

**Stanley G. Tate
Florida Prepaid College Foundation, Inc.**

FINANCIAL STATEMENTS

June 30, 2020



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Stanley G. Tate
Florida Prepaid College Foundation, Inc.
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June 30, 2020

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REPORT





INDEPENDENT AUDITORS' REPORT

Board of Directors and Management
Stanley G. Tate
Florida Prepaid College Foundation, Inc.
Tallahassee, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Stanley G. Tate Florida Prepaid College Foundation, Inc. (a not-for-profit organization incorporated in the State of Florida), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Stanley G. Tate Florida Prepaid College Foundation, Inc. as of June 30, 2020, 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

Emphasis of Matters

As discussed in Note 2, the Financial Accounting Standards Board recently issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes the revenue recognition requirements in Topic 605, *Revenue Recognition*, and most industry specific guidance. The standard also requires companies to disclose additional information, including the disaggregation of significant contract revenues. ASU No. 2014-09 is effective for fiscal years beginning after December 15, 2018. Additionally, management has adopted Financial Accounting Standards Board ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*; this new standard provides additional guidance to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. Our opinion is not modified with respect to these matters.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Tallahassee, Florida
December 15, 2020



FINANCIAL STATEMENTS



Stanley G. Tate
Florida Prepaid College Foundation, Inc.
Statement of Financial Position

<i>June 30, 2020</i>	Unrestricted General Operating	Scholarship Matching Program	Other Programs	Total All Funds
Assets				
Current assets				
Cash and cash equivalents	\$ 192,393	\$ -	\$ -	\$ 192,393
Investments	309,320	-	-	309,320
Restricted investments	-	-	8,229,647	8,229,647
Due from other funds	2,225,220	18,511,745	8,130,135	28,867,100
Total assets	\$ 2,726,933	\$ 18,511,745	\$ 16,359,782	\$ 37,598,460
Liabilities and Net Assets				
Current liabilities				
Accounts payable	\$ 6,701	\$ -	\$ -	\$ 6,701
Due to other funds	303,371	-	-	303,371
Due to beneficiaries	-	18,511,745	16,359,782	34,871,527
Total liabilities	310,072	18,511,745	16,359,782	35,181,599
Net assets				
Net assets without donor restrictions	2,416,861	-	-	2,416,861
Total liabilities and net assets	\$ 2,726,933	\$ 18,511,745	\$ 16,359,782	\$ 37,598,460

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

Stanley G. Tate
Florida Prepaid College Foundation, Inc.
Statement of Activities

<i>For the year ended June 30, 2020</i>	Unrestricted General Operating	Scholarship Matching Program	Other Programs	Total All Funds
Revenues and other support				
Investment income	\$ 787,964	\$ -	\$ -	\$ 787,964
Contributed salaries and services	513,000	-	-	513,000
Administration fees	111,990	-	-	111,990
Donations	468	-	-	468
Other income	324	-	-	324
Total revenues and other support	1,413,746	-	-	1,413,746
Expenses				
Program services - scholarships	137,494	-	-	137,494
Supporting services - general and administrative	652,927	-	-	652,927
Total expenses	790,421	-	-	790,421
Change in net assets	623,325	-	-	623,325
Net assets, beginning of year	1,793,536	-	-	1,793,536
Net assets, end of year	\$ 2,416,861	\$ -	\$ -	\$ 2,416,861

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

Stanley G. Tate
Florida Prepaid College Foundation, Inc.
Statement of Functional Expenses

	<u>Program Services</u>	<u>Supporting Services</u>	
		<u>General and</u>	
<i>For the year ended June 30, 2020</i>	Scholarships	Administrative	Total
Contributed salaries and services	\$ -	\$ 513,000	\$ 513,000
Scholarships	137,494	-	137,494
Marketing agent	-	61,868	61,868
Legal/court reporting	-	60,270	60,270
Office supplies	-	16,348	16,348
Travel	-	1,016	1,016
Freight	-	155	155
Banking charges	-	270	270
Total expenses	\$ 137,494	\$ 652,927	\$ 790,421

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

Stanley G. Tate
Florida Prepaid College Foundation, Inc.
Statement of Cash Flows

<i>For the year ended June 30, 2020</i>	Unrestricted General Operating	Scholarship Matching Program	Other Programs	Total All Funds
Cash flows from operating activities				
Change in net assets	\$ 623,325	\$ -	\$ -	\$ 623,325
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:				
(Increase) decrease in:				
Due from other funds	(2,048,462)	(18,176,635)	(4,725,509)	(24,950,606)
Increase (decrease) in:				
Accounts payable	(6,194)	-	-	(6,194)
Due to other funds	249,271	(3,100,270)	-	(2,850,999)
Due to beneficiaries	-	6,632,991	4,283,173	10,916,164
Net cash provided by (used in) operating activities	(1,182,060)	(14,643,914)	(442,336)	(16,268,310)
Cash flows from investing activities				
Net change in investments	1,280,194	11,543,644	442,336	13,266,174
Net cash provided by (used in) investing activities	1,280,194	11,543,644	442,336	13,266,174
Net change in cash and cash equivalents	98,134	(3,100,270)	-	(3,002,136)
Cash and cash equivalents, beginning of year	94,259	3,100,270	-	3,194,529
Cash and cash equivalents, end of year	\$ 192,393	\$ -	\$ -	\$ 192,393
Cash and cash equivalents consist of the following:				
Cash and cash equivalents			\$	192,393
Cash and cash equivalents - restricted				-
Cash and cash equivalents, end of year			\$	192,393

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

Stanley G. Tate
Florida Prepaid College Foundation, Inc.
Notes to Financial Statements

Note 1: DESCRIPTION OF THE ORGANIZATION

The Stanley G. Tate Florida Prepaid College Foundation, Inc. (the Foundation) was created in 1989 and administers the Stanley Tate Project STARS Scholarship Program (formerly the Florida Prepaid Tuition Scholarship Program) and other scholarship programs, on behalf of the Florida Prepaid College Board (the Board). The Board administers the Florida Prepaid College Plan and the Florida 529 Savings Plan. The Stanley Tate Project STARS Scholarship Program provides prepaid scholarships to economically disadvantaged, at-risk students. The Foundation is a direct-support organization of the Board, authorized by section 1009.984 of the Florida Statutes, incorporated under the provisions of chapter 617 and approved by the Secretary of State.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Cash and Cash Equivalents

Cash and cash equivalents and restricted cash and cash equivalents include certain investments in highly liquid instruments with original maturities of three months or less when purchased. The Foundation routinely invests its surplus operating funds in money market funds. The Foundation is not required to maintain restricted cash and cash equivalents in separate accounts.

Investments

The Foundation's investments, which include restricted and unrestricted investments, include funds held by the State Board of Administration within the Florida PRIME account and investments managed by the Florida Prepaid College Board. These investments are recorded at cost which approximates fair value.

Net Assets

The Foundation reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets (Continued)

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Foundation, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Revenue Recognition

The Foundation receives donations from donor organizations with instructions to purchase Florida Prepaid College Plans for specified third-party beneficiaries. The Foundation has no discretion in determining the parties to be benefited and it must deliver the Florida Prepaid College Plans to the specified beneficiaries. Receipt of those donations is not a contribution to the Foundation, nor is the delivery of the Florida Prepaid College Plans an expense of the Foundation. The unexpended funds from the donors are classified as amounts due to beneficiaries. The Foundation charges an administration fee to purchase Florida Prepaid College Plans, which it records as administration fees on the statement of activities. The Foundation also receives unsolicited, unrestricted donations from various sources, which it records as other income. These funds are used for general operating purposes.

Contributed Salaries and Services

The Florida Prepaid College Board provides support to the Foundation in the form of contributed personnel costs and services. The recorded value of the contributed salaries and services are accounted for and determined by Florida Prepaid College Board's management.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities 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.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 15, 2020, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recent Accounting Pronouncements

Accounting Standards Update 2014-09

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). This guidance specifies that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU and its amendments supersede the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry specific guidance. Effective July 1, 2019, the Foundation adopted ASC 606, using the modified retrospective method. This method allows the standard to be adopted retrospectively through a cumulative adjustment recognized upon adoption, if required. No cumulative adjustment was required to be recorded upon adoption of ASU 2014-09.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements (Continued)

Accounting Standards Update 2018-08

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities* (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. Effective July 1, 2019, the Foundation adopted ASC 958, on the modified prospective basis, meaning it has been applied to the unrecognized portion of agreements that were not completed as of the effective date, and agreements entered into after the effective date, if any.

Accounting Standards Update 2016-18

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows* (Topic 230): *Restricted Cash (a consensus of the FASB Emerging Issues Task Force)*, which provides guidance on the presentation of restricted cash or restricted cash equivalents in the statement of cash flows. For nonpublic entities, this guidance is effective for fiscal years beginning after December 15, 2018. Effective July 1, 2019, the Foundation applied the provisions of this ASU using a retrospective transition method to each period presented.

Accounting Guidance Not Yet Adopted

Accounting Standards Update 2018-13

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement* (Topic 820): *Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*. The guidance is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted. The guidance modifies the disclosure requirements on fair value by removing some requirements, modifying others, adding changes in unrealized gains and losses included in other comprehensive income (loss) ("OCI") for recurring Level 3 fair value measurements, and providing the option to disclose certain other quantitative information with respect to significant unobservable inputs in lieu of a weighted average. The Foundation is currently evaluating the impact of the guidance on its financial statements.

Stanley G. Tate
Florida Prepaid College Foundation, Inc.
Notes to Financial Statements

Note 3: FINANCIAL ASSET AVAILABILITY

The Foundation maintains its financial assets primarily in cash and cash equivalents, Florida PRIME accounts, and investments managed by the Florida Prepaid College Board. The following reflects the Foundation's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

Cash and cash equivalents	\$ 192,393
Investments	309,320
Restricted investments	8,229,647
Due from other funds	28,867,100
Financial assets at year-end	37,598,460
Less those financial assets unavailable for general expenditures within one year, due to:	
Restricted for Scholarship Matching Program	18,511,745
Restricted for other programs	16,359,782
Financial assets available to meet cash needs for general expenditure within one year	\$ 2,726,933

Note 4: DUE TO BENEFICIARIES

The Foundation receives donations from donors and purchases Florida Prepaid College Plans for the donor's designated beneficiaries. The unexpended funds from these donors are classified as due to beneficiaries. The receipts and disbursements of the funds received are as follows:

Balance, June 30, 2019	\$ 23,955,363
Donations	30,718,164
Payments on behalf of donors	(19,802,000)
Balance, June 30, 2020	\$ 34,871,527

Stanley G. Tate
Florida Prepaid College Foundation, Inc.
Notes to Financial Statements

Note 5: REVENUE

The Foundation is recognizing revenue at a point in time for all of its administration fee revenue, which is when the payment is made to purchase the Florida Prepaid College Plan.

The Foundation had no contract assets or liabilities at the beginning or end of the year ended June 30, 2020.

Disaggregated Revenue

A summary of disaggregated revenue information follows:

For the year ended June 30, 2020

Revenue related to contracts with customers - point in time	
Administration fees	\$ 111,990
Non-contract revenue and support	
Investment income	787,964
Contributed salaries and services	513,000
Donations	468
Other income	324
Total revenue and other support	\$ 1,413,746

The Foundation's customers are primarily non-profit and private organizations purchasing plans to utilize the Foundation's resources to create scholarship opportunities to students in the State of Florida.

Note 6: RELATED-PARTY TRANSACTIONS

The Foundation purchases Florida Prepaid College Plans on behalf of selected scholarship recipients. Florida Prepaid College Plans at a cost of \$19,802,000 were purchased during the year ended June 30, 2020. In accordance with 1009.983(5), Florida Statutes, the chair of the Florida Prepaid College Board serves on the Board of Directors of the Foundation.

The Florida Prepaid College Board provides certain administrative expenses to the Foundation under a contractual agreement expiring December 2021. For the year ended June 30, 2020, contributed salaries and services were valued at \$513,000.

Amounts due from the Florida Prepaid College Board total \$28,867,100, and amounts due to the Florida Prepaid College Board totaled \$303,371, as of June 30, 2020.

Note 7: INCOME TAXES

The Foundation is a non-profit organization, exempt from federal and state income taxes under Section 501(c) (3) of the Internal Revenue Code. Accordingly, no provision for income taxes is shown in the accompanying financial statements.

The Foundation follows accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30, 2020, the Foundation has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements. Management and legal counsel determined federal income tax returns were not required to be filed.

Note 8: CONCENTRATION OF CREDIT RISK

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Foundation's deposits may not be returned to them. Cash deposits consisted of interest bearing demand accounts at one financial institution which is entirely insured by collateral pursuant to The Florida Security for Public Deposits Act (the Act). The Act establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the Foundation's deposits in qualified public depositories are totally insured. The Foundation had no cash or cash equivalents held outside of qualified public depositories at June 30, 2020.

At June 30, 2020, the Foundation also had \$8,538,967 on deposit with the Florida State Board of Administration held in the Florida PRIME account, shown as investments and restricted investments on the face of the financial statements. Florida PRIME represents a pool of investments whereby the Foundation owns a share of the respective pool, not the underlying securities. Cost approximates fair market value. While Florida PRIME is not registered under the 1940 Act or regulated by the SEC, the Foundation believes the credit risk related to these balances is minimal. The Florida PRIME is rated by Standard and Poor's as AAAm, and provides the Foundation with daily liquidity.

Note 9: RISKS AND UNCERTANTIES

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Foundation. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.



REQUIRED COMMUNICATIONS



Required Communications

As discussed with the Board of Directors and management during our planning process, our audit plan represented an approach responsive to the assessment of risk for the Foundation. Specifically, we planned and performed our audit to:

- Perform audit services, as requested by the Board of Directors, in accordance with auditing standards generally accepted in the United States of America, in order to express an opinion on the Foundation's financial statements for the year ended June 30, 2020;
- Communicate directly with the Board of Directors and management regarding the results of our procedures;
- Address with the Board of Directors and management any accounting and financial reporting issues;
- Anticipate and respond to concerns of the Board of Directors and management; and
- Other audit-related projects as they arise and upon request.

Required Communications

We have audited the financial statements of Stanley G. Tate Florida Prepaid College Foundation, Inc. for the year ended June 30, 2020, and have issued our report thereon dated December 15, 2020. Professional standards require that we provide you with the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
Auditors' responsibility under Generally Accepted Auditing Standards	As stated in our engagement letter dated September 29, 2020, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP). Our audit of the financial statements does not relieve you or management of your responsibilities. As part of our audit, we considered the internal control of the Foundation. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.
Client's responsibility	Management, with oversight from those charged with governance, is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with the applicable framework. Management is responsible for the design and implementation of programs and controls to prevent and detect fraud.
Planned scope and timing of the audit	Our initial audit plan was not significantly altered during our fieldwork.
Management judgments and accounting estimates <i>The process used by management in forming particularly sensitive accounting estimates and the basis for the auditors' conclusion regarding the reasonableness of those estimates.</i>	Please see the following section titled "Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality."
Potential effect on the financial statements of any significant risks and exposures <i>Major risks and exposures facing the Foundation and how they are disclosed.</i>	No such risks or exposures were noted.

Required Communications

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the auditors' judgment about the quality of accounting principles <i>The initial selection of and changes in significant accounting policies or their application; methods used to account for significant unusual transactions; and effect of significant policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</i> <i>The auditor should also discuss the auditors' judgment about the quality, not just the acceptability, of the Foundation's accounting policies as applied in its financial reporting. The discussion should include such matters as consistency of accounting policies and their application, and clarity and completeness of the financial statements, including disclosures. Critical accounting policies and practices applied by the Foundation in its financial statements and our assessment of management's disclosures regarding such policies and practices (including any significant modifications to such disclosures proposed by us but rejected by management), the reasons why certain policies and practices are or are not considered critical, and how current and anticipated future events impact those determinations;</i> <i>Alternative treatments within GAAP for accounting policies and practices related to material items, including recognition, measurement, presentation and disclosure alternatives, that have been discussed with client management during the current audit period, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the auditor. Furthermore, if the accounting policy selected by management is not the policy preferred by us, discuss the reasons why management selected that policy, the policy preferred by us, and the reason we preferred the other policy.</i>	Please see Note 2 in the Notes to Financial Statements.

Required Communications

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
Significant difficulties encountered in the audit <i>Any significant difficulties, for example, unreasonable logistical constraints or lack of cooperation by management.</i>	None.
Disagreements with management <i>Disagreements, whether or not subsequently resolved, about matters significant to the financial statements or auditors' report. This does not include those that came about based on incomplete facts or preliminary information.</i>	None.
Other findings or issues <i>Matters significant to oversight of the financial reporting practices by those charged with governance. For example, an entity's failure to obtain the necessary type of audit, such as one under Government Auditing Standards, in addition to GAAS.</i>	None.
Matters arising from the audit that were discussed with, or the subject of correspondence with, management <i>Business conditions that might affect risk or discussions regarding accounting practices or application of auditing standards.</i>	None.
Corrected and uncorrected misstatements <i>All significant audit adjustments arising from the audit, whether or not recorded by the Foundation, that could individually or in the aggregate have a significant effect on the financial statements. We should also inform the Foundation about uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented, that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Any internal control deficiencies that could have prevented the misstatements.</i>	None.

Required Communications

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
Major issues discussed with management prior to retention <i>Any major accounting, auditing or reporting issues discussed with management in connection with our initial or recurring retention.</i>	None.
Consultations with other accountants <i>When management has consulted with other accountants about significant accounting or auditing matters.</i>	None of which we are aware.
Written representations <i>A description of the written representations the auditor requested (or a copy of the representation letter).</i>	See "Management Representation Letter" section.
Internal control deficiencies <i>Any significant deficiencies or material weaknesses in the design or operation of internal control that came to the auditors' attention during the audit.</i>	See "Internal Control Findings" section.
Fraud and illegal acts <i>Fraud involving the Foundation's management, or those responsible for internal controls, or causing a material misstatement of the financial statements, where the auditor determines there is evidence that such fraud may exist. Any illegal acts coming to the auditors' attention involving the Foundation's management and any other illegal acts, unless clearly inconsequential.</i>	We are unaware of any fraud or illegal acts involving management or causing material misstatement of the financial statements.
Other information in documents containing audited financial statements <i>The external auditors' responsibility for information in a document containing audited financial statements, as well as any procedures performed and the results.</i>	Our responsibility related to documents (including annual reports, websites, etc.) containing the financial statements is to read the other information to consider whether: • Such information is materially inconsistent with the financial statements; and • We believe such information represents a material misstatement of fact. We have not been provided any such items to date and are unaware of any other documents that contain the audited financial statements.

Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality

We are required to communicate our judgments about the quality, not just the acceptability, of the Foundation's accounting principles as applied in its financial reporting. We are also required to communicate critical accounting policies and sensitive accounting estimates. The Foundation may wish to monitor throughout the year the process used to compute and record these accounting estimates. The table below summarizes our communications regarding these matters.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATES	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Investments	Management follows the provisions of ASC 820, <i>Fair Value Measurements</i> , when reporting investments.	Yes	The Foundation relies on valuations from the custodian for 100% of the asset values.	Policy appears to be in accordance with U.S. GAAP.
Contributed Salaries and Services	Management records support provided by the Florida Prepaid College Board as revenue and offsetting expenses.	Yes	The Foundation relies on the valuation of services provided from the Florida Prepaid College Board's management. The valuation is based on an estimate of time spent on Foundation activities.	Policy appears to be in accordance with U.S. GAAP.

Summary of Audit Adjustments

During the course of our audit, we accumulate differences between amounts recorded by the Foundation and amounts that we believe are required to be recorded under GAAP. Those adjustments are either recorded (corrected) by the Foundation or passed (uncorrected).

There were no adjustments, either corrected or uncorrected, as a result of our audit procedures.

QUALITATIVE MATERIALITY CONSIDERATIONS

In evaluating the materiality of audit differences when they do arise, we consider both quantitative and qualitative factors, for example:

- Whether the difference arises from an item capable of precise measurement of whether it arises from an estimate, and, if so, the degree of imprecision inherent in the estimate.
- Whether the difference masks a change in earnings or other trends.
- Whether the difference changes a net decrease in assets to addition, or vice versa.
- Whether the difference concerns an area of the Foundation's operating environment that has been identified as playing a significant role in the Foundation's operations or viability.
- Whether the difference affects compliance with regulatory requirements.
- Whether the difference has the effect of increasing management's compensation – for example, by satisfying requirements for the award of bonuses or other forms of incentive compensation.
- Whether the difference involves concealment of an unlawful transaction.



The Honorable John D. Road
Chairman

Adria D. Starkey
Vice Chair
FineMark National
Bank & Trust

Mark Agustin

Kathy Helbda
Florida College System

W. Radford Lovett II
Lovett Miller & Co.

Troy Miller
State University System

James W. Rasmussen
Banker (Ret.)

Kevin Thompson
Executive Director

December 15, 2020

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Suite 200
Tallahassee, Florida 32308

This representation letter is provided in connection with your audit of the financial statements of the Stanley G. Tate Florida Prepaid College Foundation, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2020, and the related statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of December 15, 2020, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 29, 2020, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

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- 7) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the Organization is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the Organization and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements communicated by employees, former employees, grantors, regulators, or others.
- 16) We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
- 17) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 18) We have disclosed to you the identity of the Organization's related parties and all the related-party relationships and transactions of which we are aware.
- 19) The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 20) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.

Management Representation Letter



- 21) The Stanley G. Tate Florida Prepaid College Foundation, Inc. is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.
- 22) In regard to the financial statement preparation services performed by you, we have—
- a) Assumed all management responsibilities.
 - b) Designated Angie Robertson, Director of Accounting and Risk Management, who has suitable skill, knowledge, or experience to oversee the services.
 - c) Evaluated the adequacy and results of the services performed.
 - d) Accepted responsibility for the results of the services.

Thompson_Kevin
n
Kevin Thompson
Executive Director

Digitally signed by
Thompson_Kevin
Date: 2020.12.15 08:34:06 -05'00'

Robertson_Angie
Angie Robertson
Dir. of Accounting and Risk Mgmt.

Digitally signed by
Robertson_Angie
Date: 2020.12.15 08:18:27 -05'00'



INTERNAL CONTROL RECOMMENDATIONS

Internal Control Findings

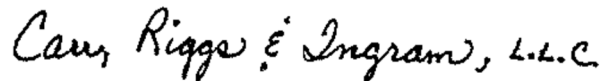
The Board of Directors and Management of
Stanley G. Tate
Florida Prepaid College Foundation, Inc.

In planning and performing our audit of the financial statements of the Stanley G. Tate Florida Prepaid College Foundation, Inc. as of and for the year ended June 30, 2020 in accordance with auditing standards generally accepted in the United States of America, we considered the Stanley G. Tate Florida Prepaid College Foundation, Inc.'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 Stanley G. Tate Florida Prepaid College Foundation, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Stanley G. Tate Florida Prepaid College Foundation, Inc.'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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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.

This communication is intended solely for the information and use of management, Board of Directors, others within Stanley G. Tate Florida Prepaid College Foundation, Inc., and is not intended to be, and should not be, used by anyone other than these specified parties.



CARR, RIGGS & INGRAM, LLC

Tallahassee, Florida
December 15, 2020