conditions or covenants of the other contained in this Agreement, or (d) waive or modify performance of any of the obligations of the other under this Agreement; provided that no Party may without the written

consent of the other make or grant any extension of time, waiver of inaccuracies or compliance, or waiver or modification of performance, with respect to its own obligations, representations, warranties, conditions or covenants in this Agreement. Except as provided in the preceding sentence, no action taken pursuant to this Agreement will be deemed to constitute a waiver of compliance with any representation, warranty, covenant or agreement contained in this Agreement and will not operate or be construed as a waiver of any subsequent breach, whether of a similar or dissimilar nature.

17. **Attorney's Fees and Costs:** Should a Party retain the services of an attorney to file an action to enforce any of its rights under this Agreement, or under any other document executed and delivered pursuant to this Agreement, the Party prevailing in the action will not be entitled to recover reasonable attorney's fees and court costs in connection with that action, unless otherwise provided by applicable law.

18. **Notices:** All notices and other communications hereunder shall be in writing and shall be deemed given (i) the same day if delivered personally or sent by facsimile; (ii) the next business day if sent by overnight delivery via a reliable express delivery service; or (iii) after five (5) business days if sent by certified mail, return receipt requested, postage prepaid. All notices shall be delivered to the Parties at the following addresses (or at such other address for a party as shall be specified by like notice, provided that notice of change of address shall be effective only upon receipt thereof):

(a) If to Seller, to:

Northwest Florida State College
Attn: General Counsel
100 College Boulevard
Niceville, Florida 32578

Northwest Florida State College Foundation
100 College Boulevard
Niceville, Florida 32578

With a copy, which shall not constitute notice, to: public.records@nwfsc.edu

(b) If to Buyer, to:

NSAC, LLC
C/O T-Mobile US, Inc.
Attn: Legal – Spectrum; 6th Floor
2340 Dulles Corner Blvd.
Herndon, VA 20171
SpectrumLegal@T-Mobile.com

19. **Assignment:** All covenants, agreements, representations, warranties, and indemnities shall be binding upon, and inure to the benefit of, the parties and their respective successors and permitted assigns. This Agreement may not be assigned except that a Party may assign its rights

under this Agreement to the direct or indirect subsidiary or affiliate of the Party, upon delivery of written notice to the other Parties, provided that, such assignment does not delay, and is not reasonably expected to delay, receipt of the FCC Consent, or consummation of the transactions contemplated herein. No assignment of Buyer's rights under this Agreement shall relieve Buyer of its obligations under this Agreement. From the Effective Date until the date on which the assignment application is filed with the FCC, Buyer may unilaterally choose which affiliate, subsidiary, or corporate entity of T-Mobile US, Inc. to take assignment of a License. Buyer will notify Licensee of any such entity change as soon as possible via email.

20. **Counterparts**: This Agreement may be executed in one or more counterparts, which shall be effective as original agreements of the Parties executing such counterpart. Original signatures transmitted by email shall be effective to create such counterparts.

21. **Schedules**: All references in this Agreement to "Schedules" shall mean the disclosure schedules identified in this Agreement and listed at the end hereof, which are incorporated herein by reference and shall be deemed a part of this Agreement for all purposes. Failure to attach any Schedule referenced herein shall not affect the binding nature of this Agreement.

22. **Governing Law; Venue**: This Agreement shall be governed by the laws of the State of Florida without giving effect to conflict of laws provisions thereof.

23. **Interpretation**: All headings used in this Agreement are for convenience of reference only and shall not be deemed to have any substantive effect. Notwithstanding any law or rule of contract interpretation to the contrary, this Agreement shall not be interpreted strictly for or against any party hereto. Each of the Parties certifies to the other that it has reviewed this Agreement with, and is relying solely upon the advice of, its independent counsel and tax advisor, as to the negotiation, preparation, execution and delivery of this Agreement and as to the legal and tax implications hereunder. In the event that any covenant, condition or other provision contained in this Agreement is held to be invalid, void or unlawful by any administrative agency or court of competent jurisdiction, that provision shall be deemed severable from the remainder of this Agreement and shall in no way affect, impair or invalidate any other covenant, condition or other provision contained herein, and the parties shall use their reasonable best efforts to make the covenant, condition or other provision valid and lawful if possible so as to preserve the rights and obligations of the parties hereto.

24. **Complete Agreement; Amendment**: This Agreement, together with the Schedules hereto, constitutes the entire understanding and agreement between the Parties concerning the subject matter hereof, superseding all prior oral or written agreements or understandings. This Agreement may not be changed, modified or altered except by an agreement in writing executed by the Parties.

[Signature page to follow]

IN WITNESS WHEREOF, this Agreement will be effective as a binding agreement among the Parties upon being fully executed by the Parties indicated below.

SELLER:
Northwest Florida State College

BUYER:
NSAC, LLC

By: _____
Name: Dr. Devin Stephenson
Title: President

By: _____
Name: Paul McCarthy
Title: Senior Director

Northwest Florida State College
Foundation, Inc.

Reviewed by T-Mobile Legal

By: _____
Name: Christopher Stowers
Title: Executive Director

By: _____
Name: Toni Haddix
Title: Principal Corporate Counsel

Approved by T-Mobile Spectrum

By: _____
Name: Paul McCarthy
Title: Senior Director

SCHEDULE 1

LICENSE

Licensee	Market	Call Sign	Authorized Channels	License Expiration	Purchase Price Allocation
Northwest Florida State College	Wright, FL	WLX931	D1, D2, D3, D4, J/K	07/23/2033	\$880,000.00
Northwest Florida State College Foundation, Inc.	Wright, FL	WNC885	G1, G2, G3, G4, J/K	06/30/2027	\$870,000.00

Attachment A

Licensee and FCC Electronic Filing Information Form

Licensee:
Northwest Florida State College
Northwest Florida State College Foundation, Inc.

FCC Registration Number	0008799405 for NWFSC 0015579436 for NWFSCF, Inc.
FCC ULS Password (if unknown, see below)	To be provided on request, if required
Contact Information	Todd D. Gray, Gray Miller Persh LLP 202-776-2571 tgray@graymillerpersh.com
Federal Tax ID Number (see below)	N/A

If your FCC ULS password associated with your FCC license is unknown, you will need to request the FCC to reset it. You can do so by clicking the following link and follow the steps as prompted:

www.apps.fcc.gov/coresWeb/enterFrnForPwdReset.do

(You will need your federal taxpayer ID number to request the reset with the FCC.)

OR

If you would like T-Mobile to request the reset of your FCC ULS password on your behalf, please provide the Federal Tax Id Number for the licensee in the above-referenced box. Upon receipt of the new ULS password, T-Mobile will forward to you for your records.

Attachment B

Payment Instructions

Attachment C

IRS Form W9 (2018 form)

Attachment D
Closing Documents
ASSIGNMENT OF FCC LICENSE

A. **[Buyer Entity]** ("Buyer") and **[Seller Entity]** ("Seller") have entered into an Asset Purchase Agreement dated as of _____ (the "Agreement") for the purchase by Buyer of the Federal Communications Commission ("FCC") license licensed to Seller as identified on Schedule A attached hereto (the "License").

B. Seller has applied for and received FCC consent to transfer the License to Buyer, in accordance with the Agreement;

C. Sellers and Buyers desire to hereby evidence the transfer of the License to Buyer.

NOW, THEREFORE:

1. Seller assigns to Buyer all right, title and interest in the License free and clear of all Liens (as defined in the Agreement).

2. Buyer accepts this assignment and hereby assumes and undertakes all responsibility as, and agrees to assume, pay, perform, satisfy and discharge all of the obligations as licensee under the License from and after the date of this assignment.

3. This Assignment of FCC License shall be governed by the laws of the State of [License Location], without giving effect to conflict of laws provisions thereof.

4. This Assignment of FCC License may be executed in one or more counterparts, which shall be effective as original agreements of the parties executing such counterpart. Original signatures transmitted by facsimile or via portable document format (pdf) shall be effective to create such counterparts.

IN WITNESS WHEREOF, the undersigned have executed this Assignment of FCC License as of the date written below.

Date:

SELLER:
[SELLER ENTITY]

BUYER:
[BUYER ENTITY]

By: _____
Name:
Title:

By: _____
Name: Paul McCarthy
Title: Senior Director

Reviewed by T-Mobile Legal

By: _____
Name:
Title:

BUYER'S CLOSING CERTIFICATE

The undersigned does hereby certify, represent and warrant on behalf of **[Buyer Entity]** ("Buyer"), that:

1. I am a duly appointed, authorized and acting officer or authorized signatory of Buyer.
2. The conditions and obligations applicable to Buyer under Section 7(b) of the Asset Purchase Agreement, dated as of _____ (the "Agreement"), between Buyer and **[SELLER ENTITY]** ("Seller"), have been satisfied.
3. All the representations and warranties of Buyer made in Section 8(b) of the Agreement are true and correct on the date of this Closing Certificate with the same force and effect as if they had been made by Buyer on and as of this date.

IN WITNESS WHEREOF, I have hereunto set my hand this date of _____.

BUYER:
[Buyer Entity]

By: _____
Name: Paul McCarthy
Title: Senior Director

Reviewed by T-Mobile Legal

By: _____
Name:
Title:

SELLER'S CLOSING CERTIFICATE

The undersigned does hereby certify, represent and warrant on behalf of **[SELLER ENTITY]** ("Seller"), that:

1. I am a duly appointed, authorized and acting officer or authorized signatory of Seller.
2. The conditions and obligations applicable to Seller under Sections 7(a) of the Asset Purchase Agreement, dated as of _____ (the "Agreement"), between Seller and **[Buyer Entity]** ("Buyer"), have been satisfied.
3. All the representations and warranties of Seller made in Section 8(a) of the Agreement are true and correct on the date of this Closing Certificate with the same force and effect as if they had been made by Seller on and as of this date.

IN WITNESS WHEREOF, I have hereunto set my hand this date of _____.

SELLER:
[Seller Entity]

By: _____
Name:
Title:

FLOW OF FUNDS AGREEMENT

[Buyer Entity] (“Buyer”), and **[Seller Entity]** (“Seller”) have entered into an Asset Purchase Agreement, dated as of _____ (the “Agreement”).

I. **Purchase Price** - The purchase price for the License purchased by Buyer pursuant to Section 2 of the Agreement is as follows:

Purchase Price	
Purchase Price Balance Payable at Closing	

II. Payment Instructions

Seller and Buyer agree to the foregoing calculations and agree to the delivery of the funds by wire transfer in accordance with Seller’s Payment Instructions, which are attached to the Agreement as Attachment B.

IN WITNESS WHEREOF, the undersigned have executed this Flow of Funds Agreement as of the date written below.

Date: _____

SELLER:
[SELLER ENTITY]

BUYER:
[BUYER ENTITY]

By: _____
Name:
Title:

By: _____
Name: Paul McCarthy
Title: Senior Director

Reviewed by T-Mobile Legal

By: _____
Name:
Title:

**EDUCATIONAL BROADBAND SERVICE
LONG-TERM DE FACTO TRANSFER LEASE AGREEMENT**

THIS Educational Broadband Service ("EBS") Long Term De Facto Transfer Lease Agreement (the "Agreement") is entered into as of October 2, 2006 (the "Effective Date"), **Okaloosa-Walton College Foundation, Inc.**, a non-profit higher education foundation in the State of Florida (the "Licensee"), and **Nextel Spectrum Acquisition Corp.**, a wholly owned indirect subsidiary of Sprint Nextel Corporation, a Kansas corporation ("Sprint Nextel") (each sometimes referred to as "Party" and collectively as "Parties").

WHEREAS, the Federal Communications Commission ("FCC") has authorized EBS channels G1, G2, G3, and G4 under call sign WNC885 (the "License") to Licensee in the Fort Walton Beach, Florida area (the "Area") as more particularly described on Schedule A;

WHEREAS, any and all spectrum rights now or hereafter authorized pursuant to the License with respect to Channels G1, G2, G3 and G4, and associated J and K channels, are referred to herein collectively as the "Channels" and individually as a Channel;

WHEREAS, the Parties have agreed to enter into this Agreement for Licensee to lease Sprint Nextel excess capacity on the Channels in accordance with the terms and conditions below ("Leasing Arrangement").

THEN, in consideration of the premises and covenants set forth in this Agreement, and for good and valuable consideration, the sufficiency of which is acknowledged by the Parties' signatures, the Parties agree as follows:

1. LEASE TERM AND RENEWAL

- (a) **Initial Term.** This Agreement is a long term de facto transfer lease pursuant to provisions of Title 47 of the U.S. Code of Federal Regulations and the policies of the FCC (as each may be amended from time to time, the "FCC Rules"). Subject to Subsection 1(c) or the earlier termination of this Agreement under Section 11, the initial term of this Agreement begins on the Effective Date and ends on the date that is five (5) years from the Effective Date (the "Initial Term").
- (b) **Renewal.** Subject to Subsection 1(c) or the earlier termination under Section 11, on the date that is five (5) years following the Effective Date, and each five (5) years thereafter, this Agreement will automatically renew for up to five (5) additional terms of five (5) years each (each, a "Renewal Term"), for a maximum Agreement duration of thirty (30) years, unless Sprint Nextel notifies Licensee in writing at least six (6) months prior to the end of the Initial Term or any of the first four Renewal Terms, that it declines to renew this Agreement. The terms and conditions of this Agreement apply to each Renewal Term. The Initial Term and all Renewal Terms that go into effect may be referred to collectively under this Agreement as the "Term."
- (c) **Renewal of License and Extension of Agreement.** This Agreement will expire simultaneously with the License unless applications seeking renewal of the License and extension of the FCC authorization for the long term de facto transfer lease of the Channels are filed by the applicable deadlines (or pursuant to appropriate waivers). This Agreement will then continue according to its terms, and use by Sprint Nextel of the Channels will not be interrupted, unless the FCC denies by Final Order, the applications for renewal of the License or the continued long term de facto transfer lease of the Channels. Licensee will file any renewal application(s) for the License and Licensee and Sprint Nextel shall cooperate to jointly file any additional appropriate

application(s) to obtain any required FCC approval(s) for the continuation of this Agreement during and until the expiration of the Term not less than forty-five (45) days prior to the latest date that such application may be filed. The failure to complete filings by the forty-five day deadline listed above will not constitute a material breach under this Agreement if the filings are filed as soon as practicable, and under all circumstances by no later than the latest date that would allow this agreement to continue without interruption. In the event of any filing submitted by one of the Parties, that Party will contemporaneously provide the other Party with a complete copy of such filing. "Final Order" means an order issued by the FCC that is in effect and can no longer be appealed.

2. PAYMENTS

- (a) **Lump Sum Payment.** Sprint Nextel will pay Licensee a one-time upfront fee of **One Hundred Twenty Five Thousand and 00/100 Dollars (\$125,000.00)** ("Upfront Payment"), no later than fifteen (15) days following the later of the date Sprint Nextel receives the completed Exhibit A from the Licensee, and the Effective Date. The Upfront Payment will be refundable to Sprint Nextel on a *pro rata* basis if this Agreement is terminated as a result of a material breach by the Licensee during the first five (5) years of the Initial Term. The Upfront Payment will be refunded, in its entirety, to Sprint Nextel if the FCC does not grant by Final Order the consent to the De Facto Lease Application (as defined in Subsection 9(a)).
- (b) **Monthly Payment.** Commencing with the first full calendar month following the Effective Date and continuing throughout the Term, Sprint Nextel will pay Licensee a monthly fee as specified in Schedule B attached hereto (the "Monthly Payment"). The Monthly Payment will be paid no later than thirty (30) days following the end of each calendar month for which the payment is due. If the Term expires on a date other than the last day of a calendar month, the Monthly Payment for that month will be adjusted on a *pro rata* basis. Notwithstanding anything to the contrary contained in this Agreement, Sprint Nextel's obligation to commence making payments under this Agreement is subject to Licensee completing and delivering to Sprint Nextel the Licensee and Electronic Filing Information Form, attached hereto as Exhibit A. The Monthly Payment will be reduced on a *pro rata* basis (based on MHz, or population, as further provided below) during the Initial Term or any Renewal Term of this Agreement if, with respect to any Channel, (i) the bandwidth of the Sprint Nextel Capacity (in MHz) as contemplated by this Agreement on the Effective Date decreases or (ii) there is a decrease in population resulting from a reduction in the size of the geographic service area (in square miles) ("GSA") of any Channel, as compared to the GSA contemplated by this Agreement on the Effective Date. Notwithstanding anything in the foregoing to the contrary, the reduction in size of EBS lower or upper band segment channels from 6 MHz to 5.5 MHz mandated by the FCC Rules as of the Effective Date concerning the Transition (as defined below) shall not be considered a decrease in Sprint Nextel Capacity. Furthermore, Sprint Nextel may not use as a basis for a reduction in the Monthly Payment a change in the characteristics of the capacity under the J or K band channels associated with the Channels or the mid-band segment ("MBS") channel if that change is a result of the Transition.

- (c) Payment Receipt Address.

Okaloosa-Walton College Foundation, Inc.

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100 College Blvd.
Niceville, Florida 32578

3. EXCLUSIVITY AND RIGHT OF FIRST REFUSAL

- (a) **Exclusivity.** Except as otherwise permitted pursuant to Subsection 10(c), during the Term, Licensee will not negotiate with or enter into any contract or agreement with any third party to lease, sell, assign, transfer or use any of the capacity of the Channels; provided, however, that Licensee has the ability during the last six months of the Term, and during the last six months of the Initial Term or any Renewal Term if Sprint Nextel has elected not to renew the Agreement in accordance with Subsection 1(b), to negotiate with and contract or agree with any third party with respect to any period following the end of this Agreement, so long as Licensee complies with the ROFR set forth in Subsection 3(b).
- (b) **Right of First Refusal.** Unless this Agreement is terminated by Licensee as a result of Sprint Nextel's material breach or pursuant to Section 11(f), and except with respect to any use of Licensee's Capacity consistent with Subsections 13(b)(ii) and (iii), or any permitted assignment or transfer of control transaction pursuant to Section 10 where the assignee or transferee is also a public institution or agency, a bona fide local private educational institution with students actually enrolled in local classroom instruction (except for any such public or private educational institution that is affiliated with a national EBS licensee), or a public broadcasting station, Sprint Nextel, or an entity designated by Sprint Nextel ("Designee"), will have the right to use, lease or purchase (if Sprint Nextel or the Designee is then eligible to hold an EBS license) some or all of the Channels by matching any acceptable *bona fide* offer received by Licensee from a third party (the "ROFR") during the Term and for a period of three (3) years after the Term (the "ROFR Term"). If Sprint Nextel declines to renew this Agreement pursuant to Section 1(b) above, the ROFR Term provided for in this Section will remain in effect through the Term and for only one (1) year following the end of the Term. Within thirty (30) days following Licensee's determination to accept a *bona fide* third party offer (the "Third Party Offer"), Licensee will notify Sprint Nextel of any Third Party Offer, including (i) the identity of the offeror, (ii) the terms of the offer, and (iii) a true and correct copy of the operative agreement, letter of intent, term sheet or other similar definitive then-existing documentation relating to the offer. Licensee's notice to Sprint Nextel of the Third Party Offer will constitute an offer by Licensee to Sprint Nextel (or a Sprint Nextel Designee) for the lease, use or purchase of the rights to the Channel(s) impacted by the Third Party Offer on substantially the same terms and conditions set forth in the Third Party Offer. Sprint Nextel will notify Licensee within thirty (30) days following receipt of such notification if Sprint Nextel is exercising its ROFR. If Sprint Nextel fails to exercise its ROFR, Licensee will have sixty (60) days from the expiration of Sprint Nextel's thirty (30) day response period to enter into an agreement with the third party offeror on substantially the same terms and conditions as were offered to Sprint Nextel and supply Sprint Nextel with a fully-executed copy of that agreement. If, within the sixty (60) day period, Licensee does not enter into a binding agreement with the third party offeror on the same terms and conditions as were offered to Sprint Nextel, then Sprint Nextel's ROFR will remain in effect pursuant to the terms stated in this Subsection. If, within the sixty (60) day period, Licensee enters into a binding agreement with the third party offeror on the same terms and conditions as were offered

to Sprint Nextel, supplies Sprint Nextel with a fully-executed copy of that agreement, and such transaction is thereafter ultimately consummated, then Sprint Nextel's ROFR will terminate with respect to such transaction; however, the ROFR will remain in full force and effect with respect to any subsequent Third Party Offer with respect to the lease, use or purchase of the rights to the Channels received during the Term and for a period of three (3) years thereafter (one (1) year if Sprint Nextel declines to renew the Agreement pursuant to 1(b)). The terms of any agreement between the Parties (or between Licensee and a Designee) resulting from the exercise of Sprint Nextel's ROFR will be ratified in a separate contract. All materials and information exchanged under the ROFR are subject to the non-disclosure provisions of this Agreement.

- (b) **Bifurcation of Bundled Offer.** If a Third Party Offer bundles or encompasses assets other than Licensee's rights to any of the Channels, the Parties will use good faith efforts to bifurcate the offer into a portion applicable solely to Licensee's rights in any of the Channels, and a remaining portion applicable to the other assets, such that the Parties can ascertain the consideration offered and the terms and conditions applicable to rights related specifically to the Channels. If the Parties agree upon the consideration, terms and conditions of the bifurcated offer, Sprint Nextel (or its Designee) will have the option to exercise its ROFR with respect to the portion of the bifurcated offer applicable to Licensee's rights in any of the Channels. If such third party offer cannot, after using good faith efforts, be bifurcated by the Parties as provided above or if the Parties do not agree upon the consideration, terms and conditions of such bifurcated offer, then Licensee will reject such third party's entire offer.
- (c) **Form of Consideration and Determination of Value.** Subject to Sprint Nextel's rights described in Subsection 3(b), if the whole or any part of the consideration of the Third Party Offer is in a form other than cash, then Sprint Nextel may meet the consideration using cash, comparable consideration, or both, in its acceptance notice. If Licensee does not accept Sprint Nextel's offer of a cash substitute for the non-cash consideration, then Licensee will notify Sprint Nextel in writing of Licensee's estimate of a fair cash substitute within fifteen (15) days after Licensee's receipt of Sprint Nextel's acceptance notice. Licensee's failure to notify Sprint Nextel of its estimate of a fair cash substitute within the prescribed fifteen (15) day period will be deemed an acceptance of Sprint Nextel's cash-substitute offer. If Licensee rejects Sprint Nextel's cash-substitute offer, then Sprint Nextel will have ten (10) days following receipt of Licensee's rejection to notify Licensee of its election to (i) adopt Licensee's stated cash value, or (ii) submit the valuation of a fair cash substitute for determination by binding arbitration. In the event of arbitration pursuant to this Section 3, the Parties will instruct the arbitrator(s) to assign a reasonable monetary value to any non-cash consideration provided in any Third Party Offer, despite any determination that such non-cash consideration is not readily available in the marketplace to Sprint Nextel, except where the non-cash consideration is the services or participation of a person(s), where the value will be the amount Licensee would reasonably pay such person(s) in the then-current market for the work the person would be performing. In any case where arbitration is invoked, Sprint Nextel's ROFR will remain in effect with respect to the third party offer until thirty (30) days after Sprint Nextel is notified of the arbitrators' decision, during which time Sprint Nextel may revise its notice of exercise of its ROFR to adopt the arbitrators' findings or waive its ROFR with respect to the Third Party Offer. If, within sixty (60) days after the end of Sprint Nextel's thirty (30) day time

period to consider the arbitrator's decision, Licensee does not enter into a binding agreement with the third party offeror on the same terms and conditions as contained in the Third Party Offer, then Sprint Nextel's ROFR will remain in effect pursuant to the terms stated in Section 3(b). If, within the sixty (60) day period, Licensee enters into a binding agreement with the third party offeror on the same terms and conditions contained in the Third Party Offer (a fully-executed copy of which will be supplied to Sprint Nextel), then Sprint Nextel's ROFR will terminate with respect to such transaction, but the ROFR will remain in full force and effect with respect to any subsequent Third Party Offer with respect to the lease, use or purchase of the rights to the Channels received during the Term and for the applicable ROFR Term as provided in Section 3(b).

- (d) **Arbitration.** Any arbitration pursuant to this Section will be brought in the city of Pensacola, Florida before the American Arbitration Association (the "AAA") under the AAA's Commercial Arbitration Rules (the "AAA Rules"). Arbitration will be conducted by three (3) arbitrators appointed in accordance with the AAA Rules. Each Party will pay its own attorneys' fees and costs in connection with the arbitration and the Parties will divide equally the fees and costs of the arbitrators, provided, however, that in their award, the arbitrators may reapportion the fees and costs of the arbitrators as the arbitrators deem appropriate.
- (e) **Right to Participate.** If Licensee decides to solicit bids, proposals or offers for the sale, assignment, transfer or use of any part or the whole of the Channels at any time before the third (^{3rd}) anniversary of the end of the Term, then Licensee will provide Sprint Nextel with an opportunity no less favorable in timing or substance than the opportunity provided to any other entity:
- (i) to submit bids, proposals and offers for the Channels;
 - (ii) to receive information with respect to such bids, proposals, offers and counters thereto;
 - (iii) to discuss such information with Licensee;
 - (iv) to counter any such bids, proposals or offers; and
 - (v) to be provided with copies of all open bids, proposals, offers, counter-bids and counter-offers promptly after they are received by Licensee.

This right to participate does not limit in any manner, and is in addition to, the ROFR set forth in Subsection 3(b).

4. FREQUENCY BAND TRANSITION

The Parties acknowledge that the Channels are subject to relocation to different frequencies as a result of the Transition Plan adopted by the FCC in WT Docket No. 03-66 (the "Transition"). Sprint Nextel and Licensee will cooperate in the Transition in accordance with FCC Rules to facilitate Sprint Nextel's use of the Sprint Nextel Capacity and Licensee's use of Licensee's Capacity. If Licensee is not the entity initiating or overseeing the Transition of the Channels to alternative frequencies (the "Proponent"), then Licensee will designate and reasonably promote Sprint Nextel or its

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designee as Proponent, and otherwise support Sprint Nextel's interests in the means and outcome of the Transition to the extent permitted by FCC Rules and consistent with Licensee's Transition rights thereunder. Licensee will consult with Sprint Nextel before adopting, consenting to, or otherwise agreeing to any change of frequencies or characteristics of the Channels other than those changes required by FCC Rules, and will fully involve Sprint Nextel in all of its interactions with any third parties concerning transitions to channel plans allowed as an outcome of the FCC's Transition proceedings. Furthermore, Licensee will not adopt, consent to, agree to, or support any change of frequencies or characteristics of the Channels, except as required FCC Rules, that would impair Sprint Nextel's full and flexible use of the Sprint Nextel Capacity throughout the entirety of the GSA for the Channels. Notwithstanding the foregoing, however, in the event that neither Sprint Nextel nor any third party initiates and/or completes the Transition of the Channels within the time frames specified by the FCC, Licensee may, at its sole option, avail itself of any "self-transition" rights made available pursuant to FCC Rules with respect to the Channels, and Sprint Nextel will reimburse Licensee's reasonable costs thereof.

5. CAPACITY REQUIREMENTS AND USES

- (a) **Licensee's Capacity.** The FCC requires EBS licensees to reserve certain channel capacity for their own use in any spectrum leasing arrangement ("Reservation"). In this Agreement, the capacity of Licensee is referred to as "Licensee's Capacity." When the Channels are being operated in analog mode, Licensee's Capacity is six (6) MHz of spectrum. When the Channels are operated in digital mode, then Licensee's Capacity will be five percent (5%) of the capacity of the Channels. If the FCC reduces the Reservation, Sprint Nextel, at its sole discretion, may elect to decrease Licensee's Capacity in any increment selected by Sprint Nextel and will adjust the Monthly Payment on a *pro rata* basis to account for the resulting increase in bandwidth (measured in MHz) of the Sprint Nextel Capacity. Unless otherwise agreed by the Parties, Sprint Nextel may, at its sole discretion, designate as Licensee's Capacity the equivalent of five percent (5%) of the bandwidth (measured in MHz) of the Channels on any BRS or EBS spectrum licensed to or leased by Sprint Nextel, or any of its affiliates, in the Area.
- (b) **Use of Licensee's Capacity.** Licensee will use Licensee's Capacity to help satisfy its minimum educational use requirements pursuant to FCC Rules ("Minimum Use Requirements"), provided, however, Licensee is not precluded from using other methods to meet the Minimum Use Requirements, including the products and services set forth in Subsection 7(c) and any video or audio transmission capacity made available to it by Nextel, to the extent they allow Licensee to meet such requirements. Licensee will not use Licensee's Capacity in any manner that would interfere with Sprint Nextel's use or planned use of the Sprint Nextel Capacity or any other BRS or EBS spectrum, or violate FCC Rules, including rules relating to the prevention of interference to adjacent channels and markets. Licensee will provide Sprint Nextel at least one hundred eighty (180) days advance notice prior to deployment of any facilities which use Licensee's Capacity. Licensee will promptly provide Sprint Nextel with all engineering and other information requested by Sprint Nextel concerning Licensee's planned use of Licensee's Capacity.
- (c) **Sprint Nextel Capacity.** From and after the Consent Date, Sprint Nextel will have the exclusive right to operate and use all the capacity of the Channels except for Licensee's Capacity ("Sprint Nextel Capacity"). Notwithstanding the foregoing, however, Sprint Nextel agrees that Licensee may continue to program the Channels to continue its

educational video transmissions until the earlier of (i) the end of the Transition; or (ii) a date specified by Sprint Nextel that is no earlier than fifteen (15) days following notice to Licensee by Sprint Nextel of its intent to use the Channels (except for Licensee's Capacity) prior to the end of the Transition ("Licensee's Interim Use"). Licensee will bear all responsibility, all costs and expenses for all repairs, maintenance and replacement of all equipment used in the operation of the Channels in connection with Licensee's Interim Use.

- (d) **Use of Sprint Nextel Capacity.** Sprint Nextel may use Sprint Nextel Capacity in any manner or format that is in compliance with applicable laws and regulations and for any lawful purpose, including those that may be authorized in the future by the FCC. Sprint Nextel may maximize the use and amount of Sprint Nextel Capacity by employing techniques allowed by the FCC, including but not limited to: digitization, subchannelization and superchannelization or by channel loading and/or channel shifting of Licensee's Capacity as those terms are defined by FCC Rules. Sprint Nextel may also change the medium used for Licensee's Capacity, if allowed by the FCC (such as Internet delivery, or any other delivery system, including the use of spectrum other than BRS or EBS spectrum, that may be authorized in the future by the FCC), provided that Sprint Nextel bears all associated reasonable costs and expenses. Notwithstanding the foregoing, and except as required by Section 6(a), nothing herein will require Sprint Nextel to construct, operate or continue to operate any commercial service utilizing the Channels.
- (e) **Content and Operation.** Sprint Nextel will not be restricted in providing Internet, data, video streaming or voice services over Sprint Nextel Capacity, but will comply with any applicable legal requirements relating to the provision of any such services. Sprint Nextel will not be liable to Licensee for the content, communications, transmissions or postings initiated or made by third parties over the Internet or other computer, data networking or voice systems.
- (f) **Review of Educational Reservation and Use.** During the fifteenth (15th) year of the Term and during each fifth year of the Term thereafter, Licensee will have an opportunity to review its internal educational use requirements in light of changes in educational needs, technology, and other relevant factors (each a "Review" and collectively the "Reviews") and obtain access to such additional services, support and/or equipment as the parties may agree upon to advance Licensee's educational mission. If at any Review Licensee determines that it has additional needs to meet an increase in its internal educational use requirements, Licensee will provide Sprint Nextel with (i) written notice of such determination, and (ii) reasonable supporting documentation or other proof showing the increase in Licensee's internal educational use requirements and that the increase is not temporary in nature. The Parties will then cooperate to determine the equipment and services necessary to meet increases in Licensee's internal educational use requirements that can be supported by reasonable proof, except that (a) Sprint Nextel will not be required to relinquish any part of the Sprint Nextel Capacity, (b) Sprint Nextel will not be required to provide any products or services not generally offered by Sprint Nextel in the Area, and (c) Licensee will pay for any associated costs and expenses that exceed fifteen (15) percent of the monthly Account Credit (as the term was defined on the Effective Date).

6. EQUIPMENT

- (a) **Operation and Maintenance of Equipment.** Sprint Nextel will, at its expense, operate and maintain the transmission equipment used to operate the Sprint Nextel Capacity ("Sprint Nextel Equipment") and will ensure that operation and maintenance of the Sprint Nextel Equipment complies in all material respects with applicable FCC Rules. Licensee will, at its expense, operate and maintain the transmission equipment, if any, used to operate Licensee's Capacity, but Licensee will be under no obligation to provide or operate such equipment and Licensee will have no obligation or responsibility for equipment, facilities or arrangements currently in place with respect to operations on the Channels. Sprint Nextel will be obligated to either construct and maintain facilities that satisfy the FCC Rules concerning "substantial service" ("Substantial Service Requirements") for the Channels or provide Licensee with the notice described under Subsection 11(f)(2). Licensee will reasonably cooperate with any Sprint Nextel proposal to implement video transmission capabilities, including supply Sprint Nextel with educational programming and make use of any video transmissions of educational programming, provided Licensee does not incur, or is otherwise reimbursed for, any expense associated with the construction and operation of the transmission facilities.
- (b) **Option to Purchase Equipment.** Upon termination of this Agreement for any reason other than breach by Licensee, to the extent required by the FCC Rules in effect at such time, Licensee will have the option to purchase four (4) base stations for use by Licensee on the Channels, provided, however, licensee shall have no right to any portion of Sprint Nextel's network or any proprietary software or information, or intellectual property. To exercise such option, Licensee must notify Sprint Nextel in writing within fifteen (15) days of the termination of this Agreement and the Parties will use commercially reasonable efforts to consummate the transaction as soon as practicable.

7. BROADBAND AND OTHER SERVICES

- (a) **Preparation for Commercial Services.** Sprint Nextel may, from time to time and as permitted by FCC Rules, and subject to the requirements of Section 6(a), cease all operation of the Channels.
- (b) **Reserved.**
- (c) **Sprint Nextel Products and Services:** Sprint Nextel will provide Licensee with a monthly Account Credit (as defined below) to be used to purchase Sprint Nextel communication products and services:
- (i) **Account Credit.** The account credit will be **Five Hundred and 00/100 Dollars (\$500.00)** per month beginning the first full month following the later of (A) the day on which Licensee notifies Sprint Nextel that it desires to use the service, (B) the date Licensee has established a Sprint Nextel customer account through the appropriate commercial channels, (C) the date Licensee has delivered to Sprint Nextel a completed and executed copy of the Licensee and Electronic Filing Information Form attached as Exhibit A, and (D) the Consent Date, and continuing until the end of the Term (the "Account Credit"). The Account Credit will be credited to

Licensee's Sprint Nextel customer account by Sprint Nextel no later than thirty (30) days following the end of each calendar month during the Term. The Account Credit for the first month will be adjusted on a *pro rata* basis if the conditions for Licensee to receive the Account Credit are satisfied on a day other than the first day of a calendar month. The Account Credit for the final month will be adjusted on a *pro rata* basis if the Term expires on a day other than the last day of a calendar month. Licensee may use the Account Credit to purchase commercial communication products and services of Sprint Nextel that are generally offered in the Area, in such type and amount as Licensee shall determine, at Sprint Nextel's then commercially available rates for similarly situated entities for such products or services provided that the rates provided to Licensee will not be at a level that will cause the rates under any agreement with the U.S. General Services Administration, or any similar agreement with any governmental or other entity to be altered. Following completion of (A) through (D) above, the Account Credit may be used to purchase video streaming services once such services become available on the Channels. The Account Credit will be applied to any charges and fees incurred in connection with Licensee's account on a monthly basis. If during any month, Licensee incurs charges and fees on its Sprint Nextel customer account in an amount less than the Account Credit, the unused Account Credit may not be transferred, credited to a subsequent month or redeemed for cash, and will revert to Sprint Nextel.

- (d) **Student Services.** Following the completion of (A) through (D) in Subsection 7(c)(i), the Parties will enter discussions at a mutually agreeable time related to additional marketing options for Sprint Nextel's provision of services to students in the Area.

8. CHANNEL SWAPS AND INTERFERENCE CONSENTS

(a) **Interference Consents.** Sprint Nextel may, at its expense, enter into any Interference Consents (defined below) with respect to the Channels. The effectiveness of any such Interference Consent entered into by Sprint Nextel, by its terms, may not extend beyond the Term. Licensee will, within thirty (30) days of written request by Sprint Nextel, enter into any Interference Consent with respect to the Channels which is commercially reasonable in the context of the commercial use and development of the Channels and which provides for fair and reciprocal rights and limitations on the use of the Channels and such other spectrum subject to such Interference Consent. Any such Interference Consent executed by Licensee at the request of Sprint may survive indefinitely. Upon the request of Sprint Nextel, Licensee will use reasonable efforts to terminate any then existing Interference Consent to which it is a party, but Licensee will not be required to offer any consideration in connection with those efforts unless such consideration is to be paid for by Sprint Nextel. Sprint Nextel will negotiate and draft the Interference Consents and make any consideration payments due to third parties under the Interference Consents. "Interference Consents" means any agreements

or arrangements affecting the use or operation of the Channels, including any agreement or arrangement concerning:

- (i) acceptance of interference or signal strength from a third party's transmitters in excess of the interference or signal strength such third party is entitled to transmit under FCC Rules, or limiting interference or signal strength from transmitters operating on any of the Channels below what is allowed under FCC Rules;
- (ii) the alteration of operating parameters authorized under the license for any Channel or third party channel;
- (iii) the coordination of adjacent market channel use or other matters concerned with the operation of adjacent markets;
- (iv) emission mask and/or emission type; or
- (v) restricting station operations, licensing or location.

(b) **Channel Swaps.** Licensee will complete, submit to the FCC on such date as requested by Sprint Nextel, and prosecute such applications as Sprint Nextel may request to effectuate an exchange of all or a portion of the Channels for the same amount (determined in MHz) of other EBS or BRS spectrum other than guard band spectrum (a "Channel Swap") licensed in the same general geographic area as the Channels ("Swapped Channels"), and thereafter cause such exchange to be consummated, provided that the population residing within the GSA for the Swapped Channels is at least 96.0% of the population residing within the GSA for the Channels as of the date of such exchange and thereafter Licensee is, or would be after giving effect to the Transition, licensed for at least one block of 16.5 MHz of contiguous spectrum in either of the Lower Band Segment or the Upper Band Segment. Effective upon the consummation of a Channel Swap, such Swapped Channels will be considered "Channels" for purposes of this Agreement and any spectrum transferred on behalf of Licensee pursuant to such Channel Swap will no longer be considered "Channels" for purposes of this Agreement. Sprint Nextel will not reduce Monthly Payments based on a reduction in GSA as a result of a Channel Swap pursuant to this Subsection.

9. APPLICATIONS, AUCTIONS AND FEES

- (a) **Initial Application.** Sprint Nextel and Licensee will cooperate to prepare and file the application for the FCC's approval of the long term de facto transfer lease of the Channels (the "De Facto Lease Application") within fourteen (14) days following the Effective Date. If the FCC denies the De Facto Lease Application or grants it with conditions materially adverse to Sprint Nextel or to Licensee, upon Sprint Nextel's request, Licensee will use its best efforts to secure reversal of the FCC's action. The date of Public Notice of the FCC's consent to the De Facto Lease Application is referred to in this Agreement as the "Consent Date."
- (b) **Application Preparation.** Sprint Nextel will prepare and submit all applications, amendments, petitions, requests for waivers, and other documents necessary for the operation of Sprint Nextel Capacity and permitted to be submitted by Sprint Nextel under the FCC Rules. Promptly, but no later than thirty (30) days following written request by Sprint Nextel, Licensee will submit to the FCC and thereafter prosecute any

lawful application, amendment, petition, request for waiver, or any other documents with respect to the Channels required by or is consistent with this Agreement that is requested by Sprint Nextel. Not less than forty five (45) days prior to the date that any such filing is due, Licensee will prepare and submit all applications, amendments, petitions, requests for waivers, and other documents necessary for the maintenance and renewal of the License or required of Licensee to remain eligible under FCC Rules to provide Sprint Nextel Capacity to Sprint Nextel. The failure to complete filings by the forty-five day deadline listed above will not constitute a material breach under this Agreement if the filings are filed as soon as practicable, and under all circumstances by no later than the latest date that would allow this agreement to continue without interruption. Licensee will provide Sprint Nextel with copies of documents submitted pursuant to the preceding sentence at the same time it submits such documents to the appropriate agency. The Parties will cooperate in good faith in the preparation, submission and prosecution of all applications, amendments, petitions, requests for waivers, and other documents necessary to secure any FCC approval, consent or other action required to effectuate the Leasing Arrangement without conditions that are materially adverse to either Party.

- (c) **Application Costs.** Sprint Nextel will, at its own expense, prepare all applications, notices, certificates, exhibits, consent agreements, approvals or authorizations that Sprint Nextel submits to the FCC or requests Licensee to submit pursuant to this Agreement. Sprint Nextel will pay FCC filing fees associated with seeking consent of the Leasing Arrangement and will promptly pay or reimburse Licensee for its reasonable expenses (including legal and/or engineering fees) associated with the evaluation of and activities undertaken by Licensee in response to any request by Sprint Nextel for action by Licensee. Licensee will pay its own costs associated with the renewal of the License and with any other filings to the FCC requested or customarily required of Licensee to remain eligible under FCC Rules to provide Sprint Nextel Capacity to Sprint Nextel (except as such costs relate to Sprint Nextel's status as lessee under this Agreement).
- (d) **Regulatory Fees.** Sprint Nextel will pay any regulatory fees imposed by the FCC on Sprint Nextel's use of the Sprint Nextel Capacity under this Agreement upon receipt of notice from the FCC that such fees are due, or upon receipt of at least thirty (30) days advance written notice from Licensee that such fees are due if notice is sent to Licensee.
- (e) **Auction Participation.**

(i) If the FCC auctions EBS spectrum (other than the Channels), upon Sprint Nextel's request made at least 120 days in advance of any such auction (or shorter in the event that FCC notice of the auction occurs within 120 days of the auction), Licensee will negotiate in good faith with Sprint Nextel for 60 days to reach an agreement pursuant to which Licensee will participate in the EBS spectrum auction and Sprint Nextel will serve as Licensee's agent and attorney-in-fact to bid for Licensee. Any such agreement will provide that Sprint Nextel will indemnify and hold Licensee harmless from any requirement to pay the U.S. Treasury any amount bid by Sprint Nextel on Licensee's behalf, as well as any liability incurred by Licensee as a result of Sprint Nextel's activities as agent and attorney-in-fact. In the event that Sprint Nextel

does not request that Licensee participate in an EBS auction, or the Parties do not reach an agreement on Licensee's participation in the auction, Licensee shall be entitled to participate in any such auction in its own right, at its own expense, without obligation to Sprint Nextel with respect to any such capacity acquired thereby.

(ii) In the event that the FCC permits but does not mandate Licensee to auction any of the Channels, Licensee will decline such invitation to auction unless Sprint Nextel and Licensee mutually agree on the parameters and limitations of Licensee's participation and its effect on this Agreement. In the event that the FCC requires Licensee to auction any of the Channels, the Parties will use best efforts, including participate in the auction, to ensure that the rights of the Parties under this Agreement continue in full force and effect, provided, however, that such participation by Licensee will be at Sprint Nextel's expense.

10. TRANSFERS AND ASSIGNMENTS

(a) **Limited Transfers and Assignments by Sprint Nextel.** Subject to Subsection 16(f), Sprint Nextel may do any of the following, but Sprint Nextel will remain primarily and directly responsible to Licensee for compliance with all its obligations under this Agreement:

- (i) sublease any or all of the Sprint Nextel Capacity;
- (ii) permit any direct or indirect affiliate of Sprint Nextel to use any portion of the Sprint Nextel Capacity; and
- (iii) delegate any or all of its obligations under this Agreement.

(b) **Full Transfers and Assignments by Sprint Nextel.** Subject to Subsection 16(f), Sprint Nextel may assign this Agreement to any third party capable of fully performing the obligations of Sprint Nextel hereunder, provided that:

- (i) Sprint Nextel agrees in writing to assign all its rights and obligations under this Agreement and such third party agrees in writing to assume all of Sprint Nextel's obligations hereunder and acknowledges all of Licensee's rights hereunder;
- (ii) the assignment and assumption agreement is in a form reasonably acceptable to Licensee;
- (iii) Sprint Nextel provides Licensee at least thirty (30) days advance notice of such proposed assignment, and upon closing of such assignment, provides notice of the closing of the assignment and a fully executed copy of the assignment and assumption agreement to Licensee.

(c) **By Licensee.** Subject to Sprint Nextel's ROFR, and FCC Rules, Licensee may negotiate and enter into any contract to assign the License to a third party provided that:

- (i) Licensee agrees in writing to assign all its rights and obligations under this Agreement and such third party agrees

in writing to assume all of Licensee's obligations hereunder and acknowledges all of Sprint Nextel's rights hereunder, including Sprint Nextel's ROFR (as it applies to any subsequent transfer);

- (ii) the assignment and assumption agreement is in a form reasonably acceptable to Sprint Nextel;
- (iii) Licensee provides Sprint Nextel at least thirty (30) days advance notice of such proposed assignment, and upon closing of such assignment, provides notice of the closing of the assignment and a fully executed copy of the assignment and assumption agreement to Sprint Nextel; and
- (iv) the assignee is not a Competing Entity (defined below).

A "Competing Entity" is any party that (1) offers, provides or delivers a commercially available telecommunications service using EBS or BRS spectrum within the United States of America (a "Competing Service"), (2) owns (except a less than one percent (1%) interest in a publicly traded company) any interest in any entity which provides a Competing Service, (3) has granted, or is affiliated with a party that has granted, to any provider of a Competing Service a global or overarching agreement for the right, option, or preemptive right, to use or otherwise acquire all or any portion of the EBS or BRS spectrum that such party owns or subsequently acquires.

11. TERMINATION OF AGREEMENT

(a) This Agreement will automatically terminate with respect to the License or affected Channel(s) upon the earlier of:

- (i) an FCC Final Order denying the application for the long term de facto transfer lease of the Channels or the extension of the Term;
- (ii) the loss or expiration without renewal of the License;
- (iii) an FCC Final Order revoking, terminating or canceling the License; or
- (iv) Sprint Nextel's acquisition of the License or some of the Channels respectively.

In such event, the Monthly Payments will be reduced on a *pro rata* basis to account for those Channels or portions thereof which are the subject of such termination.

(b) This Agreement may be terminated by either Party upon material breach of the other Party, if the breaching Party is provided with written notice by the non-breaching Party of the alleged grounds for the breach and allowed a thirty (30) day period for cure following such notice. If any such material breach is not reasonably capable of being cured within such thirty (30) day period, and the breaching party clearly demonstrates ongoing good-faith efforts to cure the breach, then the cure period will be extended an additional one hundred eighty (180) days and this Agreement may not be terminated so long as the breaching Party commences action to cure such breach within the initial thirty (30) day period and thereafter diligently pursues such cure to completion within the additional one hundred eighty (180) days. The Parties agree that the loss of the License will not be deemed a material breach by Licensee if (i) Licensee has met all of its

obligations under this Agreement, or any obligations that Licensee has not met have no material causal relationship to the loss; (ii) the loss is not due to the fault of Licensee; and (iii) the Licensee used best efforts to keep in force and renew the License.

(c) Sprint Nextel may terminate this Agreement if, for any reason other than a breach of this Agreement by Sprint Nextel, the Sprint Nextel Capacity falls below 16.5 MHz.

(d) Sprint Nextel may terminate this Agreement on thirty (30) days' written notice to Licensee if:

- (i) the FCC has not granted the application for the long term de facto transfer lease of the Channels and such grant has not become a Final Order within one (1) year of the Effective Date or the FCC grants the application for the lease or any extension but places conditions that are materially adverse to Sprint Nextel; or
- (ii) the FCC Rules are amended subsequent to the Effective Date in a manner that, in Sprint Nextel's sole discretion, materially impairs Sprint Nextel's ability to develop and launch a commercial wireless telecommunications system using BRS or EBS spectrum, or that places additional material obligations on Sprint Nextel as conditions of its use of the Channels in such a system; provided, however, that any such termination shall be exercised no later than 180 days following the date on which the amended FCC Rules become a Final Order.

(e) Licensee may terminate this Agreement if:

- (i) Licensee advises and certifies ("Notice and Certification") to Sprint Nextel in writing that Licensee desires to permanently cease all EBS operations in the Area and Licensee assigns without any consideration its rights under the License and Channels to a qualified entity designated by Sprint Nextel during the period that is six (6) months following receipt by Sprint Nextel of the Notice and Certification ("Six Months Period"). If Sprint Nextel does not designate a replacement entity for Licensee during the Six Months Period, Licensee will seek the cancellation of the licenses for all of the Channels with the FCC and this Agreement will automatically terminate upon the cancellation by the FCC of such licenses; or
- (ii) Sprint Nextel fails to comply with the Communications Act or the FCC Rules (collectively, the "Governing Rules") governing its use of the Channels; provided that, Licensee's right to terminate under this Sub-section (ii) may be exercised only if (A) Licensee becomes aware of an on-going violation or repeated violations by Sprint Nextel of the Governing Rules, or any other violation of the Governing Rules that might adversely affect Licensee's rights in the License or impose liability on Licensee as licensee of the Channels, and (B) after giving notice to Sprint Nextel of such violation(s), Sprint Nextel does not immediately,

in the case of an on-going violation, begin to cure such violation and fully effect such cure within thirty (30) days or such lesser period that the FCC may specifically impose, and in the case of repeated violations, take steps to prevent such violations in the future and fully effect such steps within thirty (30) days or such lesser period that the FCC may specifically impose, such that the violation does not re-occur. If any such failure to comply with the Governing Rules, as provided in (A) or (B) above, is not reasonably capable of being cured within a thirty (30) day period, Sprint Nextel clearly demonstrates ongoing good-faith efforts to cure the breach, and the FCC does not create an earlier deadline, then the cure period will be extended an additional one hundred eighty (180) days and this Agreement may not be terminated so long as Sprint Nextel commences action to cure such breach within the initial thirty (30) day period and thereafter diligently pursues such cure to completion within the additional one hundred eighty (180) days.

(f) If the FCC alters the Substantial Service Requirements applicable to the Channels in a manner that materially increases the burden on Sprint Nextel to satisfy such requirements, then Sprint Nextel no later than ninety (90) days following the change in such Substantial Service Requirements, may notify Licensee that Sprint Nextel is not assuming any obligations to meet such Substantial Service Requirements. Within forty-five (45) days following such notice, Licensee may elect:

- (i) to terminate this Agreement by providing notice thereof, in which case the Agreement will terminate forty-five (45) days after Licensee's notice; or
- (ii) to continue this Agreement in which case neither Party will have liability to the other for the failure to meet such Substantial Service Requirements. If Licensee does not elect to terminate this Agreement pursuant to this Subsection, this Agreement will continue except that neither Party will have liability to the other for the failure to meet such Substantial Service Requirements.

If Sprint Nextel does not provide notice of its intent to not assume the Substantial Service Requirements, Sprint Nextel will take all necessary steps to ensure that such Substantial Service Requirements are satisfied by the deadline established by the FCC.

(g) The Parties will notify the FCC of the termination or expiration of this Agreement with respect to the License or any of the Channels within ten (10) calendar days following the termination or expiration.

(h) Except as expressly set forth in this Agreement, upon the expiration or termination of this Agreement, the Parties will have no further obligations to each other. Any termination or expiration of this Agreement, regardless of cause, will not release either Licensee or Sprint Nextel from any liability arising from any breach or violation by that Party of the terms of this Agreement prior to the expiration or termination. The general and procedural provisions of this Agreement, which may be relevant to enforcing the obligations or duties of the Parties, will

survive the expiration or termination of this Agreement until the obligations or duties are performed or discharged in full.

12. EXPENSES

Except as expressly provided in this Agreement, each Party will pay its own expenses incident to the preparation and performance of this Agreement, and any amendment or modification to this Agreement, including, but not limited to, all fees and expenses of their respective legal counsel and any engineering, accounting and brokerage expenses in connection with this Agreement. Sprint Nextel is entitled to one hundred percent (100%) of the revenue generated from the use of the Sprint Nextel Capacity. Sprint Nextel also retains all right, title and interest in all of the assets operating on, or used in the operation of the Sprint Nextel Capacity, including without limitation all equipment, customers, and proprietary information such as customer or technical information, and Licensee will have no right or interest in or to such assets.

13. COVENANT NOT TO COMPETE

During the Term, Licensee will not directly or indirectly use Licensee's Capacity to compete with Sprint Nextel or its affiliates in any business activity or business or service offerings, or provide a Competing Service in the Area. Nothing in this Section prohibits Licensee from

- (a) subject to Sprint Nextel's ROFR, leasing the capacity of the Channels to a third party for any period after the termination or expiration of this Agreement, or
- (b) at any time:
 - (i) leasing EBS channels or any spectrum held by Licensee to any party for any purpose, other than the Channels,
 - (ii) providing educational services (including but not limited to video and/or data services) to itself or to other schools, colleges, universities or other governmental or nonprofit entities, or
 - (iii) providing educational teleconferencing or other noncommercial activities advancing its educational purposes.

14. CONFIDENTIALITY AND NON-DISCLOSURE

- (a) **Non-Disclosure of Information.** From the Effective Date until the three (3) year anniversary of the expiration or termination of this Agreement, the Parties and their Agents (as defined below) will:
 - (i) treat all Information (as defined below) as confidential and proprietary;
 - (ii) hold all Information in strict confidence;
 - (iii) not disclose any Information to any entity or person (or the fact that the Information has been made available to it); and
 - (iv) not use any Information for any purpose other than implementing the terms of this Agreement.

For purposes of this Agreement, "Information" means all non-public information disclosed hereunder or in connection herewith, whether written or oral, that is designated as confidential or that, given the

nature of the information or the circumstances surrounding its disclosure, reasonably should be considered as confidential, including, without limitation, the terms of this Agreement, all negotiations and discussions relating to this Agreement and the matters subject to this Agreement, and all other information the Parties may supply and/or disclose to each other in conjunction with this Agreement relating to the business of the disclosing Party or its affiliates, whether supplied or disclosed during negotiations with respect to this Agreement, during the Initial Term or any Renewal Term of this Agreement.

(b) **Certain Exceptions.** Notwithstanding anything to the contrary in Subsection (a) above:

- (i) The term "Information" will not include information that:
 - (A) is information customarily required to be disclosed in an FCC application seeking consent for or renewal of the Leasing Arrangement.
 - (B) is required to be disclosed to the FCC in support of the lease applications or notices submitted to the FCC; provided, however, that the Parties will submit a confidentiality request to the FCC if the FCC seeks from the Parties a copy of this Agreement or any information regarding its terms (other than those terms referred to in (A), above);
 - (C) has been or becomes published or is now, or in the future, in the public domain without breach of this Agreement or breach of a similar agreement by a third party;
 - (D) prior to disclosure hereunder, is property within the legitimate possession of the receiving Party which can be verified by independent evidence;
 - (E) subsequent to disclosure hereunder, is lawfully received from a third party having rights therein without restriction of the third party's or the receiving Party's rights to disseminate the information and without notice of any restriction against its further disclosure; or
 - (F) is independently developed by the receiving Party through persons who have not had, either directly or indirectly, access to or knowledge of such Information which can be verified by independent evidence.
- (ii) The Parties may disclose Information to their respective affiliates, employees, shareholders, agents, representatives, attorneys and accountants (collectively, "Agents") as required to perform obligations under this Agreement; provided, however, that prior to disclosing any Information to any Agent, the Party disclosing such Information to the Agent will advise the Agent of the Information's confidential nature and

the terms of this Section 14 and cause the Agent to abide by the terms of this Section 14.

- (iii) The Parties may disclose Information as required by applicable law, regulation or regulatory or legal process; provided, however, that if any Party or any of its Agents becomes legally compelled or required to disclose any of the Information, the Party so compelled will, if permitted by applicable law, regulation or regulatory or legal process, provide the other Party with prompt, prior, written notice of such requirement so that such other Party may seek a protective order or other appropriate remedy; provided, further, that if such a protective order or other remedy is not obtained or available, each Party will, and will cause their Agents to, disclose only that portion of the Information that is legally required to be disclosed and to otherwise take all reasonable steps to preserve the confidential nature of the Information.
- (iv) Sprint Nextel may disclose Information to any third parties which are subject to the terms of a confidentiality agreement prohibiting the further dissemination of such Information beyond that which would otherwise be permitted if such third parties were a party to this Section 14.

15. ASSUMPTION OF LIABILITIES

Neither Party is assuming or will be responsible for any of the other's liabilities or obligations (including but not limited to customer obligations) except as required by the FCC or as otherwise specifically set forth in this Agreement.

16. FCC-MANDATED LEASING ARRANGEMENT OBLIGATIONS

- (a) Licensee and Sprint Nextel are familiar with the FCC Rules, the Communications Act of 1934, as amended ("Communications Act"), the published policies of the FCC, and will materially comply at all times with all such laws, regulations and policies (the "Governing Rules") as they pertain to the use of the Channels.
- (b) This Agreement may be revoked, cancelled or terminated by the FCC, or Licensee pursuant to the terms of Subsection 11(e)(ii), if Sprint Nextel fails to comply with the Governing Rules.
- (c) Except as set forth in Subsection 9(e), neither Licensee nor Sprint Nextel will represent itself as the legal representative of the other before the FCC or any party, but will cooperate with each other with respect to FCC matters concerning the Licenses and the Channels.
- (d) If the License is revoked, cancelled, terminated or otherwise ceases to be in effect, Sprint Nextel has no continuing authority or right to use the Channels unless otherwise authorized by the FCC.
- (e) This Agreement is not an assignment, sale or transfer of the License itself.

- (f) This Agreement may only be assigned in compliance with its terms and the FCC Rules and will not be assigned to any entity that is ineligible or unqualified to enter into a spectrum leasing arrangement under the FCC Rules. Licensee will not consent to an assignment unless such assignment complies with applicable FCC Rules.
- (g) Licensee and Sprint Nextel will each retain a copy of this Agreement and make it available upon request by the FCC, in accordance with the confidentiality provisions in Section 14.

17. REPRESENTATIONS AND WARRANTIES

- (a) **Mutual Representations and Warranties.** Each Party represents and warrants to the other that:
 - (i) it is duly organized, validly existing and in good standing under the laws of the state of its formation, and has full power and authority to carry out all the transactions contemplated by this Agreement;
 - (ii) it has taken all requisite organizational action to approve the execution, delivery and performance of this Agreement;
 - (iii) this Agreement constitutes a legal, valid and binding obligation enforceable against such Party in accordance with its terms, subject only to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and general equitable principles regardless of whether such enforceability is considered in a proceeding at law or in equity; and
 - (iv) neither the execution nor the delivery of this Agreement nor the performance of the transactions contemplated by it will conflict with, or result in any violation or default under, any term of the articles or certificate of incorporation, organizational documents, or by-laws of such Party, or any agreement, mortgage, indenture, license, permit, lease or other instrument, judgment, decree, order, law or regulation by which the Party or its assets are bound.
- (b) **Sprint Nextel's Representations and Warranties.** Sprint Nextel hereby represents and warrants that it has the requisite capabilities and financial resources to satisfy its obligations set forth in this Agreement.
- (c) **Licensee's Representations and Warranties.** Licensee represents and warrants that:
 - (i) Licensee has obtained, and is in material compliance with all rules that apply to the License and operation of the Channels,
 - (ii) the License is in full force and effect,
 - (iii) to the best of Licensee's knowledge, there are no facts that may warrant the revocation or cancellation of the License,
 - (iv) Licensee is the lawful and exclusive licensee under the License,

- (v) to the best of Licensee's knowledge, the Channels are not subject to any authorizations other than those listed on Schedule A.
- (vi) Except as reflected in the public records of the FCC and as listed on Exhibit B, there are no applications pending before the FCC or any other governmental authority that relate in any way to the Channels or the License;
- (vii) As of the Effective Date, there are no ongoing Interference Consents or other agreements or undertakings that limit or transfer the whole or any part of the GSA of the License or any of the Channels;
- (viii) there is no complaint, inquiry, investigation or proceeding pending before the FCC, or any other governmental authority or regulatory body, or, to the best knowledge of Licensee, threatened which could result in the revocation, modification, restriction, cancellation, termination or non-renewal of, or other action adversely affecting the License or the Channels, and Licensee knows of no facts that, if brought to the attention of the FCC, a governmental authority or regulatory body, could result in the revocation, modification, restriction, cancellation, termination or non-renewal of, or other action adversely affecting, the License or any of the Channels; and
- (ix) there is no pending or threatened litigation that relates in any way to the Channels or License or that would otherwise prevent, impede, or have the effect of preventing or impeding Licensee from satisfying its obligations under this Agreement.
- (x) Licensee is satisfying the FCC Rules to fulfill its obligations under this Agreement, to maintain the License, and remain an eligible EBS licensee of the License and Channels

18. COVENANTS

(a) **Sprint Nextel's Covenants.** Throughout the Term, Sprint Nextel will:

- (i) not take any action prohibited by this Agreement or fail to take any action that it is required to take pursuant to this Agreement which could reasonably be expected to cause the impairment of, or the revocation, cancellation, or suspension by the FCC of, or the FCC's refusal to renew Licensee's License or any portion thereof;
- (ii) promptly notify Licensee of any event or claim coming to Sprint Nextel's attention pertaining to the License that may adversely affect, or that is adverse to, the License, any of the Channels or Licensee's rights under this Agreement;
- (iii) not take any action or fail to take any action that it is required to take that would cause any of its representations and

warranties under this Agreement to become untrue or incorrect in any respect; and

- (iv) promptly notify Licensee of any event or circumstance which may reasonably be deemed to constitute a breach of or lead to a breach of Sprint Nextel's representations or warranties under this Agreement or that may cause any such representations or warranties to be materially misleading or untrue had such representation or warranty been made at such time.

(b) **Licensee's Covenants.** Throughout the Term, Licensee will:

- (i) use best efforts to obtain and maintain all lawful licenses, permits and authorizations required or desired by Sprint Nextel for the use of the Channels;
- (ii) take all necessary action required pursuant to this Agreement to be able to meet its obligations to Sprint Nextel under this Agreement and remain eligible under the FCC Rules to hold the License with respect to all of the Channels, including meeting any educational use requirements;
- (iii) take all necessary steps to renew each License, as required under this Agreement, and not commit any act, engage in any activity prohibited by this Agreement, or fail to take any action that it is required to under this Agreement that could reasonably be expected to cause the impairment of, or the revocation, cancellation, or suspension by the FCC of, or the FCC's refusal to renew any License or any portion thereof;
- (iv) promptly notify Sprint Nextel of any event or claim coming to Licensee's attention pertaining to the License that may adversely affect, or that is adverse to, the License, any of the Channels or Sprint Nextel's rights under this Agreement;
- (v) not take any action or fail to take any action that it is required to take that would cause any of its representations and warranties under this Agreement to become untrue or incorrect in any respect; and
- (vi) promptly notify Sprint Nextel of any event or circumstance which may reasonably be deemed to constitute a breach of or lead to a breach of Licensee's representations or warranties under this Agreement or that may cause any such representations or warranties to be materially misleading or untrue had such representation or warranties been made at such time.

19. INDEMNIFICATION

- (a) **Sprint Nextel's Duty to Indemnify.** Sprint Nextel will defend, indemnify and hold Licensee and each of its affiliates and their respective partners, members, officers, directors, employees, agents, representatives, successors and assigns harmless from and

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**SPRINT NEXTEL
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against any and all liabilities, losses, damages and costs, including reasonable attorney's fees, to the extent resulting from, arising out of, or in any way connected with claims by a third party directly resulting from: (i) any breach by Sprint Nextel of any warranty, representation, agreement or obligation contained in this Agreement, including any breach of the obligation to comply with any legal requirements that apply to Sprint Nextel in conjunction with the provision of services on the Channels; (ii) the installation, maintenance, testing, repair, or physical operation of the facilities utilizing the Channels; or (iii) a breach by Sprint Nextel of an agreement with that third party.

(b) **Licensee's Duty to Indemnify.** To the extent permitted by state law, Licensee will defend, indemnify and hold Sprint Nextel and each of its affiliates and their respective partners, members, officers, directors, employees, agents, representatives, successors and assigns harmless from and against any and all liabilities, losses, damages and costs, including reasonable attorney's fees, to the extent resulting from, arising out of, or in any way connected with claims by a third party directly resulting from any breach by Licensee of any warranty, representation, agreement or obligation contained in this Agreement. It is understood that the foregoing sentence shall not be deemed to constitute a waiver of sovereign immunity by Licensee.

(c) **Claims.** In any circumstance in which a Party ("Indemnifying Party") is required by the provisions of this Agreement to indemnify the other Party ("Indemnified Party") with respect to any claim by a third party:

- (i) the Indemnified Party will give prompt and reasonably detailed written notice of the circumstances to the Indemnifying Party (including, without limitation, the amount of such claim, or if the amount is not yet liquidated or otherwise determinable, the Indemnified Party's reasonable, good faith estimate thereof); provided, however, that no delay in giving notice will relieve the Indemnifying Party of its obligations unless the delay results in actual prejudice and then only to the extent of the actual prejudice;
- (ii) the Indemnified Party will not make any admission or make or accept any offer of settlement or compromise or consent to entry of any judgment (other than a dismissal on the merits with prejudice without costs) or findings of fact without the prior written consent of the Indemnifying Party, which consent will not be unreasonably withheld, delayed or conditioned;
- (iii) unless the counsel selected is reasonably objected to by the Indemnified Party, the Indemnifying Party will be entitled to direct and may assume the defense of any action and select counsel or additional co-counsel for such purpose, at its cost and expense;
- (iv) after the Indemnifying Party assumes the defense of any action pursuant to clause (iii) of this Subsection, the Indemnifying Party will have no liability for any attorney's fees that are incurred by the Indemnified Party unless the

employment of counsel by the Indemnified Party and that counsel's fees have been authorized by the Indemnifying Party;

- (v) the Indemnified Party will reasonably cooperate with the Indemnifying Party and counsel in the defense of any action, and will provide documents and information and access to witnesses upon reasonable request; and
 - (vi) the Indemnifying Party will not settle any such action without the written consent of the Indemnified Party (which consent shall not be unreasonably withheld), or consent to the entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to the Indemnified Party a release from all liability with respect to the claim.
- (d) **Survival.** This indemnification Section will survive for one (1) year following the expiration or termination of this Agreement and Sprint Nextel's ROFR (the "Indemnification Period"); provided, however, that this Section will not terminate with respect to any *bona fide* claim as to which the Party to be indemnified has, before the expiration of the Indemnification Period, delivered proper notice in accordance with this Section.

20. NOTICES

(a) Any notice required to be given by one Party to the other under this Agreement will be delivered using a reliable national express overnight delivery service and will be effective upon receipt. All notices will be delivered to the Parties at the following addresses:

If to Sprint Nextel:

Sprint Nextel Corporation
Legal Department
Attention: Spectrum Management
2000 Edmund Halley Drive
Reston, VA 20191
Phone: 703.433.4000

With a copy to:

Sprint Nextel Corporation
Vice President Spectrum Management
2000 Edmund Halley Drive
Reston, VA 20191
Phone:

If to Licensee:

Okaloosa-Walton College Foundation, Inc.
100 College Blvd.
Niceville, Florida 32578

Attn: Executive Director
Phone: 850.729.5357
Fax: 850.729.5273

With a copy to:

Todd D. Gray
Dow Lohnes PLLC
1200 New Hampshire Avenue, NW
Suite 800
Washington, D. C. 20036-6802
Phone: 202-776-2571

(b) Either Party may change its addresses for receipt of notice or payment by giving notice of such change to the other Party as provided in this Section.

21. MISCELLANEOUS

- (a) **Force Majeure.** Neither Party will be liable for any nonperformance under this Agreement due to causes beyond its reasonable control that could not have been reasonably anticipated by the non-performing Party and that cannot be reasonably avoided or overcome (each such cause being a "Force Majeure Event"); if:
- (i) the non-performing party gives the other Party prompt written notice of such cause, and in any event, within fifteen (15) calendar days of its discovery; and
 - (ii) such nonperformance will be excused only during the period when the Force Majeure Event occurs, continues to exist and cannot be reasonably overcome.
- (b) **Independent Parties.** None of the provisions of this Agreement will be deemed to constitute a partnership, joint venture, or any other similar relationship between the Parties, and neither Party will have any authority to bind the other in any manner except as specifically indicated in this Agreement. Neither Party will have or hold itself out as having any right, authority or agency to act on behalf of the other Party in any capacity or in any manner, except as may be specifically authorized in this Agreement.
- (c) **Specific Performance.**
- (i) **Licensee:** Licensee acknowledges that the License and Channels are unique and that Licensee's failure to perform this Agreement will cause Sprint Nextel irreparable damage and injury which cannot be reasonably or adequately compensated for in damages in an action at law. Therefore, Sprint Nextel will be entitled, as a matter of right, to require of Licensee specific performance of all of Licensee's obligations under this Agreement, without a showing of irreparable harm beyond the concession of Licensee in this Subsection, or proof of specific monetary or other damages, but without waiving any right to money or other damages, and to obtain injunctive and other equitable relief in any court of

competent jurisdiction to prevent the violation or threatened violation of any of the provisions of this Agreement. Licensee acknowledges that the provisions of this Subsection constitute an essential element of this Agreement, without which this Agreement would not have been executed by Sprint Nextel.

- (ii) **Sprint Nextel:** Sprint Nextel acknowledges that the License and Channels are unique and that Sprint Nextel's failure to perform certain obligations under this Agreement will cause Licensee irreparable damage and injury which cannot be reasonably or adequately compensated for in damages in an action at law. Therefore, Licensee will be entitled, as a matter of right, to require of Sprint Nextel specific performance of any obligation of Sprint Nextel under this Agreement, which if not performed by Sprint Nextel would result in the loss of the License, and which Licensee cannot have reasonably performed through alternative means, without a showing of irreparable harm beyond the concession of Licensee in this Subsection, or proof of specific monetary or other damages, but without waiving any right to money or other damages, and to obtain injunctive and other equitable relief in any court of competent jurisdiction to prevent the violation or threatened violation of such a Sprint Nextel obligation under this Agreement. Sprint Nextel acknowledges that the provisions of this Subsection constitute an essential element of this Agreement, without which this Agreement would not have been executed by Licensee.
- (d) **Applicable Law.** The validity, construction and performance of this Agreement will be governed by and construed in accordance with the laws of the State of Florida, without regard to the principles of conflict of laws.
- (e) **Waiver of Jury Trial.** The Parties hereby irrevocably and unconditionally waive, to the fullest extent permitted by applicable law, any right that they may have to trial by jury of any claim or cause of action, or in any legal proceeding, directly or indirectly based upon or arising out of this Agreement or the transactions contemplated by this Agreement (whether based on contract, tort, or any other theory). Each Party acknowledges that the provisions of this Subsection constitute an essential element of this Agreement, without which this Agreement would not have been executed by either Party.
- (f) **Attorneys' Fees.** Except as may otherwise be specifically set forth in this Agreement, if any action is brought on account of any breach of or to enforce or interpret any of the terms, covenants or conditions of this Agreement, the prevailing Party will be entitled to recover from the other its reasonable attorneys' fees and costs, as determined by the court hearing the action.
- (g) **Severability.** If any provision of this Agreement is found to be illegal, invalid or unenforceable, that provision will be enforced to the maximum extent permissible so as to effect the intent of the Parties, and the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired, unless continued enforcement of the provisions frustrates the intent of the Parties ("Frustration"). If the

Parties, after negotiating in good faith, are unable to negotiate a modification of this Agreement to remedy a Frustration, this Agreement may be terminated by the Party that would suffer a materially adverse effect by the Frustration, by giving thirty (30) days prior written notice of such intent to terminate to the other Party. The Parties will continue to negotiate in good faith during such thirty (30) day notice period to attempt to remedy the Frustration and if the Parties negotiate a remedy to the Frustration during such period, the notice provided to initiate such period will no longer be effective to terminate the Agreement.

- (h) **No Waiver.** No delay or failure by either Party in exercising any right under this Agreement, and no partial or single exercise of that right, will constitute a waiver of that or any other right. Failure to enforce any right under this Agreement will not be deemed a waiver of future enforcement of that or any other right.
- (i) **No Third Party Beneficiaries.** This Agreement is for the sole benefit of the Parties and their successors and permitted assigns and nothing herein expressed or implied will give or be constructed to give to any other person or entity any legal or equitable rights hereunder.
- (j) **Counterparts.** This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but which collectively will constitute one and the same instrument. Original signatures transmitted by facsimile will be effective to create counterparts.
- (k) **Headings.** The headings and captions used in this Agreement are for convenience only and are not to be considered in construing or interpreting this Agreement.
- (l) **Construction.** Each Party has had the opportunity to engage legal counsel to review and negotiate the terms and provisions of this Agreement. This Agreement will be interpreted in accordance with its terms and without any strict construction in favor of or against either Party based on draftsmanship of this Agreement or otherwise.
- (m) **Complete Agreement.** This Agreement constitutes the entire agreement between the Parties with respect to the subject matter addressed, and supersedes and replaces all prior or contemporaneous understandings or agreements, written or oral, between the Parties or any of their affiliates regarding this subject matter, including that certain ITFS Excess Capacity Lease Agreement dated August 19, 2004 (the "Existing Agreement"), which is hereby terminated by the Parties, except that the indemnification provisions of the Existing Agreement shall continue in force with respect to any activities of the Parties prior to the Effective Date of this Agreement.. No amendment to or modification of this Agreement will be binding unless in writing and signed by a duly authorized representative of each of the Parties.
- (n) **Cooperation.** The Parties will take such further action and execute such further assurances, documents and certificates as either Party may reasonably request to effectuate the purposes of this Agreement. From time to time, Licensee will execute and deliver to Sprint Nextel an estoppel certificate in a form reasonably requested by Sprint Nextel.

22. INCLUDED SCHEDULES AND EXHIBITS

The following schedules and exhibits are part of this Agreement:

- (a) Schedule A: License and Channel Information;
- (b) Schedule B: Monthly Payment Schedule; and

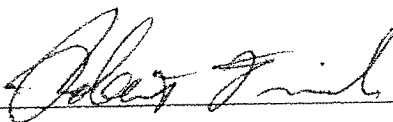
Okaloosa WNC885 v. 9-12-06.doc

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(c) Exhibit A: Licensee and Electronic Filing Information Form.

AGREED TO:

Nextel Spectrum Acquisition Corp.

By: 
Name: **Robert Finch, VP**
Title: **Authorized Signatory**

OKALOOSA-WALTON COLLEGE
FOUNDATION, INC.

By: 
Name: **Dale E. Rice, Jr.**
Title: **President**

SCHEDULE A**LICENSE(S)**

Call Sign	Channel(s)	Licensee	Location	# of Channels Leased	Serv. Type	Grant Date	Expir. Date
WNC885	G1, G2, G3, and G4	Okaloosa- Walton College Foundation, Inc.	Shalimar, FL	4 (G1, G2, G3 and G4)	ED	6/30/1997	6/30/2007

SCHEDULE B
MONTHLY PAYMENT SCHEDULE

WNC885, FORT WALTON BEACH, FLORIDA

	\$2000.00
Year 1	\$2000.00
Year 2	\$2000.00
Year 3	\$2000.00
Year 4	\$2000.00
Year 5	\$2500.00
Year 6	\$2500.00
Year 7	\$2500.00
Year 8	\$2500.00
Year 9	\$2500.00
Year 10	\$3000.00
Year 11	\$3000.00
Year 12	\$3000.00
Year 13	\$3000.00
Year 14	\$3000.00
Year 15	\$3500.00
Year 16	\$3500.00
Year 17	\$3500.00
Year 18	\$3500.00
Year 19	\$3500.00
Year 20	\$4000.00
Year 21	\$4000.00
Year 22	\$4000.00
Year 23	\$4000.00
Year 24	\$4000.00
Year 25	\$4500.00
Year 26	\$4500.00
Year 27	\$4500.00
Year 28	\$4500.00
Year 29	\$4500.00
Year 30	

Lifetime Lease Value

	NWFSC	Foundation
2006 Upfront Payment	\$ 125,000.00	\$ 125,000.00
2007 Year 1	\$ 24,000.00	\$ 24,000.00
2008 Year 2	\$ 24,000.00	\$ 24,000.00
2009 Year 3	\$ 24,000.00	\$ 24,000.00
2010 Year 4	\$ 24,000.00	\$ 24,000.00
2011 Year 5	\$ 24,000.00	\$ 24,000.00
2012 Year 6	\$ 30,000.00	\$ 30,000.00
2013 Year 7	\$ 30,000.00	\$ 30,000.00
2014 Year 8	\$ 30,000.00	\$ 30,000.00
2015 Year 9	\$ 30,000.00	\$ 30,000.00
2016 Year 10	\$ 30,000.00	\$ 30,000.00
2017 Year 11	\$ 36,000.00	\$ 36,000.00
2018 Year 12	\$ 36,000.00	\$ 36,000.00
2019 Year 13	\$ 36,000.00	\$ 36,000.00
2020 Year 14	\$ 36,000.00	\$ 36,000.00
2021 Year 15	\$ 36,000.00	\$ 36,000.00
2022 Year 16	\$ 42,000.00	\$ 42,000.00
2023 Year 17	\$ 42,000.00	\$ 42,000.00
2024 Year 18	\$ 42,000.00	\$ 42,000.00
2025 Year 19	\$ 42,000.00	\$ 42,000.00
2026 Year 20	\$ 42,000.00	\$ 42,000.00
2027 Year 21	\$ 48,000.00	\$ 48,000.00
2028 Year 22	\$ 48,000.00	\$ 48,000.00
2029 Year 23	\$ 48,000.00	\$ 48,000.00
2030 Year 24	\$ 48,000.00	\$ 48,000.00
2031 Year 25	\$ 48,000.00	\$ 48,000.00
2032 Year 26	\$ 54,000.00	\$ 54,000.00
2033 Year 27	\$ 54,000.00	\$ 54,000.00
2034 Year 28	\$ 54,000.00	\$ 54,000.00
2035 Year 29	\$ 54,000.00	\$ 54,000.00
2036 Year 30	\$ 54,000.00	\$ 54,000.00
Subtotal to 2023	\$ 659,000.00	\$ 659,000.00
Total	\$ 1,295,000.00	\$ 1,295,000.00
Remaining Individual Value	\$ 636,000.00	\$ 636,000.00
Combined Remaining Value	\$ 1,272,000.00	
Offer 1	\$ 1,125,000.00	
Remaining Value v. Offer	\$ (147,000.00)	
Offer 2	\$ 1,550,000.00	
Remaining Value v. Offer	\$ 278,000.00	
Offer 3	\$ 1,750,000.00	
Remaining Value v. Offer	\$ 478,000.00	

Lifetime Lease Value

	NWFSC*	Foundation**
2006 Upfront Payment	\$ 125,000.00	\$ 125,000.00
2007 Year 1	\$ 24,000.00	\$ 24,000.00
2008 Year 2	\$ 24,000.00	\$ 24,000.00
2009 Year 3	\$ 24,000.00	\$ 24,000.00
2010 Year 4	\$ 24,000.00	\$ 24,000.00
2011 Year 5	\$ 24,000.00	\$ 24,000.00
2012 Year 6	\$ 30,000.00	\$ 30,000.00
2013 Year 7	\$ 30,000.00	\$ 30,000.00
2014 Year 8	\$ 30,000.00	\$ 30,000.00
2015 Year 9	\$ 30,000.00	\$ 30,000.00
2016 Year 10	\$ 30,000.00	\$ 30,000.00
2017 Year 11	\$ 36,000.00	\$ 36,000.00
2018 Year 12	\$ 36,000.00	\$ 36,000.00
2019 Year 13	\$ 36,000.00	\$ 36,000.00
2020 Year 14	\$ 36,000.00	\$ 36,000.00
2021 Year 15	\$ 36,000.00	\$ 36,000.00
2022 Year 16	\$ 42,000.00	\$ 42,000.00
2023 Year 17	\$ 42,000.00	\$ 42,000.00
2024 Year 18	\$ 42,000.00	\$ 42,000.00
2025 Year 19	\$ 42,000.00	\$ 42,000.00
2026 Year 20	\$ 42,000.00	\$ 42,000.00
2027 Year 21	\$ 48,000.00	\$ 48,000.00
2028 Year 22	\$ 48,000.00	\$ 48,000.00
2029 Year 23	\$ 48,000.00	\$ 48,000.00
2030 Year 24	\$ 48,000.00	\$ 48,000.00
2031 Year 25	\$ 48,000.00	\$ 48,000.00
2032 Year 26	\$ 54,000.00	\$ 54,000.00
2033 Year 27	\$ 54,000.00	\$ 54,000.00
2034 Year 28	\$ 54,000.00	\$ 54,000.00
2035 Year 29	\$ 54,000.00	\$ 54,000.00
2036 Year 30	\$ 54,000.00	\$ 54,000.00
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Combined Remaining Value	\$ 1,272,000.00	

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Offer 2	\$ 1,550,000.00
Remaining Value v. Offer	\$ 278,000.00
Offer 3	\$ 1,750,000.00
Remaining Value v. Offer	\$ 478,000.00

Net Present Value Analysis

	assumes 4% discount rate compounded annually	assumes 5% discount rate compounded annually	assumes 6% discount rate compounded annually	assumes 7% discount rate compounded annually
17				
16				
15				
14				
13				
12				
11				
10				
9				
8				
7				
6				
5				
4				
3				
2				
1				
	\$ 84,000.00	84,000.00	84,000.00	84,000.00
1	80,769	80,000.00	79,245.28	78,504.67
2	77,663	76,190.48	74,759.70	73,368.85
3	74,676	72,562.36	70,528.02	68,569.02
4	82,061	78,979.44	76,040.99	73,237.94
5	78,905	75,218.51	71,736.78	68,446.67
6	75,870	71,636.68	67,676.21	63,968.85
7	72,952	68,225.41	63,845.48	59,783.98
8	70,146	64,976.58	60,231.59	55,872.87
9	75,879	69,617.76	63,925.03	58,744.84
10	72,961	66,302.63	60,306.64	54,901.72
11	70,155	63,145.36	56,893.05	51,310.02
12	67,456	60,138.44	53,672.69	47,953.29
13	64,862	57,274.71	50,634.61	44,816.16
	NPV @ 4%	NPV @ 5%	NPV @ 6%	NPV @ 7%
	\$ 1,048,355.94	988,268.35	933,496.09	883,478.91

Assume as sunk; no value to current offer/negotiations

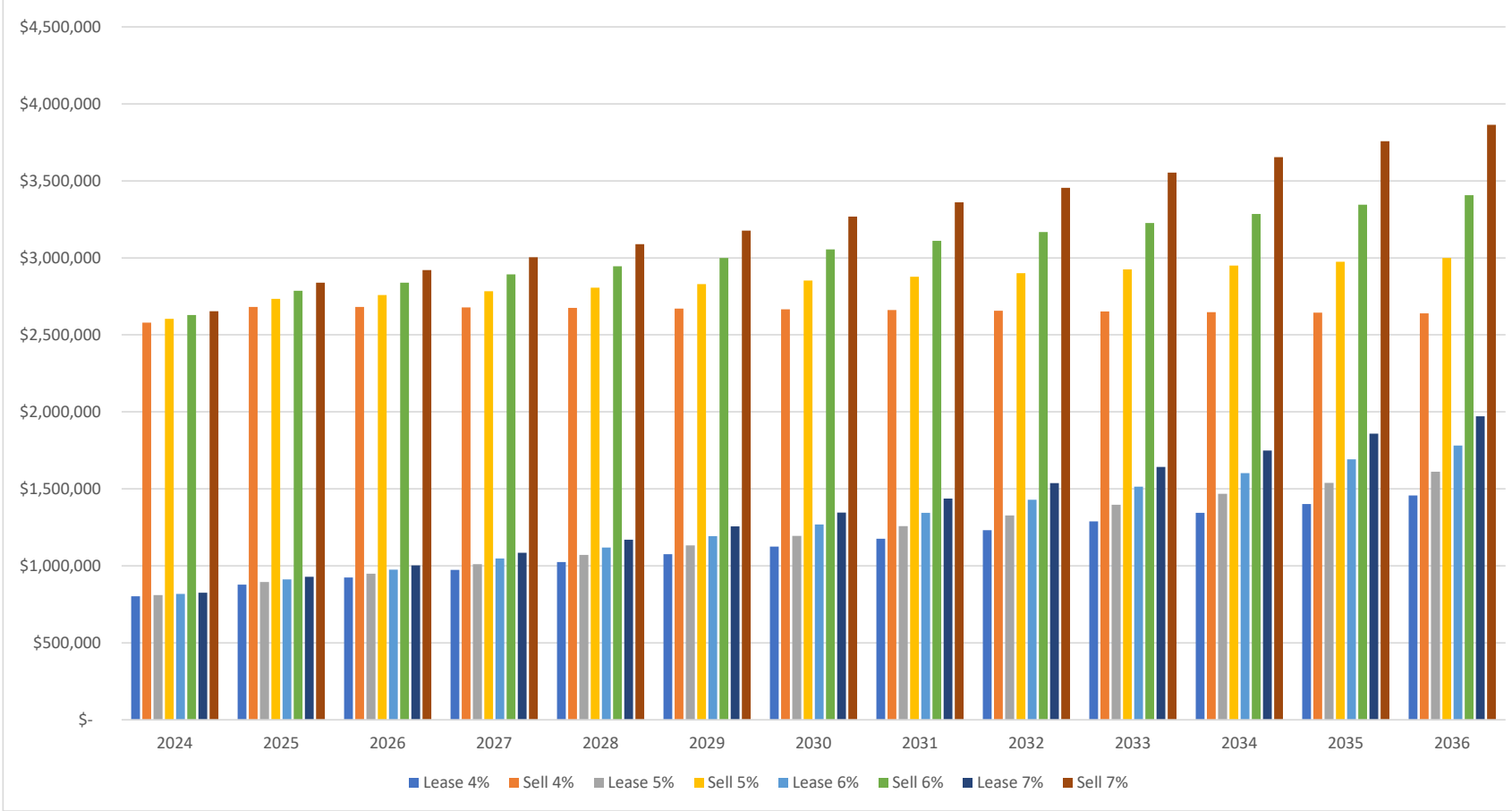
Year	Innovation Fund	Raider Champions	Total	EBS Payments	Total Return (excl. EBS payments)
Details prior to 2014 not available - Software migration shows July 1, 2014 Balance					
2014	\$ 206,517				
2015	\$ 240,975			\$ 30,000	2.16%
2016	\$ 265,559			\$ 27,500	-1.21%
2017	\$ 333,996			\$ 35,984	12.22%
2018	\$ 394,913			\$ 36,000	7.46%
2019	\$ 448,204			\$ 36,000	4.38%
2020	\$ 486,386			\$ 36,000	0.49%
2021	\$ 667,308			\$ 36,484	29.70%
2022	\$ 157,351	\$ 468,593	\$ 625,944	\$ 38,500	-11.97%
2023	\$ 212,191	\$ 517,265	\$ 729,457	\$ 42,000	9.83%

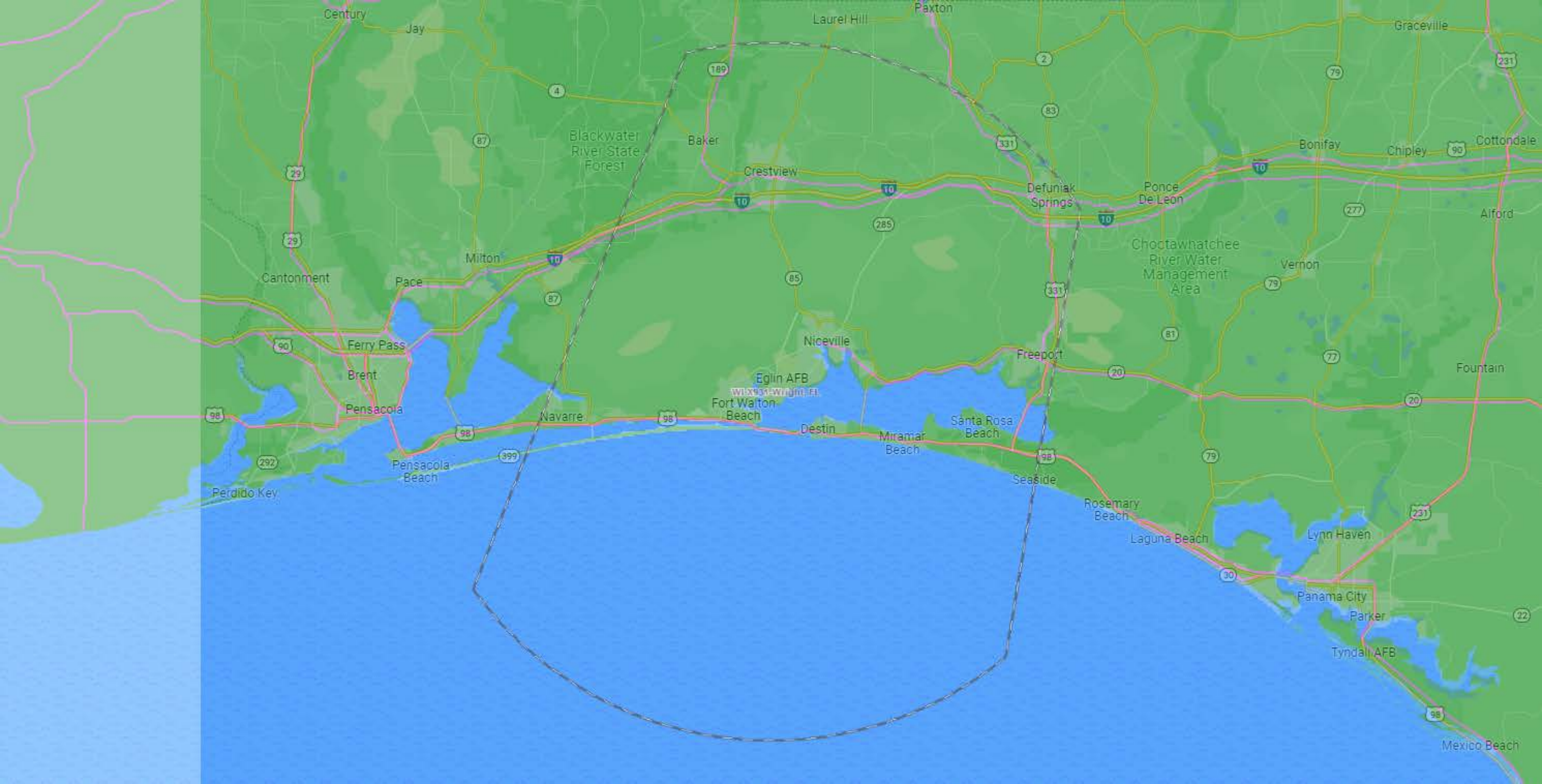
Note: \$500K transferred to Raider Champions fund on 5/3/22

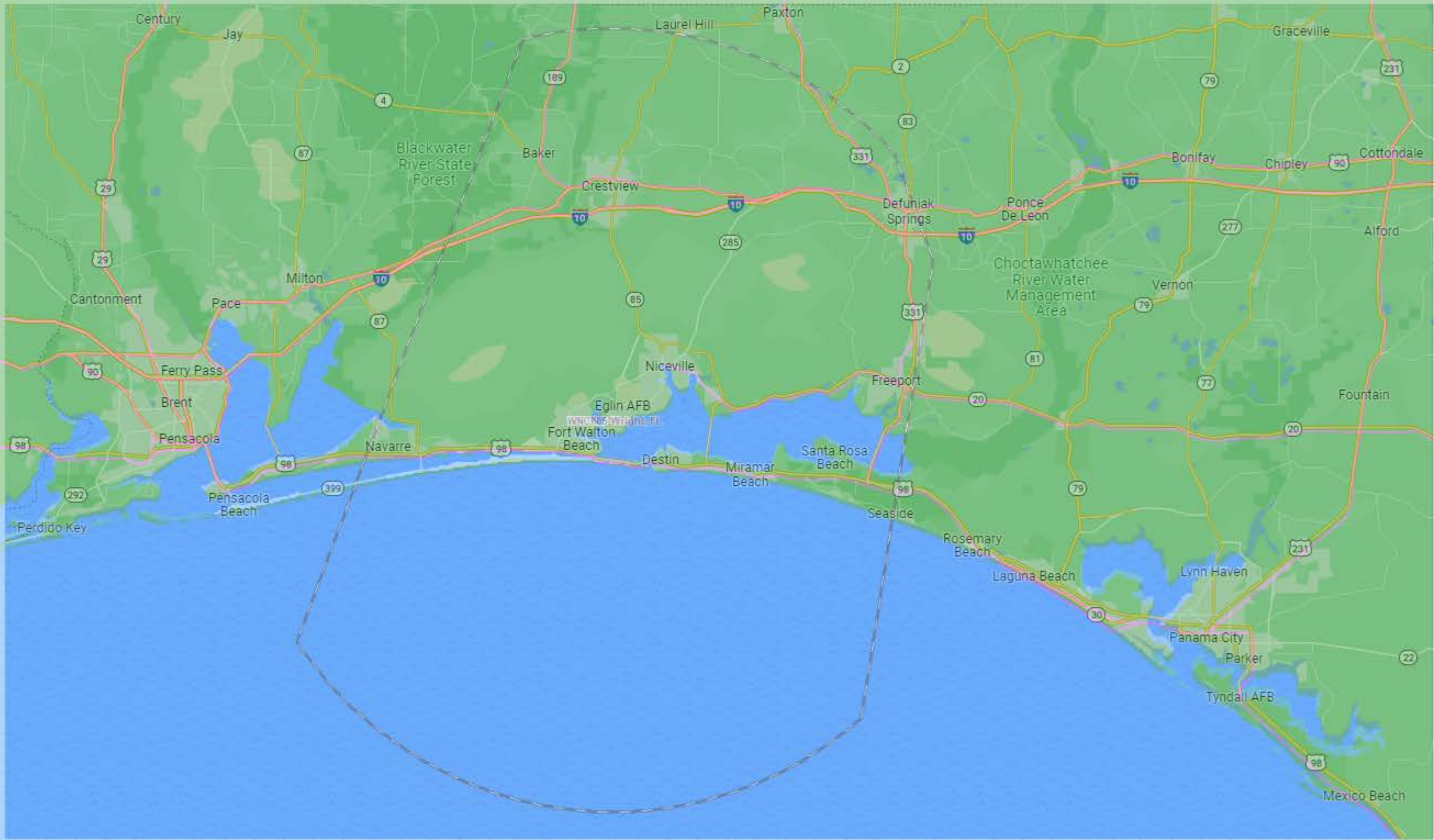
Beginning Balance			\$ 729,457															
Lease Payments			4% Growth		4% Spend		5% Growth		4% Spend		6% Growth		4% Spend		7% Growth		4% Spend	
2023			\$ 729,457				\$ 729,457				\$ 729,457				\$ 729,457			
2024	\$	42,000.00	\$ 802,315				\$ 810,029				\$ 817,744				\$ 825,458			
2025	\$	42,000.00	\$	878,087	\$	32,131	\$	894,631	\$	32,455	\$	911,329	\$	32,780	\$	928,181	\$	33,108
2026	\$	42,000.00	\$	923,474	\$	34,718	\$	949,385	\$	35,387	\$	975,781	\$	36,065	\$	1,002,668	\$	36,751
2027	\$	48,000.00	\$	974,226	\$	37,011	\$	1,010,097	\$	38,055	\$	1,046,979	\$	39,121	\$	1,084,891	\$	40,210
2028	\$	48,000.00	\$	1,024,624	\$	38,964	\$	1,071,045	\$	40,407	\$	1,119,210	\$	41,893	\$	1,169,169	\$	43,423
2029	\$	48,000.00	\$	1,075,006	\$	40,985	\$	1,132,569	\$	42,849	\$	1,192,836	\$	44,787	\$	1,255,908	\$	46,800
2030	\$	48,000.00	\$	1,125,302	\$	42,999	\$	1,194,606	\$	45,310	\$	1,267,812	\$	47,731	\$	1,345,106	\$	50,269
2031	\$	48,000.00	\$	1,175,515	\$	45,011	\$	1,257,161	\$	47,791	\$	1,344,165	\$	50,731	\$	1,436,836	\$	53,838
2032	\$	54,000.00	\$	1,231,885	\$	47,103	\$	1,326,539	\$	50,377	\$	1,428,280	\$	53,870	\$	1,537,587	\$	57,594
2033	\$	54,000.00	\$	1,288,333	\$	49,276	\$	1,396,669	\$	53,072	\$	1,514,115	\$	57,154	\$	1,641,373	\$	61,544
2034	\$	54,000.00	\$	1,344,779	\$	51,533	\$	1,467,477	\$	55,876	\$	1,601,618	\$	60,587	\$	1,748,197	\$	65,695
2035	\$	54,000.00	\$	1,401,135	\$	53,790	\$	1,538,882	\$	58,707	\$	1,690,733	\$	64,086	\$	1,858,057	\$	69,968
2036	\$	54,000.00	\$	1,457,399	\$	56,044	\$	1,610,883	\$	61,563	\$	1,781,486	\$	67,651	\$	1,971,035	\$	74,364

Sale Price		\$ 1,750,000		Beginning Balance		\$ 729,457											
		4% Growth		4% Spend		5% Growth		4% Spend		6% Growth		4% Spend		7% Growth		4% Spend	
2023		\$ 2,479,457															
2024		\$ 2,578,635				\$ 2,603,429				\$ 2,628,224				\$ 2,653,018			
2025		\$ 2,681,780	\$ 103,198			\$ 2,733,601	\$ 106,741			\$ 2,785,917	\$ 108,283			\$ 2,838,730	\$ 109,835		
2026		\$ 2,681,725	\$ 105,895			\$ 2,758,203	\$ 107,936			\$ 2,838,293	\$ 110,032			\$ 2,919,917	\$ 112,156		
2027		\$ 2,678,863	\$ 107,232			\$ 2,782,780	\$ 110,328			\$ 2,891,956	\$ 113,549			\$ 3,004,305	\$ 116,839		
2028		\$ 2,674,497	\$ 107,134			\$ 2,806,075	\$ 111,294			\$ 2,945,111	\$ 115,671			\$ 3,089,588	\$ 120,184		
2029		\$ 2,670,057	\$ 106,979			\$ 2,829,520	\$ 112,245			\$ 2,999,206	\$ 117,817			\$ 3,177,263	\$ 123,615		
2030		\$ 2,665,601	\$ 106,802			\$ 2,853,139	\$ 113,183			\$ 3,054,273	\$ 119,981			\$ 3,267,403	\$ 127,123		
2031		\$ 2,661,151	\$ 106,624			\$ 2,876,953	\$ 114,128			\$ 3,110,349	\$ 122,184			\$ 3,360,099	\$ 130,730		
2032		\$ 2,656,708	\$ 106,446			\$ 2,900,966	\$ 115,081			\$ 3,167,454	\$ 124,428			\$ 3,455,424	\$ 134,439		
2033		\$ 2,652,272	\$ 106,268			\$ 2,925,180	\$ 116,041			\$ 3,225,608	\$ 126,712			\$ 3,553,454	\$ 138,253		
2034		\$ 2,647,844	\$ 106,091			\$ 2,949,595	\$ 117,010			\$ 3,284,830	\$ 129,039			\$ 3,654,265	\$ 142,175		
2035		\$ 2,643,423	\$ 105,914			\$ 2,974,215	\$ 117,987			\$ 3,345,139	\$ 131,408			\$ 3,757,936	\$ 146,209		
2036		\$ 2,639,010	\$ 105,737			\$ 2,999,040	\$ 118,971			\$ 3,406,555	\$ 133,820			\$ 3,864,549	\$ 150,357		

Projected ROI







M E M O R A N D U M

TO: NWFSC Foundation Board of Directors

FROM: Mr. Jonathan Ochs

DATE: November 7, 2023

SUBJECT: New Endowment

The friends, family and employees of Step One Automotive Group, along with the Correa family, have pledged gifts totaling \$15,500 to establish the Stergios Katsaros Memorial Scholarship Endowment at Northwest Florida State College. This endowment will provide scholarship support to students pursuing a degree in the medical field with financial need.

Documentation for the endowment agreement is attached for review.

RECOMMENDATION:

The NWFSC Foundation Board of Directors approves the creation of the Stergios Katsaros Memorial Scholarship Endowment Agreement.



Stergios Katsaros Memorial

Scholarship Endowment

Agreement

An ENDOWMENT AGREEMENT, entered into on October 18, 2023, between Step One Automotive Group ("Donor") and the Northwest Florida State College Foundation ("Foundation"), a non-profit, 501(c)(3) corporation, establishing an endowment to be held, managed and used by the Foundation for the benefit of scholarships at Northwest Florida State College ("College").

A. Endowment to be Established

The Foundation shall establish the *Stergios Katsaros Memorial* Scholarship Endowment ("Endowment"), pursuant to the terms of this Agreement and Foundation policies adopted by the Board of Directors. The Endowment shall be classified as a permanent endowment with assets held and managed for investment and appropriation for purposes described below. Approval of this endowment is required by the Foundation Board of Directors and the College's Board of Trustees.

B. Background

Stergios Katsaros was a young man who was about to graduate from medical school when he was killed in a tragic accident in the summer of 2023. He was planning to pursue a career in medical research and dedicate his life to helping others. The employees of Step One Automotive Group, where Stergios's father works, along with his friends and family, decided the best way to honor his legacy would be to help other young people pursue their dreams in the way Stergios would have.

So, thanks to the generous donations from friends, family and the employees of Step One Automotive Group, along with a matching contribution of \$7,500 from the Correa family, they were able to endow a scholarship in the amount of \$15,500 through the Northwest Florida State College Foundation in his memory. This scholarship fund will be a lasting legacy that will support the education of students going into the medical field for years to come, furthering Stergios's commitment to helping others.

C. Transfer of Assets

The Endowment shall be established upon transfer and acceptance by the Foundation of donated assets totaling \$15,500.00. All contributions to this Endowment are irrevocable gifts and shall become the property of the Foundation.

D. Purpose of Endowment

At the direction of the Foundation, the Stergios Katsaros Memorial Scholarship Endowment's payout shall be utilized exclusively for the following purposes:

The Stergios Katsaros Memorial Scholarship Endowment will provide scholarship support for students enrolled at Northwest Florida State College pursuing a degree in the medical field with financial need. First preference will be given to a student intending on attending medical school. First year award recipients will be eligible for a renewal award, pending verification that they maintained a 3.0 GPA in the previous award year and available funding.

E. Endowment Payout

The annual distribution available for spending shall be determined by the spending policy established by the Foundation's Board of Directors, and in accordance with the law of the State of Florida, including the Florida Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), and generally accepted accounting practices.

F. Investment of Endowment Assets

The Foundation shall invest endowment assets as an institutional fund under UPMIFA with the goal of optimizing yield and maintaining the spending power of the endowment assets. The Endowment's assets shall be subject to the investment policies of the Foundation relating to endowments, and shall be managed in a manner that is consistent with these requirements. The Foundation shall exercise exclusive authority over management of the Endowment, including the pooling of the Endowment for investment and payout purposes, and accounting for endowment assets under generally accepted accounting principles.

G. Additional Assets to Endowment

Additional assets may be added to the Endowment by contribution or by transfer of other funds held by the College or by the Foundation for the College. Such additional assets shall not contain restrictions, conditions, or designations which are inconsistent or in conflict with this Agreement.

H. Alternative Use of Endowment Distributions

In the event the above purpose becomes unreasonable, burdensome, or cannot otherwise be accomplished, Endowment distributions shall be made available as specified by the Foundation for uses most consistent with the above stated purpose. Any such changes will be discussed first with the donor.

I. Endowment Management

The Foundation shall be entitled to reasonable compensation to defray the cost of endowment administration and fundraising activities for the College and fundraising activities for the College. This amount, currently at three quarters of one percent (0.75%) annually, may be revised from time to time by Foundation.

Reimbursement for actual expenses incurred on the Endowment's behalf, such as investment fees, will be reimbursed directly from the Endowment.

The Endowment shall be managed in accordance with applicable law of the State of Florida, the provisions of this Agreement, and Foundation's endowment policies.

J. Recognition, Promotion and Reporting

To express the appreciation of the Foundation, to enhance the Fund, and to attract gifts for similar purposes, the College and the Foundation may make appropriate announcements through internal/external publications and other acknowledgments of the Donor's generosity, as is suitable.

Approved by:

DONOR



On behalf of Step One Automotive Group

Date

NORTHWEST FLORIDA STATE COLLEGE FOUNDATION

Alan Wood

Chair, Northwest Florida State College Foundation

Date

ATTEST

Chris Stowers

Executive Director

Date

MEMORANDUM

TO: NWFSC Foundation Board of Directors

FROM: Mr. Jonathan Ochs

DATE: November 7, 2023

SUBJECT: Year-to-Date Fundraising Report

NWF State College Foundation's *Continuous Improvement Plan* goal is to increase annual support (gifts, memberships, new pledges, and in-kind donations) to the Foundation, by 5% based on a rolling three-year average, resulting in a minimum of \$1,412,224 raised by June 30, 2023. The chart below shows a year-to-date comparison for September 30, 2023 to September 30, 2022, as well as the total amount raised for the prior three years.

Revenue Type	YTD as of 9.30.23	YTD as of 9.30.22	FYE 2023	FYE 2022	FYE 2021
Gifts and Pledges	187,150	126,869	810,911	1,225,312	1,191,253
Memberships	38,950	21,475	58,550	53,775	36,380
Grants	0	176,000	276,000	15,975	371,288
Gifts in Kind	24,800	0	87,763	50,294	58,737
TOTAL	250,900	324,344	1,233,224	1,345,356	1,657,657
FY 2024 Goal	1,412,224				
Percent to Goal as of 9.30.22	18%				

Board Division

Board participation in the Annual Fund creates and reinforces a culture of giving that is not attainable by volunteering alone.

Foundation Board and Trustee Gifts and Pledge Payments

	FY 2024 YTD	FY 2023 YTD	FY 2022 TOTAL
Total Board Prospect Base	33	32	35
Division Goal	100%	100%	100%
Number Gifts and Pledges to Date	15	30	35
Percent of goal	47%	94%	100%
Number of Board Members Remaining	18	2	0

* 8 Have Fall/Spring Gift Renewals – 3 Fall, 5 Spring

Faculty & Staff Campaign

The purpose of the annual NWFSC Faculty & Staff Campaign is to give employees an opportunity to support the college in its mission to provide quality educational programs and services. The campaign ran from August 16th through September 28th.

Fiscal Year	Solicitations	Gifts & Pledges	% Participation	Avg. Gift	Total
2024	310	116	37%	\$383	\$44,848
2023	307	82	27%	\$436	\$35,791
2022	281	99	35%	\$373	\$36,922
2021	291	93	32%	\$372	\$34,638
2020	308	221	72%	\$253	\$55,989
2019	312	157	50%	\$249	\$45,849
2018	323	154	48%	\$224	\$38,240

President's Circle

Funds to the President's Circle are unrestricted and provide the college flexibility to use funds where needed most. All members whose memberships were expired or up for renewal have been mailed letters asking them to renew. Faculty and Staff are always encouraged to join as well.

President's Circle Membership

Current Members: 58

Total Giving: \$39,050

First Generation Matching Grant

The First Generation Matching Grant (FGMG) is a need-based program providing financial aid to Florida undergraduate residents who demonstrate financial need and whose parents have not earned a baccalaureate degree.

The State of Florida has earmarked an allocation of \$20,308 to support Northwest Florida State College first generation students. The state-to-private match is 2:1 which could potentially provide \$30,462 in scholarship funds for NWFSC first-generation in college students. The amount required to receive the full allocation is \$10,154. To date \$9,514 has been raised.

Certification of private contributions for FGMG is due on or before December 1, 2023.

FY Year	Gifts & Pledges	Total
2024 YTD	23	\$9,514
2023	3	\$1,600
2022	8	\$11,260

MEMORANDUM

TO: NWFSC Foundation Board of Directors

FROM: Dr. Bo Arnold

DATE: November 7, 2023

SUBJECT: Governance Committee Report

Foundation Board of Director Nominations: As of June 30, 2024, there are eight (8) Foundation directors, listed below, whose board terms will expire. Four members are eligible for reappointment to a second term, one will term limit out and thus not eligible, and one has been endorsed to serve an additional year to fulfill his leadership position, and one with a one-year extension for a leadership role is also not eligible. All are noted below:

- a. Bo Arnold – one-year term to serve as Past Chair expiring
- b. Christie Austin – eligible for reappointment
- c. Jim Bagby – eligible for reappointment
- d. Gordon King – second term expiring
- e. Vince Mayfield – eligible for reappointment
- f. Jonathan Ochs – second term expiring, in line for Chair position
- g. Brian Pennington – eligible for reappointment
- h. Alan Wood – term expired June 2023, appointed to 1 year term to serve as Chair

All board members are encouraged to submit nominations to the Foundation Board for a three-year term beginning July 1, 2024. Please use the nomination form found in OnBoard in the “Resources” section. In addition, the form can be found on the Foundation’s website at www.nwfscfoundation.org, under “Board of Directors Portal” in the home page footer.

The Governance Committee has decided to solicit nominations for Treasurer. The application can be also be found in OnBoard.

The Governance committee discussed the following key dates regarding board nominations at its most recent meeting held on September 27:

- November 7 – February 6: Call for Foundation Board Nominations
- February 9: Deadline for Nominations
- February 14: Governance Committee meeting to prepare a slate of officers and directors
- April 17: Governance Committee meeting to finalize slate of officers and directors to place in nomination.

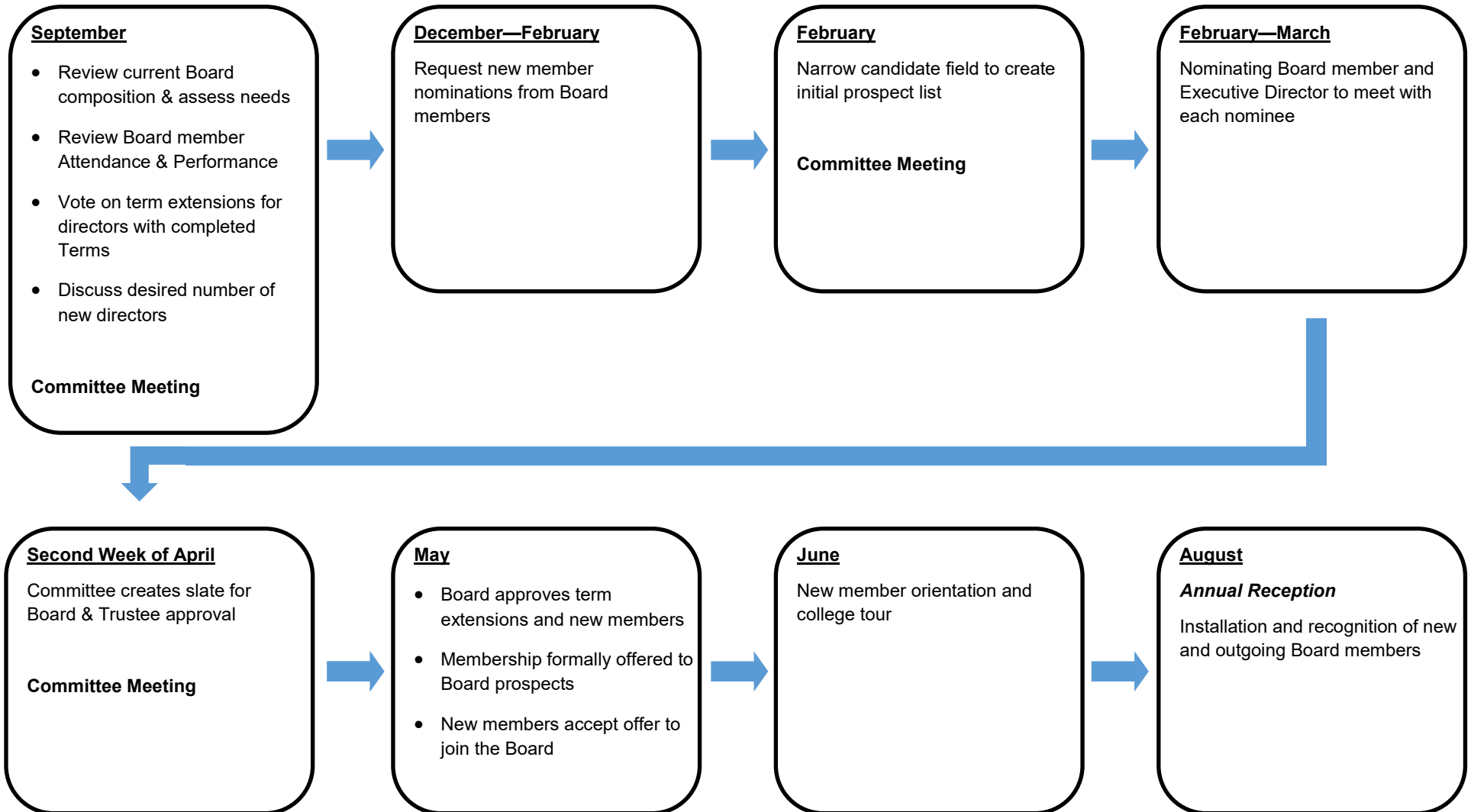
Board Assessment Survey: The Governance Committee reviewed the results of the Board Assessment Survey distributed in May 2023. The results are very positive and staff will continue to work with each member to seek deeper engagement in meaningful ways.



**NORTHWEST FLORIDA
STATE COLLEGE
FOUNDATION**

Governance Committee

Board Recruitment and Nomination Process



NWFSC Foundation Directors Terms of Office

Name	City Residence	County of Residence	Profession/ Industry	First Term	# of Terms	July 2023- June 2024	July 2024- June 2025	Jul 2025 - June 2026	Notes
Arnold, Bo	Niceville	Okaloosa	Retired Engineer - defense industry	2016-2017	2	✓			Term limits out in June 2022; Term Extended 1 Year for Chair position 22-23, Term extended for 1 Year for Past Chair position 23-24
Wood, Alan	Niceville	Okaloosa	Banking	2017-18	2	✓			Term limits out in June 2023, term extended 1 year for Chair position
Austin, Christie	Crestview	Okaloosa	Banking	2021-22	1	✓			May be re-appointed for additional 3 years
Bagby, Jim	Real Estate	Okaloosa	Real Estate	2021-22	1	✓			May be re-appointed for additional 3 years
Mayfield, Vince	Fort Walton Beach	Okaloosa	IT	2021-22	1	✓			May be re-appointed for additional 3 years
Pennington, Brian	Fort Walton Beach	Okaloosa	Retired Defense Contractor	2021-22	1	✓			May be re-appointed for additional 3 years
King, Gordon	Niceville	Okaloosa	Utilities	2018-19	2	✓			Term limits out in June 2024
Ochs, Jonathan	Niceville	Okaloosa	Banking	2018-19	2	✓			Term limits out in June 2024; in line for leadership
Halverson, Teresa	Niceville	Okaloosa	Healthcare	2022-2023	1	✓	✓		May be re-appointed for additional 3 years
Jarvis, Tyler	Santa Rosa Beach	Walton	Restaurant	2019-2020	2	✓	✓		Term limits out in June 2025
Johnson, Bernard	Niceville	Okaloosa	Utilities	2019-2020	2	✓	✓		Term limits out in June 2025
Kilbey, Heather	DeFuniak Springs	Walton	Manufacturing	2019-2020	2	✓	✓		Term limits out in June 2025
Ross, Hu	Niceville	Okaloosa	Investment Advisor, Retired USAF	2019-2020	2	✓	✓		Term limits out in June 2025
Siefke, Stanley	Niceville	Okaloosa	Retired Defence Contractor, Retired USAF	2022-2023	1	✓	✓		May be re-appointed for additional 3 years
Cobb, Destin	Crestview	Okaloosa	Accounting	2020-21	2	✓	✓	✓	Term limits out in June 2026
Frakes, Cindy	Shalimar	Okaloosa	Real Estate	2020-21	2	✓	✓	✓	Term limits out in June 2026
Grisoff, Todd	Destin	Okaloosa	Sales/Marketing	2020-21	2	✓	✓	✓	Term limits out in June 2026
Hendricks, Fran	Shalimar	Okaloosa	Retired USAF General, Past College President	2023-24	1	✓	✓	✓	May be re-appointed for additional 3 years
McAdams Dorr, Wendy	Shalimar	Okaloosa	Retired corporate finance	2023-24	1	✓	✓	✓	May be re-appointed for additional 3 years
McCluskey, Zach	Fort Walton Beach	Okaloosa	Healthcare	2023-24	1	✓	✓	✓	May be re-appointed for additional 3 years
McCool, Tim	Niceville	Okaloosa	Retired USAF; defense contractor; entrepreneur	2023-24	1	✓	✓	✓	May be re-appointed for additional 3 years
Rhodes, Steve	Niceville	Okaloosa	Utilities	2020-21	2	✓	✓	✓	Term limits out in June 2026
Stubblefield, Neko	Crestview	Okaloosa	Banking/Credit Union	2023-24	1	✓	✓	✓	May be re-appointed for additional 3 years
Williams, Cecil	Fort Walton Beach	Okaloosa	Religious Org.	2020-21	2	✓	✓	✓	Term limits out in June 2026
Litke, Don	Niceville	Okaloosa	Retired USAF General	2010-2011	Trustee Liasion				Resigned position June, 2018 when appointed to BOT; appointed trustee liasion 8/21/18 at BOT meeting
College President [ex-officio; non-voting]	Niceville	Okaloosa			Permanent				
Foundation Director [ex-officio; non-voting]	Niceville	Okaloosa			Permanent				

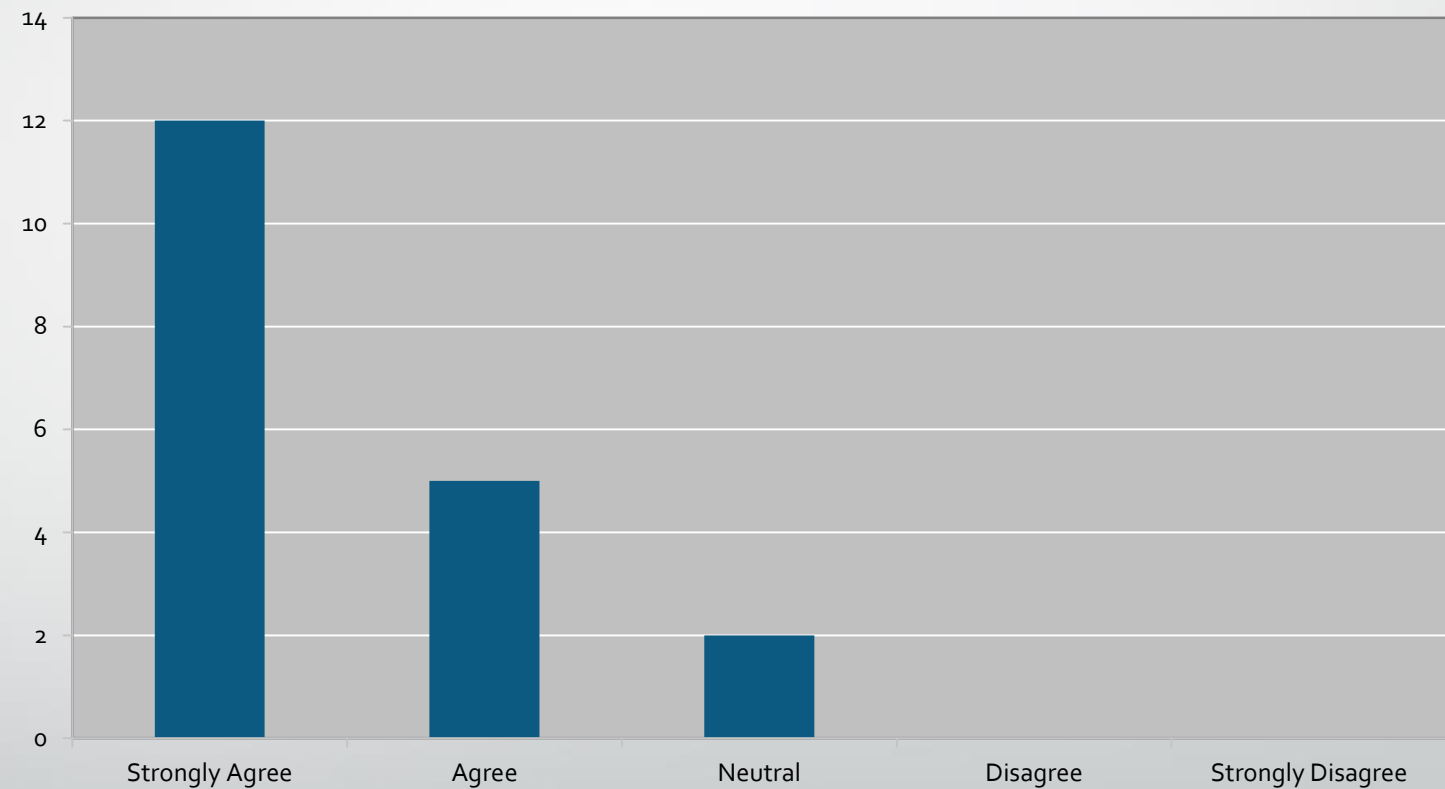
Foundation Board Survey Results 2022 -2023



NORTHWEST FLORIDA
STATE COLLEGE
FOUNDATION

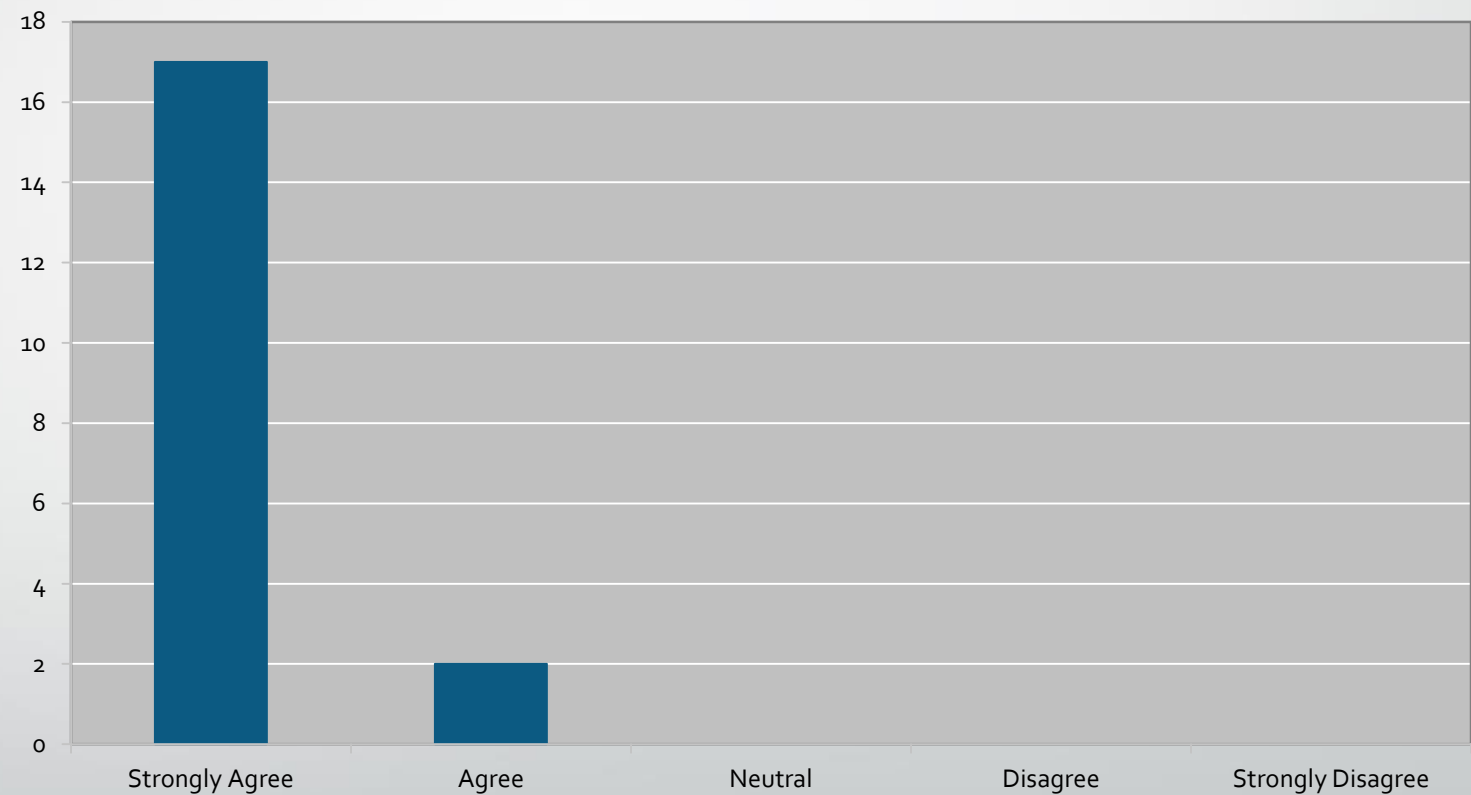
I feel adequately connected to Northwest Florida State College and understand its mission and vision.	
Choices	Totals
Strongly Agree	12
Agree	5
Neutral	2
Disagree	0
Strongly Disagree	0

I feel adequately connected to Northwest Florida State College and understand its mission and vision.



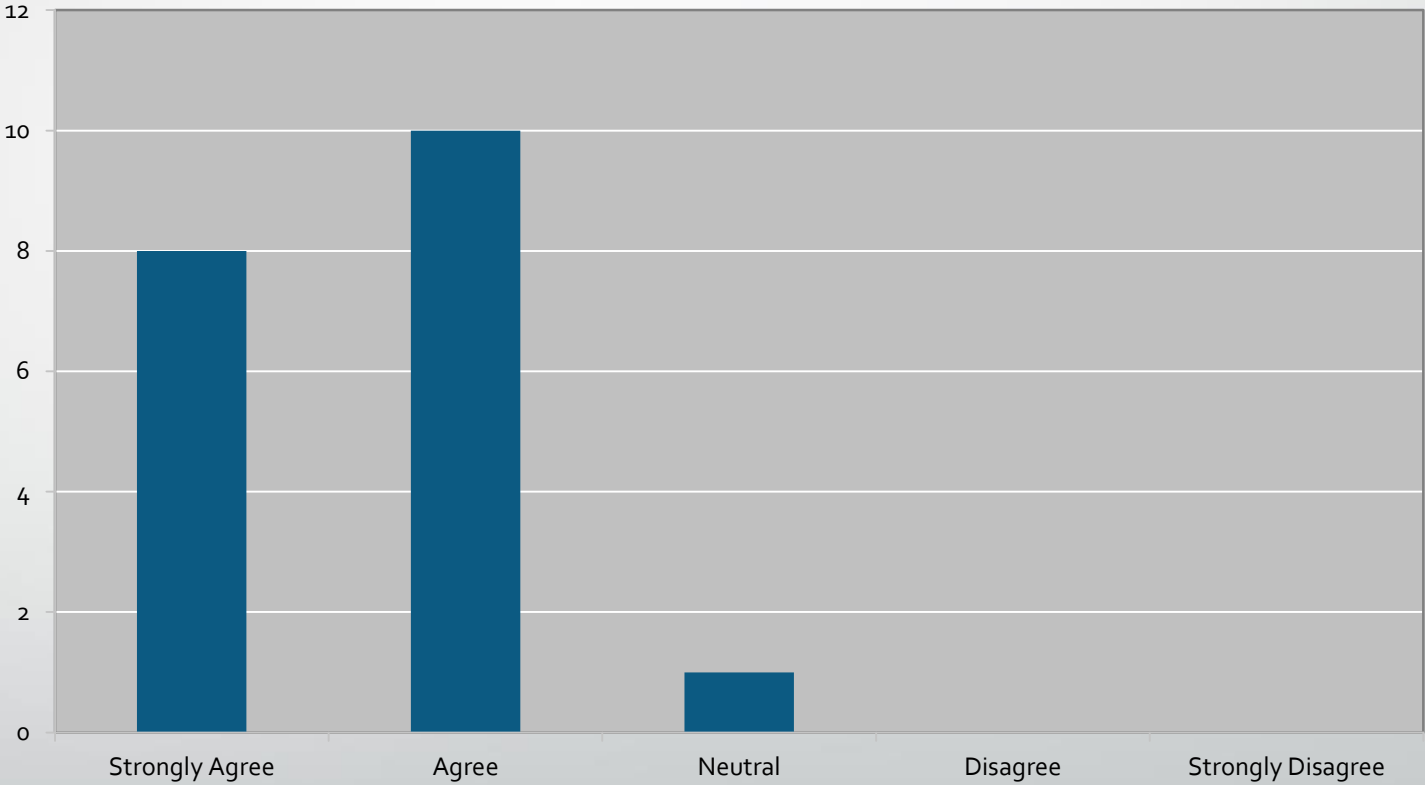
I understand the role of the Foundation as it relates to Northwest Florida State College.	
Choices	Totals
Strongly Agree	17
Agree	2
Neutral	0
Disagree	0
Strongly Disagree	0

I understand the role of the Foundation as it relates to Northwest Florida State College.



I actively contribute during the Foundation Board meetings.	
Choices	Totals
Strongly Agree	8
Agree	10
Neutral	1
Disagree	0
Strongly Disagree	0

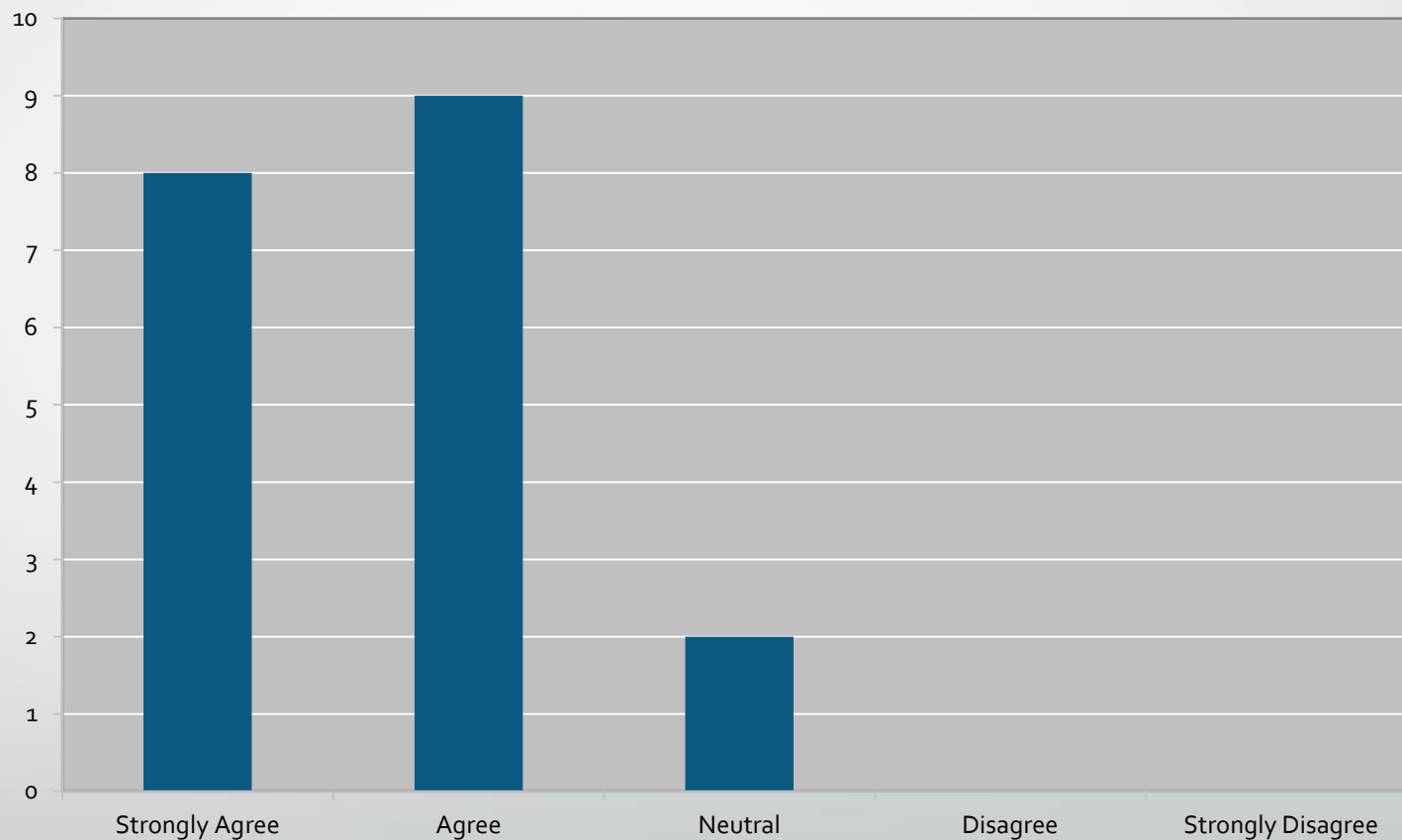
I actively contribute during the Foundation Board meetings.



I actively contribute during the committee meetings.

Choices	Totals
Strongly Agree	8
Agree	9
Neutral	2
Disagree	0
Strongly Disagree	0

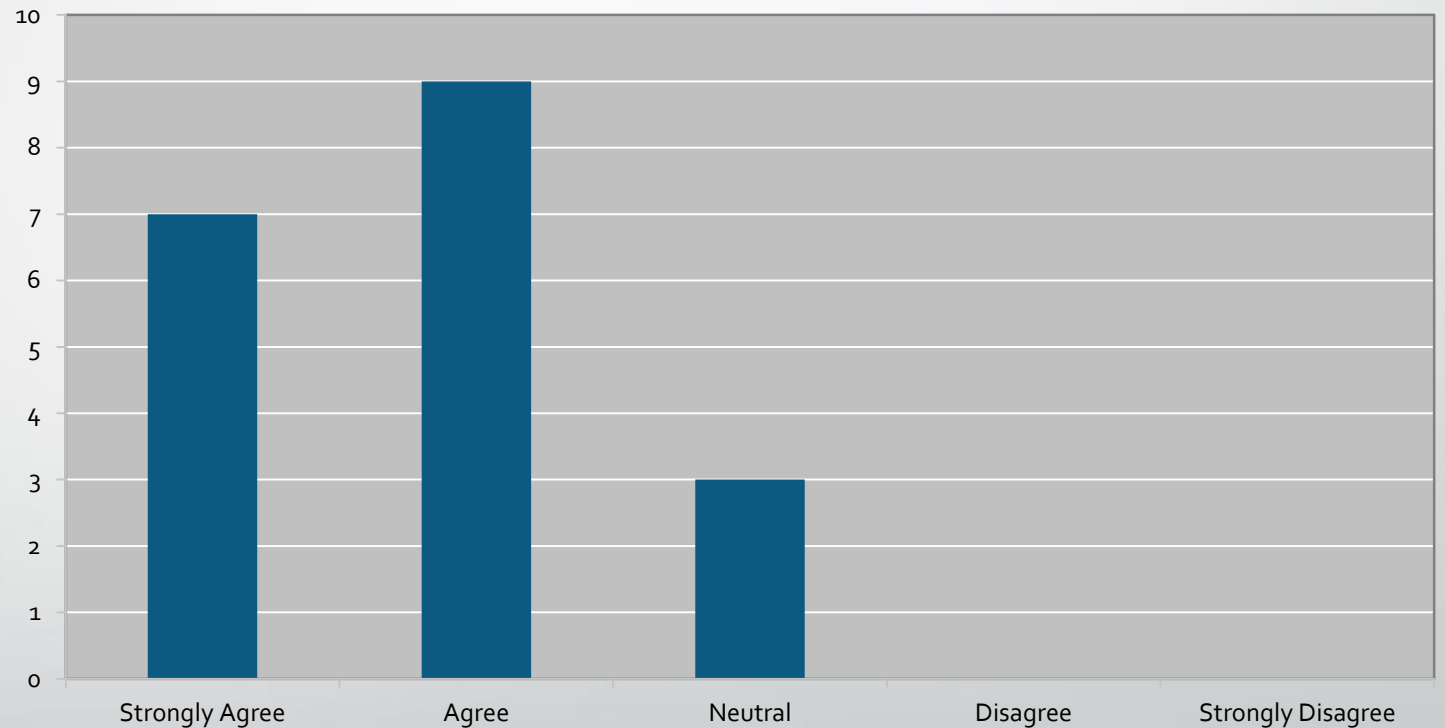
I actively contribute during the committee meetings.



I believe I am satisfying my commitment,
in regards to attendance, at Foundation
Board meetings and committee meetings.

Choices	Totals
Strongly Agree	7
Agree	9
Neutral	3
Disagree	0
Strongly Disagree	0

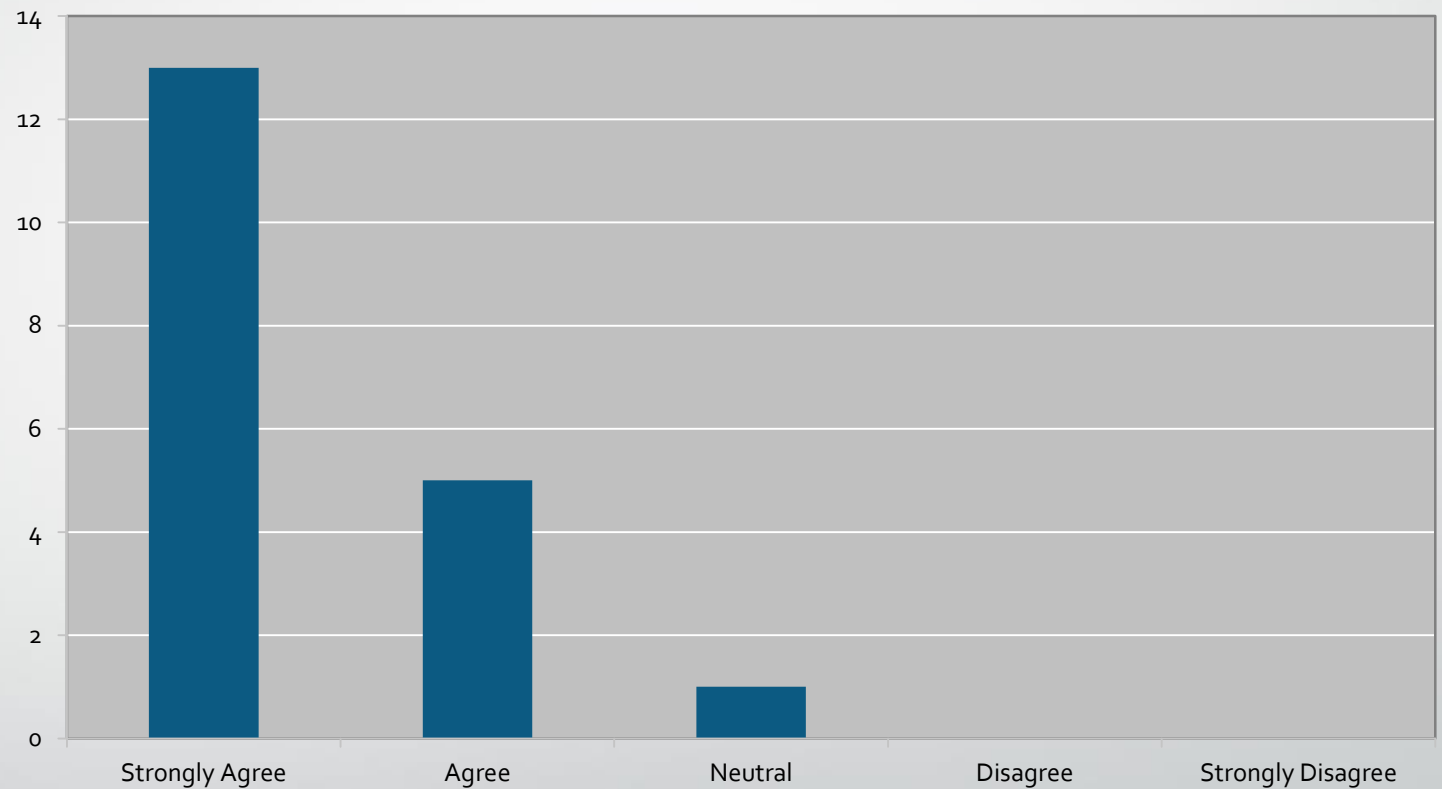
**I believe I am satisfying my commitment, in regards to
attendance, at Foundation Board meetings and
committee meetings.**



The time spent in Foundation Board meetings and committee meetings is used efficiently and effectively.

Choices	Totals
Strongly Agree	13
Agree	5
Neutral	1
Disagree	0
Strongly Disagree	0

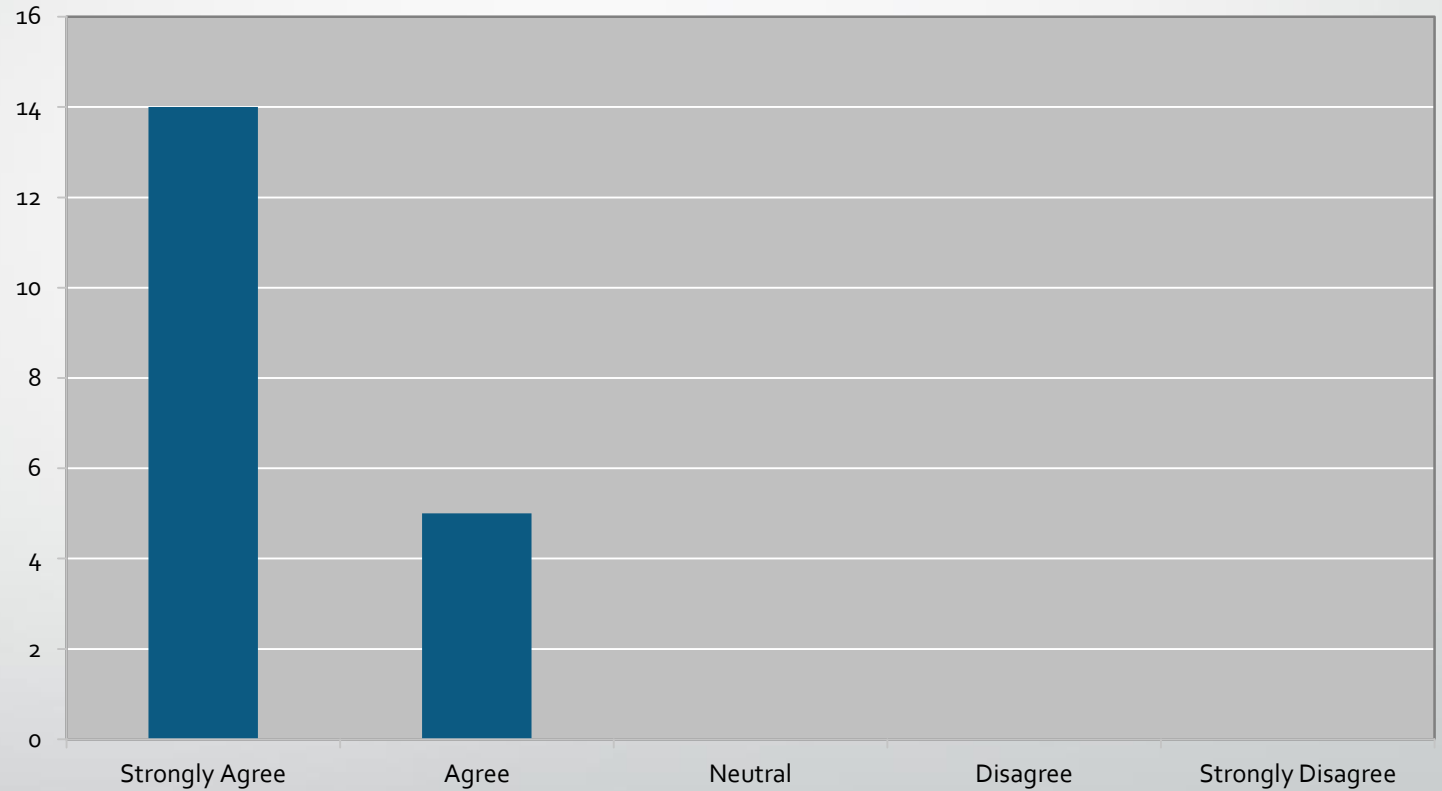
The time spent in Foundation Board meetings and committee meetings is used efficiently and effectively.



I have the necessary information from College employees to be an effective Board member.

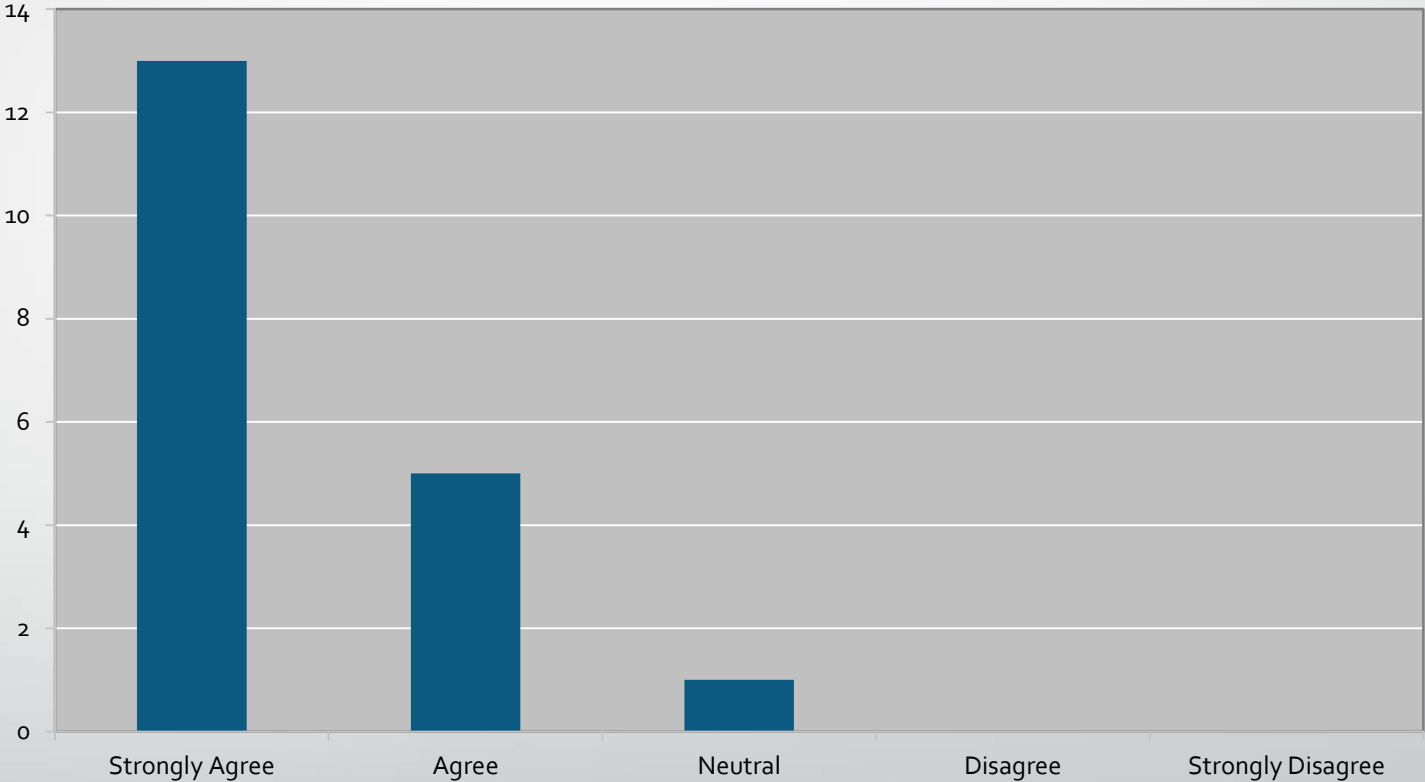
Choices	Totals
Strongly Agree	14
Agree	5
Neutral	0
Disagree	0
Strongly Disagree	0

I have the necessary information from College employees to be an effective Board member.



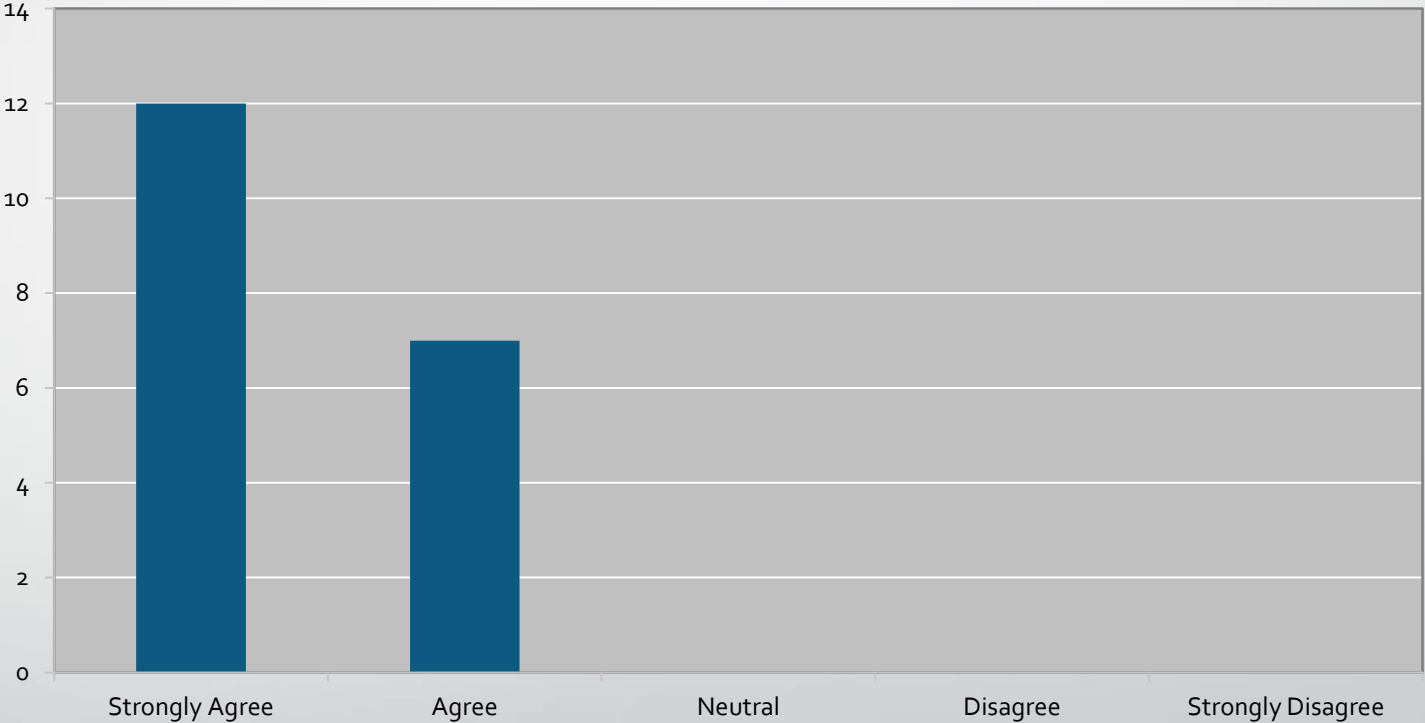
Serving on the Foundation Board is personally rewarding to me.	
Choices	Totals
Strongly Agree	13
Agree	5
Neutral	1
Disagree	0
Strongly Disagree	0

Serving on the Foundation Board is personally rewarding to me.



The combined knowledge and experience of the Foundation Board members match the needs of the Foundation.

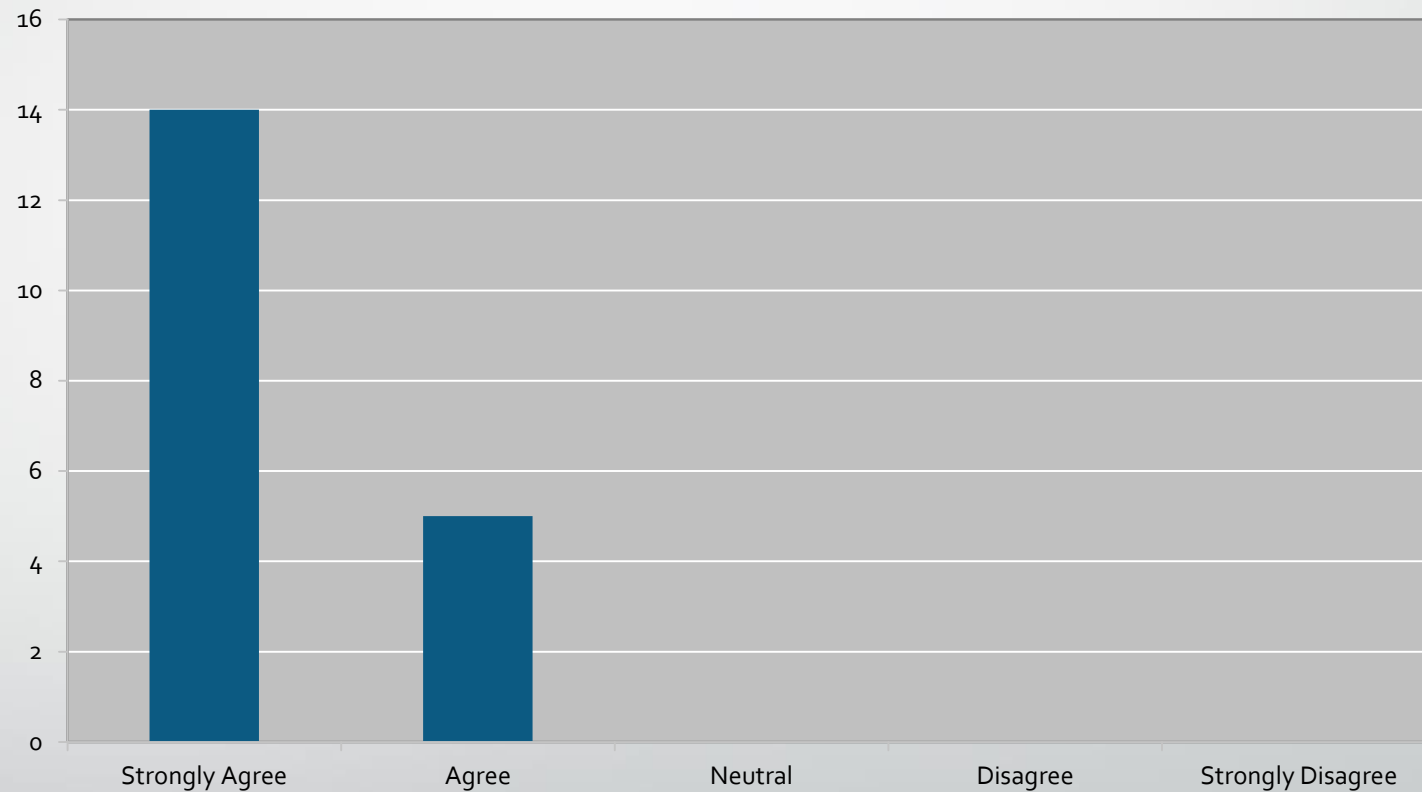
The combined knowledge and experience of the Foundation Board members match the needs of the Foundation.	
Choices	Totals
Strongly Agree	12
Agree	7
Neutral	0
Disagree	0
Strongly Disagree	0



I have the staff support and other resources I need to be effective.

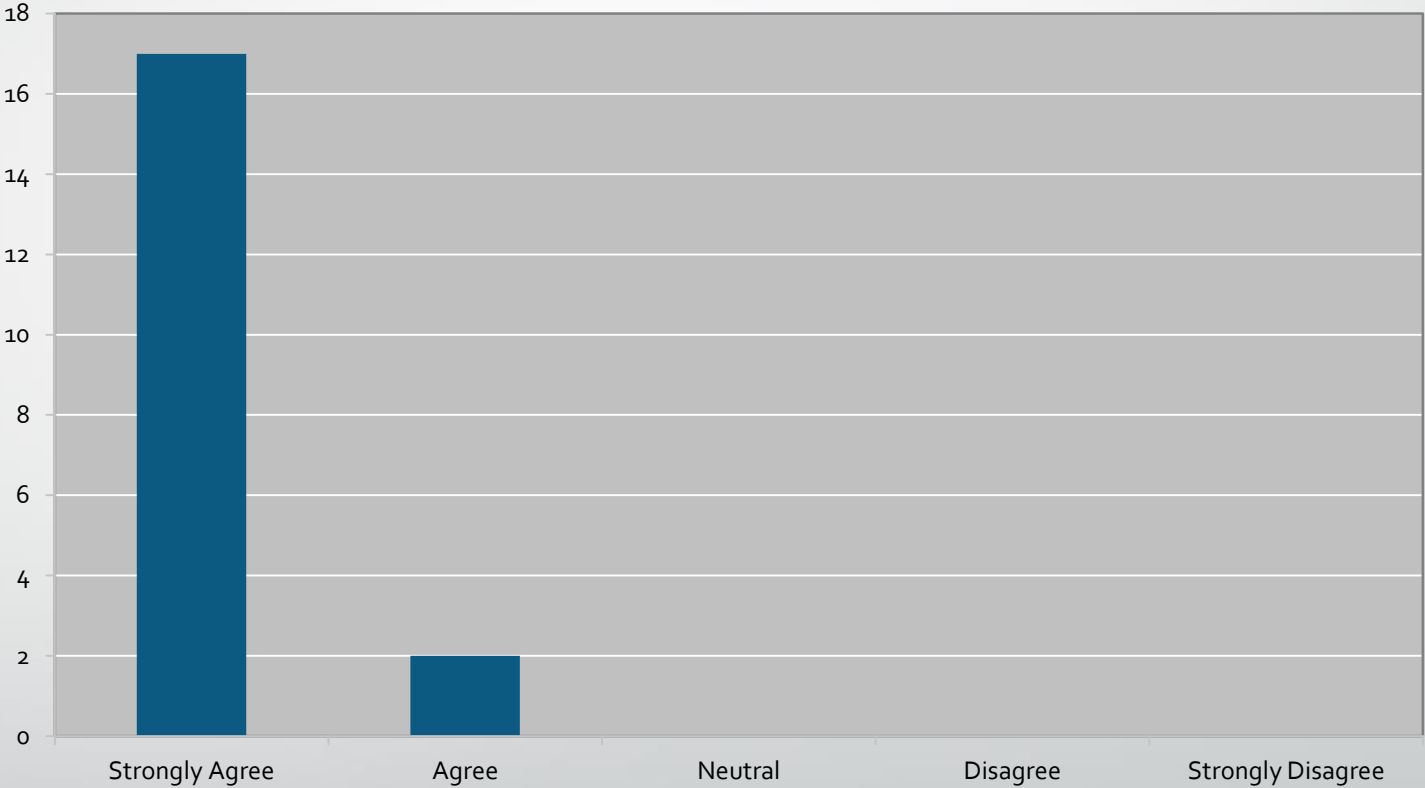
Choices	Totals
Strongly Agree	14
Agree	5
Neutral	0
Disagree	0
Strongly Disagree	0

I have the staff support and other resources I need to be effective.



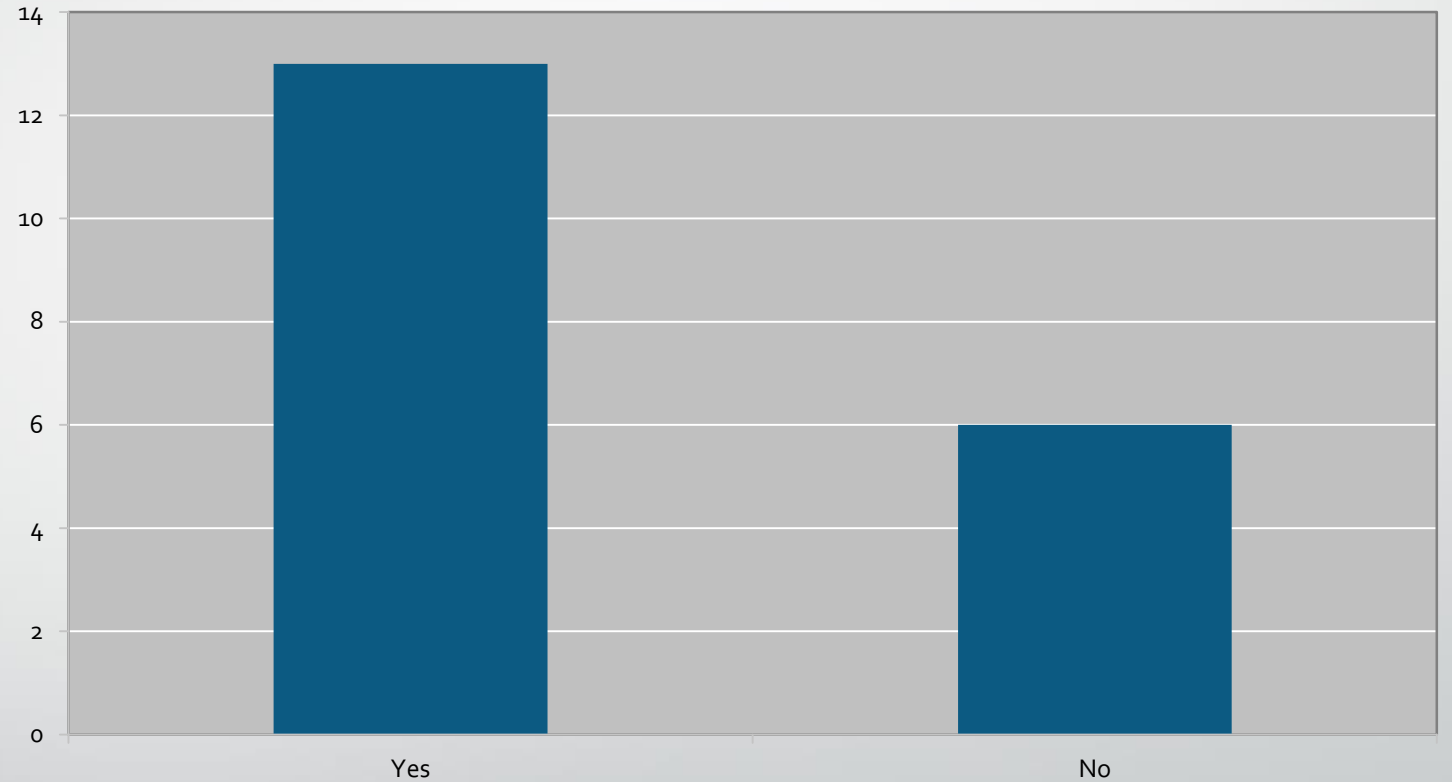
The staff members that serve the Foundation Board are professional, ethical, competent, and responsive.	
Choices	Totals
Strongly Agree	17
Agree	2
Neutral	0
Disagree	0
Strongly Disagree	0

The staff members that serve the Foundation Board are professional, ethical, competent, and responsive.



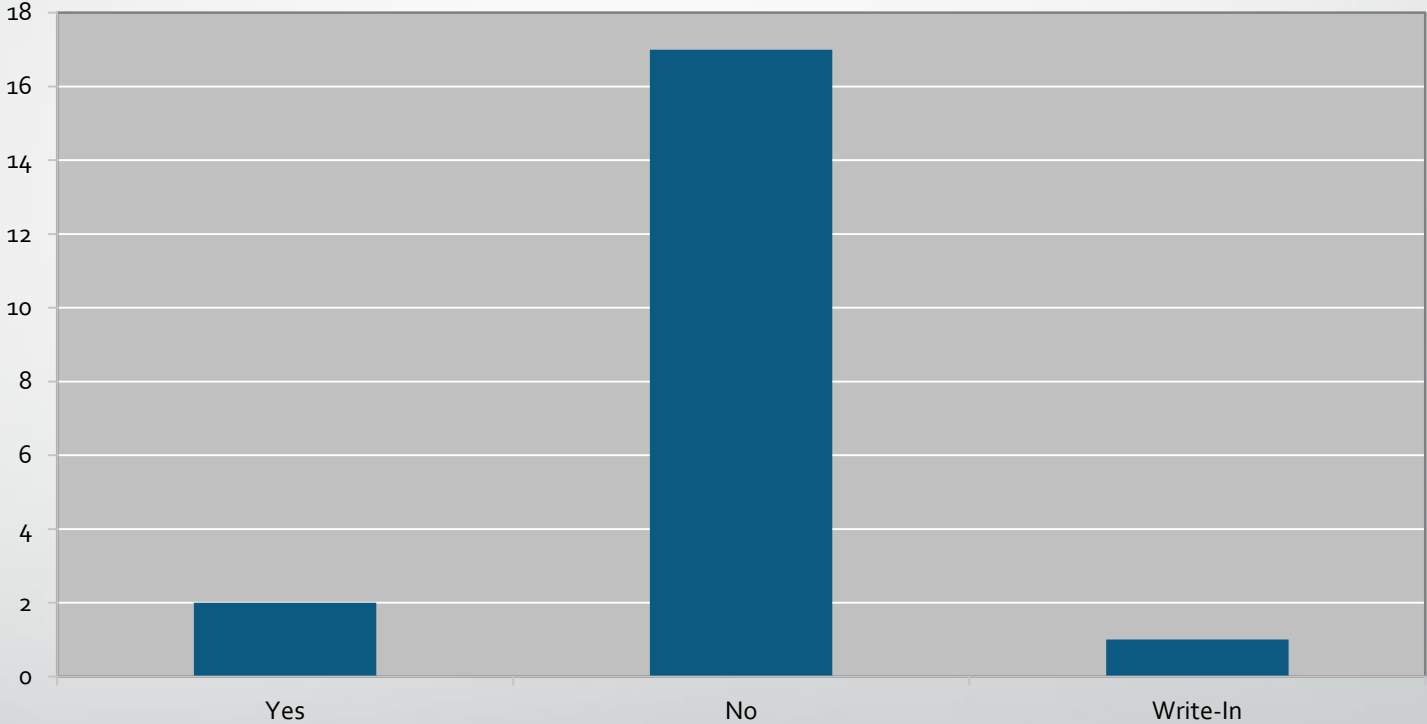
Would you be willing to serve in a leadership position with the Foundation?	
Choices	Totals
Yes	13
No	6

Would you be willing to serve in a leadership position with the Foundation?



I would like the Foundation to host additional training opportunities (if yes, please indicate what type of training you would like in the comments section).	
Choices	Totals
Yes	2
No	17
Write-In	1

I would like the Foundation to host additional training opportunities (if yes, please indicate what type of training you would like in the comments section).



The strengths of the Foundation Board are:

- Good engagement with members; Good staff direction
- A Great Leadership team that is organized, efficient and has great vision for the college.
- An engaged and knowledgeable group of local leaders committed to serve their communities while also serving higher education.
- Diverse members; Strong staff support
- Leadership staff and the mission.
- The board members are connected to the people in the area; The board has a diverse set of individuals from many different professional backgrounds; The board has individuals that are willing to give in various ways to help the college
- Open and honest comments
- Willingness to hear and entertain contra-opposing concepts



The strengths of the Foundation Board are: (continued)

- Diversity, knowledge of our community, commitment to purpose, willingness to work to meet our goals
- A very diverse group of professionals
- Diverse group of community leaders
- Leadership
Knowledge of mission
- professionalism, engagement, willingness to assist when needed
- Diverse group of community members and leaders.
- Diversity and respect for each other
- Varied professional experience across the Board helps us tackle most any circumstance or situation that comes before the Board.
The Board works well as a collective unit -- even in the face of disagreements.



Specific ways the Foundation Board could improve:

- Be more focused
- More participation by all members—having a presence at college events. Perhaps have another tailgate before a baseball/softball game, which was fun. It could be a pot luck picnic, eat, then go to the game together.
- Perhaps add to the commitment agreement to attend so many events; or, one sporting event, one production event, one student event (graduation, art show, etc.)
- During session, give us a legislative update. Dr. Stephenson touches on this and asks for our help when needed but I would like more detail. Give me a bill number and I'll follow it.
- Increased participation by members
- Increased community outreach
- Fund raising is a challenge
- I still believe there are constituent groups within the College community that could be better connected to the College but have not been able to do so.



My strengths, as related to my service on the Foundation Board, are:

- Contacts, accesses, and references
- Strong business background in finance, commercial real-estate, problem solving and management.
- 35 years of business and financial experience.
- Leadership, patience
- My ability to network and bring new members and opportunities to the staff and board.
- Would like to hear this from the board or the director on how they see my help on the board
- Willingness to accept and complete tasks; contacts with military community
- knowledge of/connections in the community and strong database.
- Public speaking, legislative action
- A long history of involvement with the college
- Willingness to speak up and participate
- Fundraising ; Outreach; Well known in community; Guests speaking
- Finance, vision, logic
- Donor
- Professional background; ability to dissect an issue to arrive at a data-driven solution



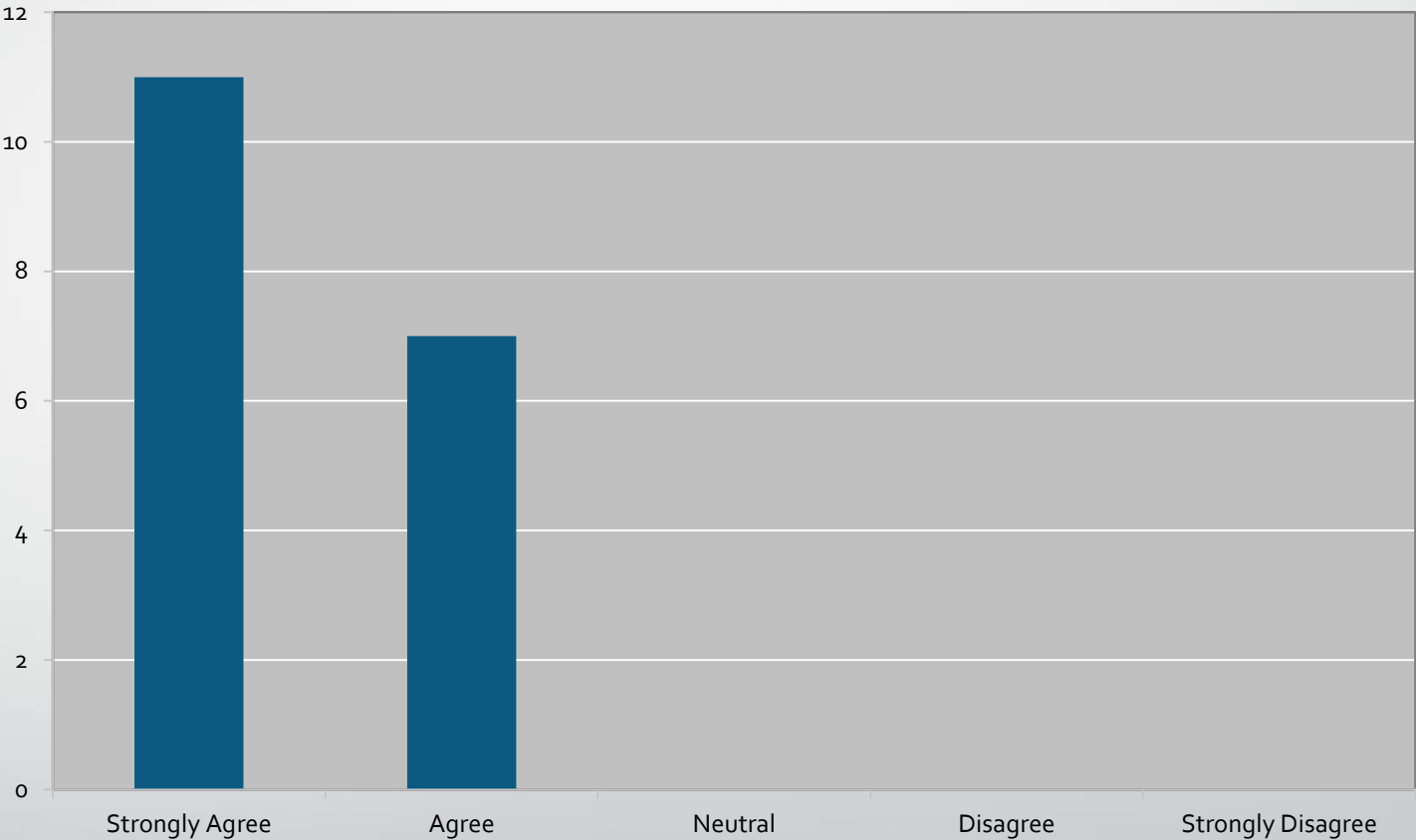
Ways that I can improve my service on the board?

- Support the college in the various events throughout the year.
- Personally, I know that I need to improve my attendance
- Maybe become a little more passionate about the mission.
- I would like to hear this from the members of the board or the director on what they see I can improve upon to help the board be better
- Improve my "sales pitch" skills
- Wear my name tag at community events which will provide opportunities to discuss the Foundation and enlighten others about our purpose. I've found that most people, even this active in the community, don't know there IS a foundation at the college.
- Be a better spokesman/advocate for the college
- Follow legislation more closely
- 100 % attendance
- Step up /volunteer; Attend more college events
- Find things I can feel connected to and dig into. The one thing we have done that I felt connected to and provided valuable input on was the sale of the forestry land in Walton County.



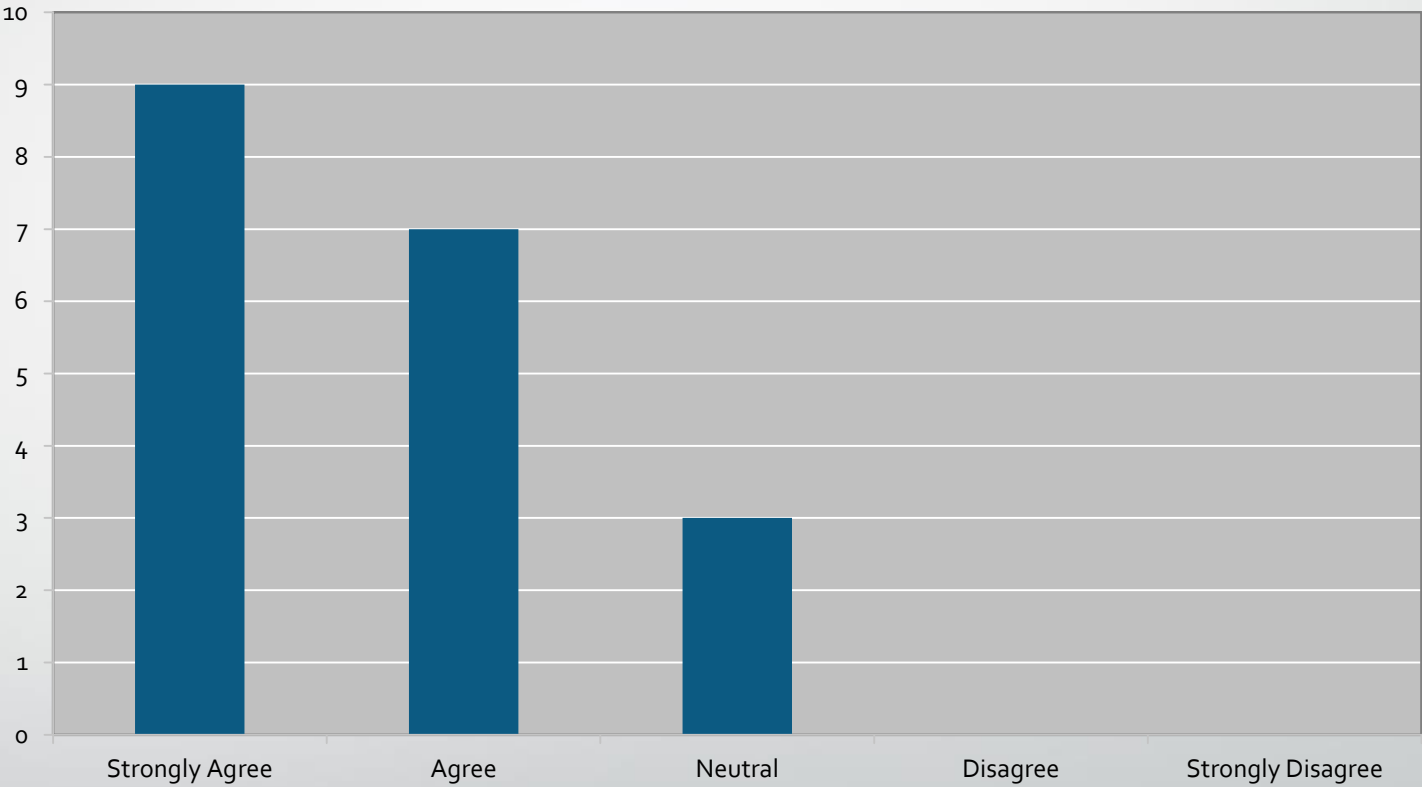
Is the board effective?	
Choices	Totals
Strongly Agree	11
Agree	7
Neutral	0
Disagree	0
Strongly Disagree	0

Is the board effective?



OnBoard is an effective tool for the needs of the Foundation Board.	
Choices	Totals
Strongly Agree	9
Agree	7
Neutral	3
Disagree	0
Strongly Disagree	0

OnBoard is an effective tool for the needs of the Foundation Board.



Additional comments

- A great board with experience to continue growth.
- I'm pleased to be able to serve my community by serving on this board. I appreciate the opportunity.
- Possible training: effective fundraising—how to.
- Its been an honor and pleasure to serve on the board, so THANKYOU!
- Great Board
- The Foundation and NWF college do great work for our community. Dr. Stephenson, Dr. Kedroski, Dr. Price, and Chris Stowers are phenomenal leaders.



Northwest Florida State College Foundation

Board of Directors' Tailgate

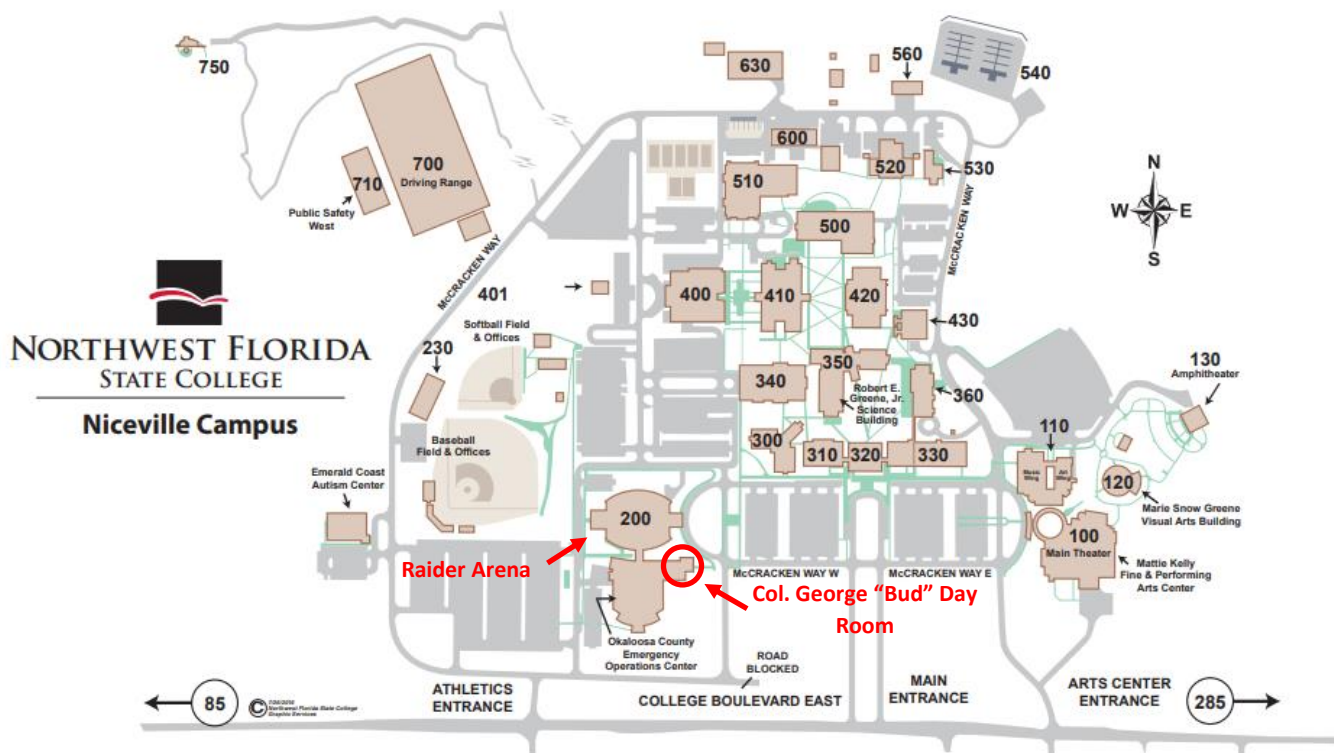
Tuesday, November 28, 2023

6:30 – 7:30 PM

Colonel George "Bud" Day Room – Raider Arena

Foundation Board members are invited to bring a friend/couple to join you for a "tailgate" and enjoy the NWF Men's Basketball game. This is an opportunity for you to introduce friends/colleagues to the college.

More information will be arriving via email soon



Northwest Florida State College Foundation, Inc.
Contributions \$1000+
Jul 1, 2023 - Sep 30, 2023

Under \$1,000	Over \$1,000	Total Gifts
31,254.99	194,829.33	226,084.32

Donor Name	Entity	Donor Category	Gift Date	Gift Transaction Amount	Designation Amount	Designation Name	Designation Type	Gift Comment
Ajax Building Corporation	O	Corporation	07/31/23	10,000.00	9,600.00	Raider Golf Tournament (charitable)	Events	Raider Golf Tournament Support-Title Sponsorship
Akarin R. Weatherford	P	Friend (Constituent Only)	09/12/23	1,500.00	1,000.00	Champions Club (charitable)	Program Enhancement	Champions Club
Amanda Grandy	P	Friend (Constituent Only)	08/02/23	1,000.00	1,000.00	NFSO Support	Program Enhancement	
Berkshire Hathaway	O	Corporation	09/07/23	1,000.00	1,000.00	NFSO Support	Program Enhancement	
Brig Gen Francis 'Fran' Hendricks, USAF, Ret	P	Board Member	08/08/23	1,000.00	500.00	Florida First Generation - State Scholarship	Scholarships	
					500.00	President's Circle	Current Unrestricted	
CLARK, PARTINGTON, HART, LARRY, BOND & STACKHOUSE, P.A.	O	Corporation	08/15/23	2,500.00	2,500.00	NFSO Support	Program Enhancement	
Commissioner Carolyn and Judge Terry Ketchel	P	Friend (Constituent Only)	09/26/23	1,250.00	1,250.00	NFSO Support	Program Enhancement	
Dr. Charles Myers	P	Former Faculty/Staff	09/26/23	1,000.00	1,000.00	NFSO Support	Program Enhancement	
Dr. Peter and Ms. Martha Bayer	P	Friend (Constituent Only)	08/08/23	10,000.00	10,000.00	Martha and Peter Bayer Family Scholarship	Scholarships	
Eglin Federal Credit Union	O	Corporation	09/07/23	5,000.00	5,000.00	NFSO Support	Program Enhancement	11/8 concert Sponsorship
Emerald Coast Association of Realtors	O	Corporation	08/14/23	2,500.00	2,500.00	NFSO Support	Program Enhancement	
Emily Atkins	P	Friend (Constituent Only)	09/06/23	1,500.00	1,000.00	Champions Club (charitable)	Program Enhancement	Champions Club

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Donor Name	Entity	Donor Category	Gift Date	Gift Transaction Amount	Designation Amount	Designation Name	Designation Type	Gift Comment
Florida College System Foundation - DO NOT USE	O	Foundation	08/30/23	4,629.00	4,629.00	Helios Scholarship	Scholarships	
				7,360.00	7,360.00	Dream Makers Scholarship	Scholarships	
				15,502.00	15,502.00	Florida Blue Scholarship	Scholarships	
Goodwyn Mills Cawood LLC	O	Corporation	08/22/23	1,000.00	1,000.00	President's Circle	Current Unrestricted	
Gustin, Cothorn and Tucker, Inc.	O	Corporation	09/19/23	5,000.00	4,600.00	Raider Golf Tournament (charitable)	Events	Golf Tournament Legacy Sponsor
InterBay Building Services, Inc.	O	Corporation	09/14/23	5,000.00	5,000.00	Dixie Ferguson Memorial Scholarship	Scholarships	In memory of Dixie Ferguson
Islanders Coastal Outfitter	O	Other Organization	07/31/23	3,327.34	3,327.34	CBA	Program Enhancement	
			08/30/23	3,958.36	3,958.36	CBA	Program Enhancement	
James L. Wilson	P	Friend (Constituent Only)	08/14/23	1,200.00	1,200.00	NFSO Support	Program Enhancement	
Maj Gen Donald Paul Litke USAF, Ret	P	Board Member	08/28/23	3,050.00	50.00	NFSO Support	Program Enhancement	President's Circle & NFSO (KATS)
					500.00	NFSO Support	Program Enhancement	President's Circle & NFSO (KATS)
					500.00	President's Circle	Current Unrestricted	President's Circle & NFSO (KATS)
					2,000.00	Florida First Generation - State Scholarship	Scholarships	President's Circle & NFSO (KATS)
Mr. Bo Burns, Jr.	P	Friend (Constituent Only)	07/25/23	1,000.00	1,000.00	NFSO Support	Program Enhancement	
Mr. Gerald L. Freisthler	P	Friend (Constituent Only)	09/06/23	1,500.00	1,000.00	Champions Club (charitable)	Program Enhancement	Champions Club
Mr. Keith A. Chambers	P	Friend (Constituent Only)	07/17/23	2,500.00	2,500.00	Marc B. Chambers Technical Theater Scholarship	Scholarships	

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Mr. Keith A. Chambers	P	Friend (Constituent Only)	08/03/23	2,500.00	2,500.00	Marc B. Chambers Technical Theater Scholarship	Scholarships	
Mr. Neville B. Edenborough	P	Friend (Constituent Only)	09/06/23	1,000.00	1,000.00	NFSO Support	Program Enhancement	
Mrs. Wendy McAdams Dorr	P	Board Member	08/18/23	1,500.00	500.00	President's Circle	Current Unrestricted	
					1,000.00	Florida First Generation - State Scholarship	Scholarships	
Ms. Almut E. Flentge-Parker	P	Friend (Constituent Only)	08/30/23	1,000.00	1,000.00	NFSO Support	Program Enhancement	
Ms. Caroleann and Mr. Raymond Turczynski	P	Friend (Constituent Only)	09/05/23	1,500.00	1,000.00	Champions Club (charitable)	Program Enhancement	Champions Club
					1,000.00	Champions Club (charitable)	Program Enhancement	Champions Club C/O Raymond Newman
Ms. Cheleene and Mr. Jeffrey Schembera	P	Former Faculty/Staff	09/05/23	1,500.00	1,000.00	Champions Club (charitable)	Program Enhancement	Champions Club
Ms. Daphne W. Martin	P	Friend (Constituent Only)	09/07/23	5,000.00	5,000.00	CBA	Program Enhancement	
Ms. Dolores and Mr. Joseph Purka	P	Friend (Constituent Only)	09/11/23	2,500.00	2,500.00	NFSO Support	Program Enhancement	
Ms. Donna and Mr. Daniel Fox	P	Faculty/Staff	09/05/23	1,000.00	500.00	AF - Mathematics	Program Enhancement	
					500.00	Raiders Scholars	Scholarships	
Ms. Gwendolyn and Mr. Herbert Jones	P	Alumna/us	08/01/23	2,500.00	2,500.00	NFSO Support	Program Enhancement	Anonymous
Ms. Janice C. Eichorst	P	Friend (Constituent Only)	09/12/23	10,000.00	10,000.00	Janice C. Eichorst Scholarship Endowment	Scholarships	
					10,000.00	Kurt K. Eichorst Scholarship	Scholarships	

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Donor Name	Entity	Donor Category	Gift Date	Gift Transaction Amount	Designation Amount	Designation Name	Designation Type	Gift Comment
Ms. Leonora and Mr. Jeffrey Claudio	P	Alumna/us	09/19/23	5,000.00	5,000.00	Jeff & Leonora Claudio Scholarship	Scholarships	
Ms. Linda and Mr. John Leatherwood	P	Former Faculty/Staff	09/18/23	1,000.00	1,000.00	NFSO Support	Program Enhancement	NFSO
Ms. Mary Jane and Mr. Ray Ross	P	Friend (Constituent Only)	09/06/23	1,500.00	1,000.00	Champions Club (charitable)	Program Enhancement	Champions Club
Ms. Wanda and Mr. Stanley Siefke	P	Board Member	08/08/23	1,500.00	1,500.00	President's Circle	Current Unrestricted	
National Defense Industrial Association	O	Corporation	07/25/23	17,669.60	17,669.60	AF - Advanced Technology & Design	Program Enhancement	
Okaloosa County Sheriff's Office	O	Government Agency	09/06/23	24,600.00	24,600.00	Workforce Development	Program Enhancement	2x 2018 Ford Taurus
Sacred Heart Hospital Guild	O	Corporation	08/15/23	3,000.00	3,000.00	Sacred Heart Hospital Guild Scholarship	Scholarships	
Shoreline Church, Inc.	O	Religious Organization	07/06/23	2,000.00	2,000.00	CBA	Program Enhancement	
Step One Automotive	O	Corporation	09/18/23	5,000.00	5,000.00	NFSO Support	Program Enhancement	
Tophatmonocle US	O	Corporation	07/18/23	1,208.03	1,208.03	Highest Campaign Priority	Pending Type	
West Florida AHEC	O	Corporation	07/10/23	1,875.00	1,875.00	AF - Associates in Nursing	Program Enhancement	
Total Gifts Over \$1000					194,829.33			

NWFSC EVENTS

Sounds of the Spectrum

November 8th 7:00 p.m.
Niceville Campus, Mattie Kelly Arts Center

Emerald Coast PCA Rodeo

November 10th & 11th 7:30 p.m.
Niceville Campus

The Nutcracker

November 17-19th
Niceville Campus, Mattie Kelly Arts Center

Christmas at the Henry's

December 1st 7:00 p.m.
Niceville Campus, Mattie Kelly Arts Center

Handel: Messiah

December 2nd 7:00 p.m.
St. Paul Lutheran Church, Niceville

Handel: Messiah

December 3rd 2:30 p.m.
Point Washington United Methodist Church, Santa Rosa Beach

Holiday Pops

December 8th 7:00 p.m.
Niceville Campus, Mattie Kelly Arts Center

Wheel of Fortune LIVE!

December 13th 7:00 p.m.
Niceville Campus, Mattie Kelly Arts Center

Fall Commencement

December 15th 11:00 a.m.
Niceville Campus, Raider Arena

HYPROV Improv Under Hypnosis

January 19th 7:00 p.m.

Niceville Campus, Mattie Kelly Arts Center

Stinky Cheese Man!

January 22nd 9:45 a.m.

Niceville Campus, Mattie Kelly Arts Center

Taylor Hicks

January 25th 7:00 p.m.

Niceville Campus, Mattie Kelly Arts Center

NWFSC Foundation Governance Committee Meeting
Building 400, Room 301, Niceville Campus
September 27, 2023 12:00 p.m.

Members Present:

Bo Arnold
Cindy Frakes
Fran Hendricks
Don Litke
Chris Stowers
Neko Stubblefield
Alan Wood

Staff Present:

Jennifer Bernich
Conner Rogers
Tara Thomson

Absent:

Cecil Williams

Call to order:

Dr. Arnold called the meeting to order at 12:00.

Approval of Minutes:

The minutes from the April 12, 2023 Governance Committee meeting were approved. **Motion to approve minutes, Ms. Frakes; Second, Gen. Litke. Motion carried unanimously.**

Role of the Governance Committee:

Dr. Arnold reviewed the role of the governance committee. Per the Foundation's bylaws, the role of the Governance Committee is as follows: This Committee is chaired by the Past Chair. The Committee supports Board orientation and training, identifies candidates for election to the Board, and develops and reviews succession plans related to Directors and Officers. In addition, the Committee is accountable for regular review of the Strategic Plan.

Discussion of 2024-25 Slate/Nomination Process:

Mr. Stowers laid out the Nomination of Foundation Board members and Officer Nomination process.

Review Current Board Composition and Assess Needs:

Mr. Stowers presented the board's composition and needs, the governance committee seeks to ensure a diverse representation of board members across Okaloosa and Walton County in a variety of industries. It was noted that last year, a large portion of members representing Walton County rotated off the Board, so representation is currently more focused in Okaloosa County.

Review Board Member Attendance and Performance: Mr. Stowers presented documentation for the attendance of board members.

Determine Desired Number of New Members:

The bylaws indicate that the Foundation board may not consist of less than five (5) members. However, it does not have a maximum cap. In recent years, the Foundation has kept the overall total of board numbers fairly consistent. Mr. Stowers gave a Board population break down to determine the demographics desired in new Board members. A suggestion was made to include a section in the Member expectations regarding attendance and the possibility of an attendance requirement going forward.

Discuss Nomination Form:

Review the nomination form (attached), which is available on the Foundation's website (www.NWFSCFoundation.org) under the Board Portal link in the footer of the home page.

Survey Results:

Mr. Stowers gave an overview of the Foundation Board Performance Survey noting that the Governance Committee made the decision that the survey would be completed every two years.

Treasurer Nomination:

Mr. Stowers reviewed the nomination process. Currently, staff brings a recommendation to the committee chair, but discussion was had on the possibility of committee members submitting nominations or making the process more formal to include individuals seeking a leadership role self-nominating.

Adjournment:

With there being no further business to discuss, the meeting was adjourned at 1:04 p.m.

Bo Arnold, Governance Committee Chair

Date

Chris Stowers, Secretary

Date

NWFSC Development Committee Meeting
October 24, 2023 8:00 am

Room 301, SSC, Niceville Campus

Members Present:

Teresa Halverson
Tyler Jarvis
Gordon King
Don Litke

Jonathan Ochs
Stan Siefke
Chris Stowers
Cecil Williams

Staff Present:

Pinar Archangel
Jennifer Bernich
Conner Rogers
Tara Thomson

Others Present:

Ramsey Ross

Absent:

Fran Hendricks
Tim McCool
Alan Wood

Call to Order:

Mr. Ochs called the meeting to order at 8:01 AM.

Approval of Committee Meeting Minutes:

The minutes from the July 18, 2023 Development meeting were approved as presented. **Motion to approve minutes as presented by Gen. Litke; Second, Ms. Halverson. Motion carried unanimously.**

Introduction:

Mr. Stowers introduced Pinar Archangel to the committee.

New Endowment:

The friends, family and employees of Step One Automotive Group, along with the Correa family, have pledged gifts totaling \$15,500 to establish the Stergios Katsaros Memorial Scholarship Endowment at Northwest Florida State College. This endowment will provide scholarship support to students pursuing a degree in the medical field with financial need.

Motion to approve the Stergios Katsaros Memorial Scholarship Endowment for presentation to the Board Mr. Williams; Second, Mr. Siefke. Motion carried unanimously.

Year-to-Date Fundraising Report:

NWF State College Foundation's *Continuous Improvement Plan* goal is to increase annual support (gifts, memberships, new pledges, and in-kind donations) to the Foundation, by 5% based on a rolling three-year average, resulting in a minimum of \$1,412,224 raised by June 30, 2024 which is 18% of the goal. Mr. Ross to explained the new Champions Club program in Athletics.

Annual Solicitations Report:

Ms. Rogers reviewed the Foundation's Annual Solicitation report. The State of Florida has earmarked an allocation of \$20,308 to support Northwest Florida State College first generation students. The state-to-private match is 2:1 which could potentially provide \$34,431 in scholarship funds for NWFSC first-generation in college students. The amount required to receive the full allocation is \$10,154. Certification is due on or before December 1, 2023. Ms. Rogers also provided an update regarding gift and pledge payments received from the Foundation Board and Board of Trustees.

Alumni Awards Program:

Ms. Rogers gave an overview of the Alumni Awards selection process as well as detailed how winners are acknowledged.

Campaign Steering Committee:

Mr. Stowers gave an overview of the committee that will need to be formed to guide the upcoming Sound the Siren Campaign. He presented a list of potential candidates for the committee and what will be expected of them in this role as well as explained the timeline of the campaign kickoff.

Other Items:

Mr. Stowers presented an idea for a Board engagement event preceding an upcoming basketball game to gauge interest. Previously, the Development Committee had expressed interest in opportunities to invite peers to campus events to steward relationships.

The next Development Committee meeting is January 18, 2023 at 8:00 a.m. in Room 301, building 400.

Adjournment:

There being no further business, the meeting adjourned at 9:08 AM.

Jonathan Ochs, Development Committee Chair

Date

Chris Stowers, Secretary

Date

NWFSC Foundation Finance Committee Meeting
October 31, 2023 at 8:00 a.m.
Room 308, 3rd Floor, Student Services Building

Members Present:

Christie Austin
James Bagby
Cindy Frakes
Fran Hendricks
Bernard Johnson
Heather Kilbey – via teleconference
Don Litke
Vince Mayfield

Wendy McAdams Dorr
Jonathan Ochs
Brian Pennington
Steven Rhodes
Chris Stowers
Alan Wood

Others Present:

Brian Carter
Olivia Danner
Cristie Kedroski
Ray McGovern

Tanner McKnight
Shane O'Dell
Whitney Rutherford

Staff Present:

Pinar Archangel
Jennifer Bernich
Conner Rogers
Tara Thomson

Absent:

Destin Cobb
Todd Grisoff
Hu Ross

Call to Order:

Ms. Frakes called the meeting to order at 8:01 a.m.

Approval of Committee Meeting Minutes:

The minutes from the July 25, 2023 Finance Committee meeting and the September 27, 2023 Special Committee meeting were approved as presented. **Motion to approve minutes as presented by Mr. Johnson; Second, Mr. Bagby. Motion carried unanimously.**

Finance and Investment Reports:

Ms. Thomson presented the Statement of Financial Position, Statement of Activities, Investment Report, and Operating Budget Review as of September 30, 2023. Statement of Financial Position Total Assets are \$59,972,921 and Total Liabilities are \$1,284, bringing the Total Fund Balance to \$59,971,636. For the previous fiscal year as of September 30, 2022, the Total Fund Balance was \$53,472,277. Statement of Activities Total Revenues were (\$1,172,013) and Total Expenses were \$170,145 for a Net Decrease in Fund balance of (\$1,342,158). A Statement of Activities from the previous fiscal year from July 1, 2022 through September 30, 2022 shows Total Revenues of (\$2,012,112) and Total Expenses of \$1,871,826 for a Net Decrease in Fund balance of (\$3,883,938). Investment Report The Net decrease to the Merrill

Lynch EMA account since July 1, 2023 was (\$1,376,526) bringing the Total Market Value to \$58,854,881 at September 30, 2023. The Net decrease to the Vanguard Wellington Account (Science Development Fund and First Responders Fund) since July 1, 2023 was (\$14,010), bringing the Total Market Value to \$443,088 as of the last statement date of September 30, 2023. Combined total holdings of the Merrill Lynch EMA and Vanguard Wellington accounts were \$59,297,968. The portfolio allocation was 3.04% Cash & Cash Equivalents, 62.56% Equity, 9.64% Alternative Investments and 24.76% Fixed Income. Operating Budget Review As of September 30, 2023. Total Operating Expenditures were \$55,641, leaving 89% of the budget available for the fiscal year.

Motion to approve the Finance and Investment Reports as presented for presentation to the board presented by Mr. Bagby; Second, Gen. Litke. Motion carried unanimously.

FY 2023 Audited Financial Statements/IRS Form 990:

Mr. Carter presented the Fiscal Year 2023 Northwest Florida State College Foundation Audited Financial Statements and IRS Form 990 informational return. Both documents have been prepared by the independent auditing firm of Mauldin & Jenkins, Certified Public Accountants of Bradenton, Florida. The audit reflects a clean opinion. Highlights of the Audit Net position was \$61,313,795 at the close of the fiscal year. This reflects an increase of 6.90% over the previous fiscal year. Of the \$61.36 million in total assets, \$13 thousand rested in capital assets. Total liabilities were \$46 thousand, with \$44 thousand due to the college and \$2 thousand due to other outside vendors. The Foundation's investments increased 7.14% from July 1, 2022 to June 30, 2023 after a reported decrease of 7.25% from July 1, 2021 to June 30, 2022. The decrease and subsequent increase were principally due to financial market conditions. At June 30, 2023 the number of funds in underwater status was 10. All 10 were endowments established within the past three fiscal years and were impacted by current improved fiscal year market conditions. Endowments with a fair market value below corpus will receive no spending allocation. The deficits can only be overcome through positive investment earnings. Total gifts, contributions, grants and other income, decreased \$2,654 thousand from 2022 to 2023, totaling \$889 thousand at June 30, 2023. Additions to permanent endowments totaled \$196 thousand at year-end. Total college support was \$2.9 million. These payments reflected \$725 thousand in scholarship expenses, and \$2.2 million in program and other support to the college.

Motion for NWFSC Foundation Finance Committee to accept the FY 2023 Draft Audited Financial Statements and IRS Form 990 for presentation to the Board, Mr. Wood; Second, Mr. Ochs. Motion carried unanimously.

Sale of EBS License: Ms. Rutherford presented the offer that has been made by T-Mobile to purchase the College's and the Foundation's Education Broadband Service (EBS) licenses for \$1,750,000. To ensure that committee members had an opportunity to discuss before the October 31 Finance meeting, the Finance Committee held a special informational meeting on September 27, 2023, to present and discuss the offer. The College's Board of Trustees first discussed this offer at their September meeting, and, at their October 17 meeting, the Board of Trustees approved the sale of the College's license.

A motion to recommend to the Board: (1) approve the sale of the Foundation's EBS license to T-Mobile for the purchase price reflected in the asset purchase agreement; (2) approve the proceeds of the sale of both the College's and Foundation's licenses being directed to the Northwest Florida State College Foundation; and (3) authorize and direct the Board of Directors Chair and Foundation Executive Director to take all required action and sign documents necessary to close the sale. Motion made by Gen. Litke; second by Mr. Bagby. Motion approved unanimously.

New Endowment:

The friends, family and employees of Step One Automotive Group, along with the Correa family, have pledged gifts totaling \$15,500 to establish the Stergios Katsaros Memorial Scholarship Endowment at Northwest Florida State College. This endowment will provide scholarship support to students pursuing a degree in the medical field with financial need.

Motion to approve the Stergios Katsaros Memorial Scholarship Endowment as presented for presentation to the Board, Mr. Rhodes, second Mr. Ochs. Motion approved unanimously.

Checks Over \$5,000:

Ms. Thomson presented a listing of checks over \$5,000 from July 1, 2023 through September 30, 2023.

Motion to approve the checks over \$5,000 as presented, Mr. Ochs; Second, Mr. Johnson. Motion carried unanimously.

Investment Report by McGovern, O'Dell & Associates/Merrill Lynch:

Following are the investment reports and portfolio reviews as of September 30, 2023 provided by McGovern, O'Dell & Associates. Merrill Lynch Portfolio Review BlackRock Portfolio Analysis

Mr. McGovern presented a portfolio review as of September 30, 2023 and provided an overview of current market conditions. He presented the custom benchmark report from Blackrock, which reflected a market value of \$51,161,601 as of September 30, 2023, reminding the committee that the Blackrock report is not a representation of the Foundation's entire investment portfolio with Merrill Lynch. The total portfolio had a balance of \$58,849,130. The Merrill Lynch report shows investment allocations stand at 64.32% equity, 22.96% fixed income, 3.00% cash and 9.72% alternative investments at June 30, 2023.

Raider Landing Loan Update: Mr. Stowers provided an update on the loan to the developer for the Raider Village student housing. The Foundation received \$13,396 in August for our portion of the loan origination fee. It is reflected in the financial statements as Other Non-Operating Revenue. Community Bank has informed the Foundation that the Jay Odom Group has requested the first draw of \$304,266. These funds will come from the developer's 20% that they are providing (\$2,679,241) before any of the loaned funds from the Foundation and Community Bank.

Executive Director Report: Mr. Stowers introduced Pinar Archangel, the Foundation's new Office Specialist.

Next Meeting:

The next Finance Committee Meeting will be on January 30, 2024 at 8:00 a.m.

Adjournment:

There being no further business, the meeting adjourned at 8:54 a.m.

Cindy Frakes, Chair

Date

Chris Stowers, Secretary

Date