VALENCIA COLLEGE FOUNDATION

October 28, 2026

TO: THE BOARD OF DIRECTORS OF VALENCIA COLLEGE FOUNDATION

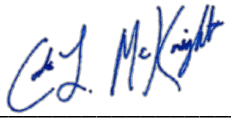
FROM: DR. CARLA MCKNIGHT
Executive Director

RE: VALENCIA COLLEGE FOUNDATION ANNUAL AUDIT

In accordance with Section 1004.70(6) Florida Statutes, each direct-support organization (college foundation) must conduct an annual financial audit which must be submitted to the Valencia College Foundation Board of Directors for review. This year, the independent auditor's report was prepared by Doeren Mayhew Assurance, PC, who audited the Foundation's financial statements. In the audit report, the independent auditors rendered an unmodified opinion concluding that the financial statements of the Foundation for the fiscal year ending March 31, 2026, are presented fairly in all material aspects in accordance with generally accepted accounting principles (GAAP). The audit report was presented to and reviewed by the Executive Committee of the Valencia College Foundation on September 29, 2026.

RECOMMENDED ACTION:

The Executive Director recommends that the Board of Directors accept the Valencia College Foundation's Annual Audit report as presented and reviewed.



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Executive Director

VALENCIA COLLEGE FOUNDATION, INC.

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

MARCH 31, 2026

(With Independent Auditor's Report Thereon)

DoerenMayhew ASSURANCE

VALENCIA COLLEGE FOUNDATION, INC.

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DoerenMayhew
ASSURANCE

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Valencia College Foundation, Inc.

Opinion

We have audited the accompanying financial statements of Valencia College Foundation, Inc. (the "Foundation") (a nonprofit organization), which comprise the statement of financial position as of March 31, 2026 and the related statement of activities, statement of functional expenses, and statement of cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of March 31, 2026, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

"Doeren Mayhew" is the brand name under which Doeren Mayhew Assurance, PC and Doeren Mayhew Advisors, LLC and its subsidiary entities provide professional services. Doeren Mayhew Assurance, PC and Doeren Mayhew Advisors, LLC (and its subsidiary entities) practice as an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. Doeren Mayhew Assurance, PC is a licensed independent CPA firm that provides attest services to its clients, and Doeren Mayhew Advisors, LLC and its subsidiary entities provide tax and business consulting services to their clients. Doeren Mayhew Advisors, LLC and its subsidiary entities are not licensed CPA firms.

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 within one year after the date that the financial statements are available to be issued.

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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information includes the Overview and Analysis of the Foundation's Finances (the "Overview"), but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the Overview, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 4, 2026 on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

Doeren Mayhew Assurance, PC

Melbourne, Florida
August 4, 2026

VALENCIA COLLEGE FOUNDATION, INC.

OVERVIEW AND ANALYSIS OF THE FOUNDATION'S FINANCES (unaudited)
MARCH 31, 2026

This Management Discussion and Analysis ("MD&A") of the Valencia College Foundation, Inc.'s ("Foundation") financial statements provides an overview of the Foundation's financial activities for the fiscal year ended March 31, 2026. The presentation of 2025 financial information is included for financial analysis and comparison to the 2026 information.

The Foundation is presented as a discrete component unit of Valencia College ("College") and is the College's direct support organization (DSO) pursuant to Section 1004.70, Florida Statutes. The primary purpose of the Foundation is to support the advancement of Valencia College through organized fundraising activities and prudent management of charitable assets and funds.

These financial statements are presented in the Financial Accounting Standards Board ("FASB") format for reporting as a component unit in the College's financial statements. The financial statements consist of the Statement of Financial Position, the Statement of Activities, the Statement of Functional Expenses, and the Statement of Cash Flows.

Financial Highlights

Condensed Statement of Financial Position

March 31,	2026	2025	Change
Current assets	$123,991,158	$114,315,132	$ 9,676,026
Noncurrent assets	3,035,902	3,319,169	(283,267)
Total assets	$ 127,027,060	$ 117,634,301	$ 9,392,759
Current liabilities	$ 445,331	$ 576,289	$ (130,958)
Net assets	126,581,729	117,058,012	9,523,717
	$ 127,027,060	$ 117,634,301	$ 9,392,759

As of March 31, 2026, the assets of Valencia College Foundation exceeded its liabilities by $126,581,729, reflecting an increase of $9,523,717, or 8%, over 2025. The change is primarily attributed to investment growth of $10,969,066 during 2026. The composition of total net assets is as follows:

- Net assets without donor restrictions: $24,622,510, representing 19% of total net assets, which are available for academic and college program support, as well as general and administrative purposes.

- Net assets with donor restrictions: $101,959,219 accounting for 81% of total net assets, designated for specific time periods or purposes as stipulated by donors; this includes $7,123,265 in donor restricted funds available for current use and $38,465,689 in endowment funds restricted in perpetuity, which represents the non-expendable portion invested in perpetuity.

VALENCIA COLLEGE FOUNDATION, INC.

OVERVIEW AND ANALYSIS OF THE FOUNDATION'S FINANCES (unaudited)
MARCH 31, 2026

Condensed Statements of Activities

March 31,	2026	2025	Change
Revenue, gains (losses) and support			
Contributed services	$ 878,507	$ 342,571	$ 535,936
Contributions	3,025,654	4,644,974	(1,619,320)
Special events	287,255	268,095	19,160
Interest and dividends, net of investment fees	9,503,559	10,415,512	(911,953)
Net realized and unrealized gains (losses) on investments	4,099,451	(2,842,923)	6,942,374
Other realized gains (losses)	(2,181,007)	-	(2,181,007)
Other revenue	1,197	(25,491)	26,688
Total revenue, gains (losses) and support	15,614,616	12,802,738	2,811,878
Expenses			
Program	3,618,033	5,425,266	(1,807,233)
Management and general	1,470,985	1,536,083	(65,098)
Fundraising	1,001,881	392,679	609,202
Total expenses	6,090,899	7,354,028	(1,263,129)
Change in net assets	$ 9,523,717	$ 5,448,710	$ 4,075,007

For the fiscal year ended March 31, 2026, total revenues increased by $2,811,878 compared to the prior year, primarily attributable to investment activity fluctuations. Total expenses decreased compared to the prior year, mainly as a result of a reduced rate of program disbursements for scholarships and academic enhancement initiatives.

Program Expenses

Total program expenses for the fiscal year ended March 31, 2026 were $3,618,033. The largest areas disbursed were $2,811,268 for student aid and $806,765 for academic program support, representing 78% and 22% respectively of total program expenses.

Operating Expenses

Operating and fundraising expenses are paid from the Foundation's operating budget, which is derived from a 1.8% administrative fee of the investment pool in addition to Foundation event income. Total operating expenses were $2,472,866.

Investment Pool

Total investments with SEI Investment Company as of March 31, 2026 were $120,826,615.

Continued

Endowment Spending Policy

The spending rate is set at the beginning of each fiscal year. The current spending rate is 4% based on a rolling 7-year market value average. Each account is reviewed to determine the budget by ensuring sufficient appreciation in market value above the corpus. Total Endowment value was $94,835,954.

Economic Conditions and Outlook

The Foundation's financial outlook is influenced by factors including charitable giving trends, ongoing fundraising campaigns, recent tax law changes, financial market conditions, and investment returns. The College is expected to continue its support at levels consistent with the current year, as both annual and major gifts, as well as endowment income, play a critical role in advancing College programs.

Management is not aware of any other controllable factors that would significantly affect the Foundation's financial position in future periods.

Request for Information

Questions concerning information provided in the MD&A or other required supplementary information, and financial statements and notes thereto, or requests for additional financial information should be addressed to the Valencia College Foundation, 1800 S. Kirkman Rd. Mail Code DO-41 Orlando, FL 32811.

VALENCIA COLLEGE FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION
MARCH 31, 2026

Assets	
Current assets	
Cash and cash equivalents	$ 2,201,825
Investments	120,826,615
Pledges receivable, net	579,512
Accounts receivable	196,854
Other current assets	186,352
Total current assets	123,991,158
Non-current assets	
Rental property	2,603,062
Pledges receivable, net	432,840
Total noncurrent assets	3,035,902
Total assets	$127,027,060
Liabilities and Net Assets	
Current liabilities	
Related party accounts payable	$ 391,859
Accounts payable and accrued expenses	40,972
Deferred revenue	12,500
Total liabilities	445,331
Net assets	
Without donor restrictions	24,622,510
With donor restrictions	101,959,219
Total net assets	126,581,729
Total liabilities and net assets	$127,027,060

VALENCIA COLLEGE FOUNDATION, INC.

STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2026

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support			
Contributed services	$ 878,507	$ -	$ 878,507
Contributions	1,082,266	1,943,388	3,025,654
Special events	287,255	-	287,255
Interest and dividends, net of investment fees	1,590,416	7,913,143	9,503,559
Net realized and unrealized gains (losses) on investments	(195,042)	4,294,493	4,099,451
Other realized gains (losses)	(2,330,260)	149,253	(2,181,007)
Other revenue	1,193	4	1,197
Total net assets released	12,370,804	(12,370,804)	-
Total revenues, gains, and other support after releases	13,685,139	1,929,477	15,614,616
Expenses			
Program	3,618,033	-	3,618,033
Management and general	1,470,985	-	1,470,985
Fundraising	1,001,881	-	1,001,881
Total expenses	6,090,899	-	6,090,899
Changes in net assets	7,594,240	1,929,477	9,523,717
Net assets - beginning	17,028,270	100,029,742	117,058,012
Net assets - ending	$ 24,622,510	$ 101,959,219	$ 126,581,729

VALENCIA COLLEGE FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2026

	Program	Management and General	Fundraising	Total
Banking related expenses	$ -	$ 5,694	-	$ 5,694
Other expenses	-	129,043	2,678	131,721
Professional services	-	657,076	232,027	889,103
Rental expense	-	-	55,148	55,148
Salaries & benefits	-	650,737	434,907	1,085,644
Scholarships & student aid	2,811,268	-	-	2,811,268
Supplies & materials	-	27,982	272,820	300,802
Support to college	806,765	-	-	806,765
Travel	-	453	4,301	4,754
	$ 3,618,033	$ 1,470,985	$ 1,001,881	$ 6,090,899

VALENCIA COLLEGE FOUNDATION, INC.

STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2026

Cash flows from operating activities	
Change in net assets	$ 9,523,717
Adjustments	
Net realized and unrealized gain on investments	(4,099,451)
Florida prepaid scholarships awarded	147,496
Unrealized gain on life insurance	(149,253)
Realized loss on other investments	2,330,260
(Increase)/decrease in assets	
Pledges receivable, net	440,280
Accounts receivable	(25,502)
Other current assets	80,829
Increase/(decrease) in liabilities	
Related party accounts payable	(55,998)
Accounts payable and accrued expenses	18,843
Deferred revenue	(93,803)
Net cash provided by operating activities	8,117,418
Cash flows from investing activities	
Purchase of investments	(21,846,687)
Proceeds from sale of investments	14,977,072
Purchase of Florida prepaid tuition scholarships	(41,662)
Net cash used in investing activities	(6,911,277)
Net increase in cash	1,206,141
Cash and cash equivalents - beginning	995,684
Cash and cash equivalents - ending	$ 2,201,825

Note 1 – Nature of Activities and Significant Accounting Policies

Nature of Activities

Valencia College Foundation, Inc. (the "Foundation" or "Organization") was established in 1974 to serve as a direct-support organization for Valencia College ("Valencia" or "College"), as provided in Section 1004.70 of the Florida Statutes. The Foundation is included as a discretely presented component unit in the Valencia College financial statements.

The Foundation's principal function is to receive, hold, invest, and administer charitable contributions for Valencia College.

Basis of Presentation

The Foundation is a not-for-profit organization. The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and in accordance with standards established by the Financial Accounting Standards Board. Assets are presented in the accompanying statements of financial position according to their nearness of conversion to cash and liabilities according to their nearness of their maturity and resulting use of cash.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of related contingent items at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

Investments are reported at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the dividend date. The investment expenses are netted against interest and dividends without donor restrictions in the accompanying statements of activities.

Pledges Receivable, Net

Pledges receivable are unconditional promises to give and are recorded when the promises to contribute are made. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of future cash flows. The discounts on these amounts are computed using risk-free rates applicable to the years in which the promises are made. Amortization of discounts is included as offsetting the contribution revenue. The Foundation provides an allowance for uncollectible pledges based on the historical ratio of write-offs.

Continued

Florida Prepaid Tuition Scholarships

The Foundation previously held Florida Prepaid Tuition Scholarships through the State of Florida's Take Stock in Children program. These scholarships were contributed to or purchased by the Foundation and were intended to provide college scholarships for selected individuals graduating from high school in Orange County.

The scholarships were valued using the actuarial present value of the future contract benefits and expense obligations. This valuation method reflected the present value of estimated contract benefits and expenses expected to be paid in the future and was adjusted for projected increases in tuition, fees, dormitory housing costs, and contract terminations.

During the year ended March 31, 2026, the Foundation liquidated its Florida Prepaid Tuition Scholarships, resulting in a loss of $2,330,260. Accordingly, no Florida Prepaid Tuition Scholarships remain outstanding at March 31, 2026.

Impairment of Long-Lived Assets

Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the asset's carrying amount over the fair value of the asset. As of March 31, 2026, management has determined that no impairment exists.

Rental Property

Rental property includes land, and is stated at cost when purchased.

Repairs and maintenance costs are charged to expense. Upon sale or other disposition, the costs are removed from the accounts and any gain or loss is recognized. All of the Foundation's capital assets are leased to the College (see Note 4).

Rent Revenue and Deferred Revenue

Rent revenue is recognized on the straight-line basis over the terms of the respective leases. Rental payments received in advance are recorded as deferred revenue. Deferred revenue also includes the exchange portion of special event revenue that is received for special events that will take place in subsequent fiscal years.

Continued

Contributions and Donor-Imposed Restrictions

The Foundation recognizes contributions and state support revenue when cash, securities, other assets, or an unconditional promise to give, is received. Conditional promises to give, that is those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Unconditional promises to give due beyond one year are reported at the present value of their net realizable value, using risk-free rates applicable to the years in which the promises are to be received. The Foundation did not have any conditional promises to give as of March 31, 2026.

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or are restricted by the donor for specific purposes are reported as donor-restricted support that increases the net asset class.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the Foundation reports the support as net assets without donor restrictions.

Special event revenues are considered contributions with the exception of the exchange portion (if any), which is recognized as revenue when the event takes place.

In-Kind Contributions

Contributions of donated assets and services are recorded at their estimated fair value at the date of receipt and are reflected as in-kind contributions in the accompanying statements (see Note 4). Contributions of services are recognized only if such services create or enhance nonfinancial assets, would have been purchased if not provided by donation, and require specialized skills provided by individuals possessing such specialized skills. All donated services received by the Foundation for the year ended March 31, 2026 were considered without donor restrictions and are able to be used by the Foundation as determined by the board of directors and management.

Display of Net Assets by Class

Net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

i. Net Assets Without Donor Restrictions

Net assets without donor restrictions represent funds that are available without restriction for carrying out the Foundation's objectives.

ii. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. When a restriction expires, donor-restricted net assets are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions. Amounts received that are to be maintained by the Foundation in perpetuity are reported as contributions with donor restrictions.

Continued

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities and functional expenses. Salaries and related payroll expenses are allocated among functional categories based on the estimated proportion of time spent relative to each function. Payroll taxes and property taxes and insurance are allocated based upon the ratio of employees per function. All other expenses are identified as benefiting a specific program or function and are classified accordingly.

Summary of Programs and Services

The following program and supporting services are included in the accompanying financial statements:

Program– Scholarship and academic support programs are utilized by the Foundation to provide support and scholarships for students attending Valencia.

Management and General– Administers the functions necessary for operating the program and mission not directly charged to programs, ensure adequate working environments for the programs, manage the financial responsibilities, and provide coordination and articulation of mission and core values.

Fundraising– Provides the structure necessary to encourage and secure private financial support from individuals, foundations, and corporations.

Income Taxes

The Foundation is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code and is classified as an other-than-private foundation within the meaning of Section 509(a) of the Internal Revenue Code and from state income taxes under similar provisions of the Florida Income Tax Code. Therefore, no provision for income taxes has been included in the accompanying financial statements.

The Foundation identifies and evaluates uncertain tax positions, if any, and recognizes the impact of uncertain tax positions for which there is a less than more-likely-than-not probability of the position being upheld when reviewed by the relevant taxing authority. Such positions are deemed to be unrecognized tax benefits and a corresponding liability is established on the statements of financial position. The Foundation has not recognized a liability for uncertain tax positions. If there were an unrecognized tax benefit, the Foundation would recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. The Foundation's open tax years subject to examination by the Internal Revenue Service generally remain open for three years from the date of filing.

Fair Value of Financial Instruments

The Foundation reports its financial assets and liabilities using a three-tier hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Continued

The three levels of the fair value hierarchy are described below:

Level 1 – Valuation is based on unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Valuation is based on observable quoted prices for similar assets and liabilities in active markets.

Level 3 – Valuation is based on inputs that are unobservable and are supported by little or no market activity, therefore requiring management's best estimate of what market participants would use as fair value.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management. The respective carrying value of certain financial instruments approximates their fair values due to the short-term nature of these instruments. These financial instruments include cash and cash equivalents, pledges due in one year or less, and accounts payable and accrued expenses. Contributions due beyond one year are recorded at their net present value using a risk-free interest rate available on U.S. Treasury issues at the date the pledge was made with an equivalent term approximately equal to the number of years over which the pledge will be paid (see Note 3), which approximates fair value. The Foundation's Level 1 financial instruments consist of investments as identified in Note 2 and are valued based on quoted market prices. The Foundation has no Level 2 or Level 3 investments at March 31, 2026.

The Foundation’s Level 3 financial instruments during the year ended March 31, 2026 consisted of the following which were liquidated during the year:

	Florida Prepaid Scholarship
Balance March 31, 2025	$ 2,436,094
Purchases	41,662
Scholarship Reinvestment Opportunity	475,924
Unrealized loss	(47,768)
Disbursement	(147,496)
Liquidation	(2,758,416)
Balance March 31, 2026	$ -

Changes in Fair Value Levels

To assess the appropriate classification of investments within the fair value hierarchy, the availability of market data is monitored. Changes in economic conditions or valuation techniques may require the transfer of investments from one fair value level to another. The Foundation's management evaluates the significance of transfers between levels based upon the nature of the investment. There were no transfers between fair value levels during the year ended March 31, 2026.

Continued

Investments at Net Asset Value

The Foundation owns four investments that are valued using net asset value (NAV), which is not required to be evaluated using the Level 1 through 3 fair value hierarchy (Note 2):

a. *SEI Energy Debt Fund, LP* ("Energy Debt Fund") is a limited partnership that invests directly and indirectly in below investment grade bonds and loans (and other debt and equity instruments) of U.S. and international energy companies. The Fund is valued at NAV and has a three-year lock-up period from the date of subscription. After the lock-up period, redemptions of 50% are allowed semi-annually then 25% is allowed for each of the next two semi-annual periods. Redemptions require a 95-day notice period, subject to fund director consent and certain holdback restrictions. The lock-up restrictions expired in fiscal year 2021.

b. *SEI Structured Credit Fund, LP* ("Structured Credit Fund") is a limited partnership registered as a closed-end, non-diversified management investment company. The Structured Credit Fund invests in limited partnership interests through private placement transactions to investors that have signed an investment management agreement with SEI Investments Management Corporation, the investment adviser to the Structured Credit Fund. The Structured Credit Fund is valued at NAV and has a two-year lock-up period from the date of subscription. After the lock-up period, redemptions are made through a tender offer and require a 65-day notice, subject to certain holdback restrictions. The lock-up restrictions expired in fiscal year 2020.

c. *SEI Core Property Fund, LP* ("Core Property Fund") is a limited partnership that invests directly and indirectly in a diversified pool of private investment vehicles that invest in commercial real estate properties. The Core Property Fund is valued at NAV and is subject to gate if withdrawal amounts exceed 25% of NAV. Redemptions require a 95-day notice, subject to certain holdback restrictions.

d. *SEI Global Private Assets VI, LP* ("Global Private Assets Fund") is a limited partnership that is a buyout fund managed by SEI Investments and invests in a diversified strategy of private equity funds. The Global Private Assets Fund is valued at NAV. The investment is illiquid, has no redemption terms, and the investee has not communicated or publicly announced an expected liquidation timeframe.

The Foundation had no unfunded commitments related to investments measured using NAV as a practical expedient at March 31, 2026.

The Foundation has no plans to sell investments measured using NAV at amounts different from NAV. Other than the redemption, transfer, holdback, lock-up, gate, and liquidity restrictions described above, management is not aware of significant restrictions on the Foundation's ability to redeem or transfer these investments.

Continued

Note 2 – Investments

The fair value of investments consists of the following at March 31, 2026:

Level 1 investments:	
Fixed-income mutual funds	$ 41,135,715
Equity mutual funds	36,649,752
International mutual funds	30,378,183
Total Level 1	108,163,650
Investments at NAV:	
SEI Energy Debt Fund, LP	224,259
SEI Structured Credit Fund, LP	4,892,845
SEI Core Property Fund, LP	5,966,983
SEI Global Private Assets VI, LP	1,578,878
Total NAV	12,662,965
Total investments	$ 120,826,615

Fiduciary fees related to the investments for the year ended March 31, 2026 were $388,765, and are netted against interest and dividend income without donor restrictions in the accompanying statement of activities.

Note 3 – Pledges Receivable, Net

Pledges receivable, net, at March 31, 2026 consist of unconditional promises to give and are due as follows:

Less than 1 year	$ 579,512
1 - 5 years	533,000
	1,112,512
Less:	
Unamortized discount	(29,499)
Allowance for uncollectible pledges	(70,661)
Pledges receivable, net	$ 1,012,352

Note 4 – Related-Party Transactions

Lease Agreements

The Foundation leases an Osceola lot to the College, which was agreed upon on July 1st, 2012. The College uses it as the land of their Osceola Campus, and only pays $1 every single year to the Foundation for sixty years for use of this property. Rent payment received from the College was $1 for the year ended March 31, 2026. The Foundation utilized the office equipment and other such capital assets provided by the College at no charge, and has no other leases.

Continued

Accounts Payable and College Support

Included in related party accounts payable are amounts owed to Valencia College for reimbursable salaries, benefits, and academic support costs as of March 31, 2026, as follows:

Salaries and benefits	$	69,804
Academic support		322,055
	$	391,859

Total expenses paid to Valencia College for the year ended March 31, 2026 amounted to $3,421,164 and are included as program expenses within scholarships and student aid and support to college in the accompanying statement of functional expenses.

Contributed Services

Contributed services from Valencia are recognized as contributions and related expenses in the accompanying statements of activities and functional expenses at their estimated fair values. The fair value of contributed salaries and benefits is based on Valencia College payroll and benefit costs for personnel providing services to the Foundation. The fair value of contributed general and administrative services is based on Valencia College cost records, invoices, or allocated costs for administrative support provided to the Foundation. Contributed services were comprised of the following expenses and included in the accompanying statement of functional expenses for the year ended March 31, 2026:

Salaries and benefits	$	291,083
Various general and administrative expenses		587,424
	$	878,507

Note 5 – Retirement Plan

Effective January 1, 2007, all employees of the Foundation were classified as employees of Valencia. Most employees working in regularly established positions of Valencia are covered by the Florida Retirement System (“FRS”). The FRS is primarily a State-administered, cost-sharing, multiple-employer, defined benefit retirement plan (the “Plan”). Essentially, all regular employees of participating employers are eligible to enroll as members of the FRS. Benefits in the Plan vest at six years of service. All members are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, which may include up to four years of credit for military service. The Plan also includes an early retirement provision but imposes a penalty for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments.

The Foundation's liability for participation is limited to its payments, reimbursed to Valencia, of the required contribution at the rates and frequencies established by law on future payrolls of Valencia. The Foundation's contributions for the year ended March 31, 2026 totaled $114,430, which were equal to the required contributions for the fiscal year and are included in salaries and benefits on the accompanying statements of functional expenses.

Continued

Note 6 – Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for future periods or the following purposes, as follows at March 31, 2026:

	2026
Scholarships	$ 57,195,596
Academic program support	33,905,945
Management and General	1,224,685
Student services	87,540
Teaching chairs	9,545,453
	101,959,219
Less Endowment funds restricted in perpetuity	38,465,689
Total subject to expenditure for specified purpose or future periods	$ 63,493,530

The Foundation has implemented an administrative fee for the management and stewardship of the investment pool. The fee is calculated quarterly as a percentage of the value of the investment pool. For the year ended March 31, 2026, the fee was 1.8%. Total administrative fees released from restriction were $1,659,900 and are included in net assets released from restrictions for administrative support on the accompanying statement of activities. Net assets released from restrictions for administrative support also included $108,530 related to the allowance for uncollectible contributions. In addition, net assets were released from restrictions as donor-imposed purpose and time restrictions were satisfied, primarily for scholarships, academic programs, teaching chairs, student support, and other Foundation activities.

Note 7 – Endowment Funds

The Foundation has donor-restricted endowment funds that include amounts that are restricted to investment in perpetuity and are recorded as net assets with donor restrictions. The returns on the donor restricted endowment funds have been included in the various components of investment income with donor restrictions on the accompanying statements of activities since they are restricted by the donor for scholarships, academic program support, and teaching chairs. The general spending guideline is to support an annual payout of at least 4% from those accounts that have attained their minimum and expected level of donor contributions along with all applicable state, federal, and any other matching monies due.

The spending rate is based upon a seven-year rolling average of endowment market values. Carry-over of unspent distributions and special payments in excess of the annual spending policy are allowable expenditures only with the special approval of the Board of Directors.

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 funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions: (a) the original value of the gift donated to the permanent endowment, (b) the original value of the 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.

Continued

Earnings on donor-restricted endowment funds are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by FUPMIFA. In accordance with FUPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund.
- The purposes of the Foundation and the donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the Foundation.
- The investment policies of the Foundation.

In addition to donor-restricted endowment funds, the Foundation has two board-designated endowment funds recorded as net assets without donor restrictions. The Title III East Campus Fund was designated by the Board in 2007 for which the earnings are designated for academic support and teaching chairs at Valencia's East Campus. The Pathways Initiative Fund was designated by the Board in 2013 for which the earnings are designated for certain initiatives to improve the success for at-risk students.

The endowment funds are invested in accordance with the investment policies of the Foundation in order to preserve and enhance the real purchasing (i.e., inflation-adjusted) power of the pooled investment fund while providing a relatively predictable, stable, and constant stream of earnings.

The Foundation's performance objective is to grow the market value of assets net of inflation, administrative, and investment expenses, over a full market cycle (generally defined as a five to seven year period) without undue exposure to risk. In quantitative terms, the objective is to earn a total return over inflation without exceeding a standard deviation of 1.2 times a weighted benchmark index.

The benchmark index for the Foundation will be comprised of each asset class index weighted by its target allocation. It is also expected that the portfolio will outperform on a nominal or risk-adjusted basis this weighted benchmark index over a full market cycle.

Continued

The Foundation's endowment net assets consist of the following at March 31, 2026:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 92,644,576	$ 92,644,576
Board-designated endowment fund	2,191,378	-	2,191,378
	$ 2,191,378	$ 92,644,576	$ 94,835,954

Changes in the endowment net assets are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, March 31, 2025	$ 1,775,989	$ 87,585,013	$ 89,361,002
Contributions	-	70,503	70,503
Net realized and unrealized gains	49,410	3,815,467	3,864,877
Interest and dividends, net	112,677	8,003,776	8,116,453
Management fee	(21,600)	(1,573,650)	(1,595,250)
Appropriation of endowment assets for expenditure	-	(3,918,653)	(3,918,653)
Board-designated transfers	279,855	232,583	512,438
Distributions	(4,953)	(1,570,463)	(1,575,416)
Endowment net assets, March 31, 2026	$ 2,191,378	$ 92,644,576	$ 94,835,954

Note 8 – Commitments And Contingencies

Legal

In the normal course of operations, the Foundation may be party to various pending or threatened legal actions. As of the date of this report, management is not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed.

Concentration Of Credit Risk

Financial instruments that potentially expose the Foundation to concentrations of credit risk include cash balances in excess of federally insured deposit balances and investments. The Foundation places its cash and cash equivalents with high-quality financial institutions and has not experienced any losses on such accounts. At March 31, 2026, insurance coverage amounted to $250,000 per depositor at each financial institution. The Foundation believes it is not exposed to any significant credit risk on cash and cash equivalents.

Continued

The Foundation also has significant investments that are subject to concentrations of credit risk. Investments are made by investment managers engaged by the Foundation and the investments are monitored for the Foundation by these same managers. Although the market value of investments is subject to fluctuations on a day-to-day basis, management believes the investment policy is prudent for the long-term welfare of the Foundation.

Note 9 – Liquidity and Availability

The Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Foundation's financial assets as of March 31, 2026 consisted primarily of cash and cash equivalents, investments, current pledges receivable, and accounts receivable. Certain financial assets are subject to donor restrictions or board designations and are not available for general expenditure within one year. As of March 31, 2026, the Foundation had total financial assets of approximately $123,804,806. After considering donor-restricted net assets of $101,959,219 and board-designated endowment funds of $2,191,378, financial assets available to meet cash needs for general expenditures within one year were approximately $19,654,209. The board-designated endowment funds could be made available for general expenditure through Board action, if necessary.

Note 10 – Subsequent Events

The Foundation evaluated subsequent events through the date noted on the Independent Auditor's Report, the date the financial statements were available to be issued, and has determined that no material transactions have occurred that would warrant additional adjustment or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

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*

To the Board of Directors
Valencia College Foundation, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Valencia College Foundation, Inc. (the "Foundation") (a nonprofit organization), which comprise the statement of financial position as of March 31, 2026, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 4, 2026.

Report on Internal Control over Financial Reporting

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

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

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

"Doeren Mayhew" is the brand name under which Doeren Mayhew Assurance, PC and Doeren Mayhew Advisors, LLC and its subsidiary entities provide professional services. Doeren Mayhew Assurance, PC and Doeren Mayhew Advisors, LLC (and its subsidiary entities) practice as an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. Doeren Mayhew Assurance, PC is a licensed independent CPA firm that provides attest services to its clients, and Doeren Mayhew Advisors, LLC and its subsidiary entities provide tax and business consulting services to their clients. Doeren Mayhew Advisors, LLC and its subsidiary entities are not licensed CPA firms.

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 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 Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Doeren Mayhew Assurance, PC

Melbourne, Florida
August 4, 2026

VALENCIA COLLEGE FOUNDATION, INC

CERTIFICATION OF PRIVATE CONTRIBUTIONS FOR FIRST GENERATION MATCHING GRANT PROGRAM
FOR THE YEAR ENDED MARCH 31, 2026

Contributions Received

As required by the First Generation Matching Grant ("FGMG") Program Guidelines, the following are the amounts of private contributions requested to be matched by state dollars. These private contributions are to provide scholarships for (a) an individual whose parents did not complete a baccalaureate degree, or (b) in the case of any individual who regularly resided with and received support from only one parent who did not complete a baccalaureate degree. These funds were received on or before March 31, 2026 and have not been matched from previous state appropriations.

The FGMG total private contributions received are as follows:

March 31, 2026
Use:
FGMG scholarship matching (100%) $163,146

Chapter 1011.85(4)(c), Florida Statutes, states: "The audit of each foundation receiving state funds from this program must include a certification of accuracy in the amount reported for matching funds."

Management Certification of Accuracy

This is to certify that the contributions reported in the certification of private contributions described above are accurate according to college records. The contributions reported were aligned with the mission of the college and certified by the college board of trustees. The funds were received by March 31, 2026 and have not been matched from previous state appropriations.

Name: Oscar J. Cristancho M.

Title: Chief Financial Officer

Date: 08/04/2026

Signature: 