

THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**



For the Years Ended June 30, 2021 and 2020

CARROLL and COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

TABLE OF CONTENTS

	<u>Page No.</u>
INDEPENDENT AUDITOR’S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position.....	4
Statements of Activities	6
Statements of Functional Expenses	8
Statements of Cash Flows.....	10
Notes to Financial Statements.....	11
SUPPLEMENTARY INFORMATION	
Schedules of Financial Position by Fund.....	24
Schedules of Activities by Fund	26
Schedules of Benefits to the College Foundations	28
REPORT REQUIRED UNDER <i>GOVERNMENT AUDITING STANDARDS</i>	
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.....	30

CARROLL and COMPANY
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FREDERICK CARROLL III
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Florida College System Foundation, Inc.
Tallahassee, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of The Florida College System Foundation, Inc. (a non-profit organization) (the Foundation) which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 auditor's 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

To the Board of Directors
The Florida College System Foundation, Inc.
Page Two

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 Florida College System Foundation, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of financial position by fund, activities by fund, and benefits to the college foundations on pages 24 – 28 are presented for purposes of additional analysis and are 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 audits 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated April 28, 2022, 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

To the Board of Directors
The Florida College System Foundation, Inc.
Page Three

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.

Carroll and Company

April 28, 2022

THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2021 and 2020

2021

ASSETS

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
CURRENT ASSETS			
Cash and cash equivalents	\$ 111,568	\$ 2,470,229	\$ 2,581,797
Accounts receivable, net	1,054	-0-	1,054
Investments	<u>-0-</u>	<u>12,351,831</u>	<u>12,351,831</u>
TOTAL CURRENT ASSETS	<u>112,622</u>	<u>14,822,060</u>	<u>14,934,682</u>
NONCURRENT ASSETS			
Cash and cash equivalents restricted for endowment purposes	-0-	2,230	2,230
Investments restricted for endowment purposes	-0-	16,000,000	16,000,000
Equipment, net	<u>6,581</u>	<u>4,741</u>	<u>11,322</u>
TOTAL NONCURRENT ASSETS	<u>6,581</u>	<u>16,006,971</u>	<u>16,013,552</u>
TOTAL ASSETS	<u>\$ 119,203</u>	<u>\$ 30,829,031</u>	<u>\$ 30,948,234</u>

LIABILITIES AND NET ASSETS

LIABILITIES			
Accounts payable	\$ <u>1,053</u>	\$ <u>240</u>	\$ <u>1,293</u>
TOTAL LIABILITIES	<u>1,053</u>	<u>240</u>	<u>1,293</u>
NET ASSETS	<u>118,150</u>	<u>30,828,791</u>	<u>30,946,941</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 119,203</u>	<u>\$ 30,829,031</u>	<u>\$ 30,948,234</u>

See accompanying notes.

THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
June 30, 2021 and 2020

2020

ASSETS

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
CURRENT ASSETS			
Cash and cash equivalents	\$ 42,387	\$ 1,665,718	\$ 1,708,105
Accounts receivable, net	-0-	27,431	27,431
Grants receivable	-0-	300,067	300,067
Investments	<u>-0-</u>	<u>6,435,704</u>	<u>6,435,704</u>
TOTAL CURRENT ASSETS	<u>42,387</u>	<u>8,428,920</u>	<u>8,471,307</u>
NONCURRENT ASSETS			
Cash and cash equivalents restricted for endowment purposes	-0-	2,230	2,230
Investments restricted for endowment purposes	-0-	16,000,000	16,000,000
Equipment, net	<u>1,065</u>	<u>13,849</u>	<u>14,914</u>
TOTAL NONCURRENT ASSETS	<u>1,065</u>	<u>16,016,079</u>	<u>16,017,144</u>
TOTAL ASSETS	<u>\$ 43,452</u>	<u>\$ 24,444,999</u>	<u>\$ 24,488,451</u>

LIABILITIES AND NET ASSETS

LIABILITIES			
Accounts payable	\$ <u>94</u>	\$ <u>2,655</u>	\$ <u>2,749</u>
TOTAL LIABILITIES	<u>94</u>	<u>2,655</u>	<u>2,749</u>
NET ASSETS	<u>43,358</u>	<u>24,442,344</u>	<u>24,485,702</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 43,452</u>	<u>\$ 24,444,999</u>	<u>\$ 24,488,451</u>

See accompanying notes.

THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2021 and 2020

2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Grants	\$ -0-	\$ 1,035,000	\$ 1,035,000
In-kind contributions	191,814	31,500	223,314
Contributions	20,000	-0-	20,000
Other income	-0-	37	37
Investment return, net	(1,195)	7,674,665	7,673,470
Net assets released from restrictions	<u>2,354,755</u>	<u>(2,354,755)</u>	<u>-0-</u>
TOTAL SUPPORT AND REVENUE	<u>2,565,374</u>	<u>6,386,447</u>	<u>8,951,821</u>
OPERATING EXPENSES			
Program services:			
Helios First Generation			
Scholars program	507,369	-0-	507,369
Florida Blue Scholarship Program	442,318	-0-	442,318
Dream Makers program	171,933	-0-	171,933
Other programs	1,140,968	-0-	1,140,968
Supporting services:			
Management and general	<u>227,994</u>	<u>-0-</u>	<u>227,994</u>
TOTAL OPERATING EXPENSES	<u>2,490,582</u>	<u>-0-</u>	<u>2,490,582</u>
CHANGE IN NET ASSETS	74,792	6,386,447	6,461,239
NET ASSETS, BEGINNING OF YEAR	<u>43,358</u>	<u>24,442,344</u>	<u>24,485,702</u>
NET ASSETS, END OF YEAR	<u>\$ 118,150</u>	<u>\$30,828,791</u>	<u>\$30,946,941</u>

See accompanying notes.

THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.
STATEMENTS OF ACTIVITIES (CONTINUED)
For the Years Ended June 30, 2021 and 2020

2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
In-kind contributions	\$ 180,119	\$ 51,112	\$ 231,231
Contributions	71,500	-0-	71,500
Grants	-0-	25,000	25,000
Seminar registration	5,702	-0-	5,702
Investment return, net	(345)	1,398,715	1,398,370
Net assets released from restrictions	<u>1,408,931</u>	<u>(1,408,931)</u>	<u>-0-</u>
TOTAL SUPPORT AND REVENUE	<u>1,665,907</u>	<u>65,896</u>	<u>1,731,803</u>
OPERATING EXPENSES			
Program services:			
Helios First Generation			
Scholars program	483,519	-0-	483,519
Florida Blue Scholarship Program	410,218	-0-	410,218
Dream Makers program	159,620	-0-	159,620
Other programs	355,574	-0-	355,574
Supporting services:			
Management and general	<u>257,431</u>	<u>-0-</u>	<u>257,431</u>
TOTAL OPERATING EXPENSES	<u>1,666,362</u>	<u>-0-</u>	<u>1,666,362</u>
CHANGE IN NET ASSETS	(455)	65,896	65,441
NET ASSETS, BEGINNING OF YEAR	<u>43,813</u>	<u>24,376,448</u>	<u>24,420,261</u>
NET ASSETS, END OF YEAR	<u>\$ 43,358</u>	<u>\$24,442,344</u>	<u>\$24,485,702</u>

See accompanying notes.

THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2021 and 2020

2021

	Program Services				Supporting Services	
	Helios First Generation Scholars Program	Florida Blue Scholarship Program	Dream Makers Program	Other Programs	Management & General	Total
Awards and recognition	\$ 507,369	\$ 442,318	\$ 171,933	\$ 899,868	\$ 4,803	\$ 2,026,291
In-kind	-0-	-0-	-0-	31,500	191,814	223,314
Project and workgroups	-0-	-0-	-0-	65,978	-0-	65,978
Consulting	-0-	-0-	-0-	51,500	750	52,250
Meetings and conferences	-0-	-0-	-0-	26,881	4,649	31,530
Advertising	-0-	-0-	-0-	29,616	269	29,885
Payroll	-0-	-0-	-0-	23,752	-0-	23,752
Accounting and legal	-0-	-0-	-0-	-0-	18,958	18,958
Office expenses	-0-	-0-	-0-	6,542	2,075	8,617
Communications	-0-	-0-	-0-	5,331	-0-	5,331
Depreciation	-0-	-0-	-0-	-0-	3,592	3,592
Miscellaneous	-0-	-0-	-0-	-0-	1,084	1,084
	<u>\$ 507,369</u>	<u>\$ 442,318</u>	<u>\$ 171,933</u>	<u>\$ 1,140,968</u>	<u>\$ 227,994</u>	<u>\$ 2,490,582</u>

See accompanying notes.

THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)
For the Years Ended June 30, 2021 and 2020

2020

	<u>Program Services</u>				<u>Supporting Services</u>	
	<u>Helios First Generation Scholars Program</u>	<u>Florida Blue Scholarship Program</u>	<u>Dream Makers Program</u>	<u>Other Programs</u>	<u>Management & General</u>	<u>Total</u>
Awards and recognition	\$ 483,519	\$ 410,218	\$ 159,620	\$ 1,483	\$ 4,060	\$ 1,058,900
In-kind	-0-	-0-	-0-	51,112	180,119	231,231
Consulting	-0-	-0-	-0-	156,988	1,181	158,169
Meetings and conferences	-0-	-0-	-0-	49,371	35,379	84,750
Payroll	-0-	-0-	-0-	56,507	-0-	56,507
Accounting and legal	-0-	-0-	-0-	-0-	22,087	22,087
Travel	-0-	-0-	-0-	13,346	3,827	17,173
Office expenses	-0-	-0-	-0-	12,043	5,075	17,118
Project and workgroups	-0-	-0-	-0-	14,693	-0-	14,693
Depreciation	-0-	-0-	-0-	-0-	3,729	3,729
Miscellaneous	-0-	-0-	-0-	31	1,974	2,005
	<u>\$ 483,519</u>	<u>\$ 410,218</u>	<u>\$ 159,620</u>	<u>\$ 355,574</u>	<u>\$ 257,431</u>	<u>\$ 1,666,362</u>

See accompanying notes.

THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 6,461,239	\$ 65,441
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	3,592	3,729
Net realized and unrealized gains on investments	(7,160,473)	(841,972)
(Increase) decrease in:		
Accounts receivable, net	26,377	2,875
Grants receivable	300,067	-0-
Increase (decrease) in:		
Accounts payable	(1,456)	(20,920)
Refundable advance	<u>-0-</u>	<u>(25,000)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(370,654)</u>	<u>(815,847)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	-0-	(6,931)
Purchase of investments	(5,211,361)	(5,392,100)
Proceeds from sale of investments	6,205,707	5,119,584
Proceeds from maturity of investments	<u>250,000</u>	<u>459,000</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>1,244,346</u>	<u>179,553</u>
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	873,692	(636,294)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH BEGINNING OF YEAR	<u>1,710,335</u>	<u>2,346,629</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH END OF YEAR	<u>\$ 2,584,027</u>	<u>\$ 1,710,335</u>

See accompanying notes.

THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Nature of the Organization

The Florida College System Foundation, Inc. (the Foundation) is a direct-support organization operated exclusively for charitable, cultural, scientific, and educational purposes. The mission of the Foundation is to secure and manage public and private resources to provide optimal benefit to Florida's 28 colleges, thereby supporting students who are seeking a higher education that will positively impact their lives and the future of their communities. In accordance with Florida Statute 1004.71, the State Board of Education permits the use of property, equipment, and personal services of the Division of Florida Colleges to assist in the operation of the Foundation.

Basis of Accounting

The Foundation's books are maintained on the accrual basis of accounting.

Basis of Presentation

In accordance with accounting principles generally accepted in the United States of America, the Foundation is required to report information regarding its financial position and activities according to the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Revenue and Revenue Recognition

Revenue is recognized when earned. Contributions are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and Revenue Recognition (Continued)

Revenues from seminar registrations are recognized when the services have been performed and the products have been transferred.

Revenues received in advance of the period in which they are earned are deferred to subsequent years. Deferred revenues are recognized as income at the later of either the date collected or on the day the performance obligation has been fulfilled.

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Unconditional promises to give are recognized as revenues or gains in the period received.

Conditional grants and contributions are recognized as revenues when the conditions on which they depend are substantially met. Amounts received in advance of satisfaction of conditions are recorded as refundable advances.

Cash, Cash Equivalents, and Restricted Cash

For purposes of the statements of cash flows, the Foundation considers all unrestricted highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statements of cash flows to the sum of the corresponding amounts within the statements of financial position:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 2,581,797	\$ 1,708,105
Cash and cash equivalents restricted for endowments	<u>2,230</u>	<u>2,230</u>
Total cash, cash equivalents and restricted cash	<u><u>\$ 2,584,027</u></u>	<u><u>\$ 1,710,335</u></u>

THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

The Foundation carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the accompanying statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Equipment

Equipment is carried at historical cost. The Foundation capitalizes equipment having a useful life of more than one year and a cost of at least \$1,000. Maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Income Taxes

The Foundation is a not-for-profit tax-exempt organization under Internal Revenue Code Section 501(c)(3), and has been classified as an organization that is not a private foundation under Section 509(a)(1). The Foundation is exempt from income taxes, except for any taxes which may arise from unrelated business income. There was no federal income tax expense on unrelated business income for the years ended June 30, 2021 and 2020.

In-kind Contributions

In-kind contributions include donations of services and office space and are recorded as revenue and a corresponding expenditure. Services donated by other organizations are valued at the employees' regular rates of pay.

Advertising

The Foundation expenses advertising costs as incurred. Advertising expense totaled \$29,885 and \$-0- for the years ended June 30, 2021 and 2020, respectively.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain expenses have been allocated among the programs and supporting services benefited, based on direct expenses related to the programs and activities.

THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results may differ from those estimates.

NOTE B – INVESTMENTS

Investments consist of highly diversified portfolios that include equities, bonds, and mutual funds administered by Capital City Trust Company and RBC Wealth Management. These investments are carried at fair value and consist of the following as of June 30, 2021 and 2020:

Description	2021			2020		
	Cost	Fair Market Value	Unrealized Appreciation (Depreciation)	Cost	Fair Market Value	Unrealized Appreciation (Depreciation)
Equities	\$ 9,333,708	\$ 22,115,048	\$ 12,781,340	\$ 9,248,191	\$ 16,509,047	\$ 7,260,856
Government and corporate bonds and fixed income mutual funds	6,231,178	6,236,783	5,605	6,015,661	5,926,657	(89,004)
TOTAL	\$ 15,564,886	\$ 28,351,831	\$ 12,786,945	\$ 15,263,852	\$ 22,435,704	\$ 7,171,852

Total investment return for the years ended June 30, 2021 and 2020 consists of the following:

	2021	2020
Investment income, net	\$ 512,997	\$ 556,398
Net realized gains on sale of investments	912,777	382,157
Net unrealized gains on investments	6,247,696	459,815
	\$ 7,673,470	\$ 1,398,370

For the years ended June 30, 2021 and 2020, investment expenses in the amount of \$196,744 and \$171,698, respectively, are netted against investment income.

THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

NOTE C – FAIR VALUE MEASUREMENTS

The Foundation follows the provisions of the Financial Accounting Standards Board’s Accounting Standards Codification Topic 820, *Fair Value Measurements and Disclosures* (ASC 820). ASC 820 establishes a common definition for fair value to be applied to U.S. generally accepted accounting principles requiring use of fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The standard establishes a fair value hierarchy about the assumptions used to measure fair value and clarifies assumptions about risk and the effect of a restriction on the sale or use of an asset. This standard does not require any new fair value measurements, but rather applies to all other accounting pronouncements that require or permit fair value measurements.

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (or exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Observable inputs such as quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly. These include quoted prices of similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets or liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following table presents the financial instruments carried at fair value as of June 30, 2021:

	Level 1	Level 2	Level 3	Total
Equities	\$22,115,048	–	–	\$22,115,048
Government and corporate bonds and fixed income mutual funds	\$ 6,236,783	–	–	6,236,783
				\$28,351,831

THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

NOTE C – FAIR VALUE MEASUREMENTS (Continued)

The following table presents the financial instruments carried at fair value as of June 30, 2020:

	Level 1	Level 2	Level 3	Total
Equities	\$ 16,509,047	–	–	\$ 16,509,047
Government and corporate bonds and fixed income mutual funds	\$ 5,926,657	–	–	5,926,657
				\$22,435,704

The fair value of financial instruments including cash and cash equivalents, accounts receivable, grants receivable, and accounts payable approximates carrying value, principally because of the short maturity of those items.

While the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value as of the reporting date.

NOTE D – PROPERTY AND EQUIPMENT

Property and equipment included the following as of June 30, 2021 and 2020:

	Estimated Useful Lives	2021	2020
Property and equipment	5 – 7 years	\$ 18,565	\$ 33,315
Less: Accumulated depreciation		(7,243)	(18,401)
PROPERTY AND EQUIPMENT, net		\$ 11,322	\$ 14,914

NOTE E – CONCENTRATIONS OF CREDIT RISK

The Foundation maintains cash balances at one financial institution and two investment firms. The demand deposit accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 as of June 30, 2021 and 2020. The Foundation’s uninsured bank balances amounted to \$1,223,837 and \$123,155 as of June 30, 2021 and 2020, respectively.

The investment firms utilized by the Foundation are members of the Securities Investors Protection Corporation, which provides protection up to \$500,000. As of June 30, 2021 and 2020, the Foundation’s uninsured cash balances held by investment firms totaled \$588,158 and \$128,784, respectively.

THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

NOTE F – NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by the donor. Amounts released during the years ended June 30, 2021 and 2020 are as follows:

	2021	2020
SSC Now Fund	\$ 1,004,484	\$ -0-
Helios First Generation Scholars Fund	507,369	483,519
Florida Blue Scholarship Fund	442,318	410,218
Student Success Center Fund	228,151	317,921
Dream Makers Fund	171,933	159,620
Gates Convening Fund	500	37,653
	\$ 2,354,755	\$ 1,408,931

NOTE G – NET ASSETS WITH TIME AND PURPOSE RESTRICTIONS

Net assets with time and purpose restrictions of \$14,826,561 and \$8,440,114 as of June 30, 2021 and 2020, respectively, are restricted primarily for scholarship assistance.

NOTE H – NET ASSETS PERPETUAL IN NATURE

The Foundation's endowments consist of four donor-restricted funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Foundation does not hold any funds designated by the Board of Directors to function as endowments. Net assets with donor restrictions that are perpetual in nature consist of the endowment funds described in Note I.

NOTE I – ENDOWMENT FUNDS

An endowed scholarship fund was established in 2004 with a contribution of \$2,500,000 from Florida Blue, formerly Blue Cross and Blue Shield of Florida, Inc. In 2005, the Foundation received matching funds from the State of Florida Dr. Philip Benjamin Matching Grant Program totaling \$2,500,000. The principal shall remain intact and is not subject to withdrawals. The investment return from the endowment is designated for scholarship assistance. The principal balance as of June 30, 2021 and 2020 totaled \$5,000,000.

The Dream Makers Endowment Fund was established in 1999 with an original contribution of \$1,000,000 from Bank of America, formerly NationsBank and matching funds of \$1,000,000 from the State of Florida. The principal shall remain intact and is not subject to withdrawals. The investment return from the endowment is designated for scholarship assistance. The principal balance as of June 30, 2021 and 2020 totaled \$2,000,000.

THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

NOTE I – ENDOWMENT FUNDS (Continued)

A general endowment was established in 1994 with a contribution of \$2,230 from Florida Citrus Mutual. The principal shall remain intact and is not subject to withdrawals. The investment return from the endowment is designated for scholarship assistance. The principal balance as of June 30, 2021 and 2020 totaled \$2,230.

In December 2006, the Helios Education Foundation established an endowment fund with a contribution totaling \$4,500,000. During fiscal year 2008, the Foundation received a match totaling \$4,500,000 from the State of Florida Dr. Philip Benjamin Matching Grant Program. The principal is to remain intact and is not subject to withdrawals. The investment return from the endowment is designated for scholarship assistance. The principal balance as of June 30, 2021 and 2020 totaled \$9,000,000.

Interpretation of Relevant Law

The Foundation’s Board of Directors understands that the Uniform Prudent Management of Institutional Funds Act (UPMIFA) applies to all not-for-profit organizations incorporated in the State of Florida as of July 1, 2012.

Endowment Net Asset Composition

Endowment net assets consist of the following as of June 30:

	<u>2021</u>	<u>2020</u>
With donor restrictions	<u>\$ 16,002,230</u>	<u>\$ 16,002,230</u>

Changes in Endowment Net Assets

Changes in endowment net assets during the years ended June 30, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Balance at beginning of year	\$ 16,002,230	\$ 16,002,230
Investment return, net	-0-	-0-
Contributions	-0-	-0-
Appropriation of endowment assets for expenditure	-0-	-0-
Balance at end of year	<u>\$ 16,002,230</u>	<u>\$ 16,002,230</u>

Endowment Spending Policy

The Foundation’s Board-adopted spending policy is that endowed scholarship earnings are to be distributed annually based on the December 31 portfolio value including dividends and realized and unrealized gains and net of investment management fees. The annual distribution from the endowment funds is set at five percent (5%) of the average market value of the previous three (3) years year-end valuations. If market conditions are negative

THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

NOTE I – ENDOWMENT FUNDS (Continued)

during the current year, then dividends and interest income may be used for that year for scholarship purposes. If dividends and interest income is greater than five percent (5%) of the spending policy, then the Board of Directors can vote to cap dividends and interest at five percent (5%). Carryover of unspent distributions and special payments in excess of the annual spending policy are allowable with the approval of the Board of Directors. In the event the distribution would touch the corpus, a super majority vote is required and grant agreement and donor approval is to be explored.

Endowment Investment Policy

The endowment investment policy adopted by the Foundation’s Board of Directors stipulates a target allocation of 65% equities and 35% fixed income. However, the Foundation reserves the right to alter these asset allocation guidelines at any time as the Foundation objectives and market conditions necessitate. The Finance and Investment Committee will review the overall asset allocation guidelines at least annually upon the start of each fiscal year. A fluctuation of up to 10% is allowed within asset categories. The Foundation seeks long-term growth of principal to preserve and grow Foundation assets and maximize scholarship awards to Florida’s colleges.

NOTE J – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenses, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position, comprise the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 2,581,797	\$ 1,708,105
Accounts receivable, net	1,054	27,431
Grants receivable	-0-	300,067
Investments	12,351,831	6,435,704
Cash and cash equivalents restricted for endowment purposes	2,230	2,230
Investments restricted for endowment purposes	<u>16,000,000</u>	<u>16,000,000</u>
Total Financial Assets	30,936,912	24,473,537
Less: Financial assets with donor-imposed restrictions:		
Perpetual in nature	(16,002,230)	(16,002,230)
Time and purpose restrictions	<u>(14,822,060)</u>	<u>(8,428,920)</u>
Total financial assets available to meet cash needs for general expenses within one year	<u>\$ 112,622</u>	<u>\$ 42,387</u>

THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

NOTE J – LIQUIDITY AND AVAILABILITY (Continued)

Management monitors cash availability on a regular basis prior to preparing its accounts payable disbursements.

NOTE K – IN-KIND CONTRIBUTIONS

During the years ended June 30, 2021 and 2020, the Foundation received donated services and office space from the Florida Department of Education of \$223,314 and \$231,231, respectively, that met the criteria for recognition in accordance with accounting principles generally accepted in the United States of America, and are therefore reflected in the accompanying financial statements.

NOTE L – UNCOLLECTIBLE ACCOUNTS RECEIVABLE

During the fiscal years ended June 30, 2016 and 2017, the Foundation acted as the fiscal agent on behalf of the Governor’s Office related to the “Degrees to Jobs Summit” that was held in May 2016. As the fiscal agent, at the direction of the Governor’s Office, the Foundation expended funds totaling \$172,967 for the event. As of June 30, 2017, the Foundation had received reimbursements totaling \$95,000, leaving a receivable balance of \$77,967 as of that date. In December 2017 and August 2018, the Foundation received additional reimbursements of \$10,000 and \$25,000, respectively. Collection of the remaining balance is uncertain. Accordingly, an allowance for uncollectible accounts in the amount of \$42,967 remains as of June 30, 2021 and 2020, respectively.

NOTE M – UNCERTAIN TAX POSITIONS

Management is not aware of any activities that would jeopardize the Foundation’s tax-exempt status, and believes it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements as of and for the years ended June 30, 2021 and 2020.

The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any tax periods. The Foundation believes it is no longer subject to income tax examinations for fiscal years ending prior to June 30, 2018.

NOTE N – SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through April 28, 2022, the date which the financial statements were available to be issued.

As a result of the COVID-19 pandemic, economic uncertainties have arisen which are likely to negatively impact revenues. Other financial impacts could occur, though such potential impacts are unknown at this time.

THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

NOTE O – CHANGE IN ACCOUNTING PRINCIPLE

In November 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2017-14, *Income Statement – Reporting Comprehensive Income (Topic 220), Revenue Recognition (Topic 605), and Revenue from Contracts with Customers (Topic 606)*, which sets out to clarify the principles of recognizing revenue and to develop a common revenue standard. This ASU amends ASU 2014-09 and ASU 2015-14, which are not yet effective. The new standard applies to entities that enter into contracts with customers to transfer goods or services, except for contracts that are within the scope of other standards. The Foundation implemented ASU 2017-14 during the year ended June 30, 2021. The implementation of this standard had no effect on the Foundation’s recognition of revenues in these financial statements.

In August 2018, the FASB issued ASU 2018-13, *Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*. The update modifies the disclosure requirements for fair value measurements. The Foundation implemented ASU 2018-13 during the year ended June 30, 2021. The implementation of this standard had no effect on the Foundation’s disclosure of fair value measurements in these financial statements.

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*, which updates certain aspects of recognition, measurement, presentation and disclosure of financial instruments. The Foundation implemented ASU 2016-01 during the year ended June 30, 2020, and adjusted the presentation in the financial statements accordingly.

In August 2016, the FASB, issued ASU 2016-15, *Statement of Cash Flows (Topic 230), Classification of Certain Cash Receipts and Cash Payments*, which is intended to reduce the diversity in practice in how certain transactions are classified in the statement of cash flows. In addition, in November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230), Restricted Cash*, which provides additional guidance related to transfers between cash and restricted cash and how entities present the cash receipts and cash payments that directly affect the restricted cash accounts in the statement of cash flows. The Foundation implemented ASU 2016-15 and ASU 2016-18 during the year ended June 30, 2020, and adjusted the presentation in the financial statements accordingly.

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which sets out to clarify and improve 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, Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The Foundation implemented ASU 2018-08 during the year ended June 30, 2020. The implementation of this standard had no effect on the Foundation’s recognition of contribution revenues in these financial statements.

THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

NOTE P – RECENT ACCOUNTING PRONOUNCEMENTS

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which is intended to improve transparency by requiring organizations to provide additional disclosures about contributions of nonfinancial assets. ASU 2020-07 will be effective for the Foundation for fiscal years beginning after June 15, 2021. The Foundation is currently evaluating the impact of the adoption of ASU 2020-07 on its financial statements.

SUPPLEMENTARY INFORMATION

THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.
SCHEDULES OF FINANCIAL POSITION BY FUND
June 30, 2021 and 2020

2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions Purpose Restricted</u>							<u>With Donor Restrictions Perpetual in Nature</u>				<u>Total of All Funds</u>
	<u>Operating Fund</u>	<u>Florida Blue Scholarship Fund</u>	<u>Helios First Generation Scholars Fund</u>	<u>Dream Makers Fund</u>	<u>Gates Convening Fund</u>	<u>Student Success Center Fund</u>	<u>SSC Now Fund</u>	<u>Other Funds</u>	<u>Helios First Generation Scholars Fund</u>	<u>Florida Blue Scholarship Fund</u>	<u>Dream Makers Fund</u>	<u>Florida Citrus Fund</u>	
CURRENT ASSETS													
Cash and cash equivalents	\$ 111,568	\$ 732,257	\$ 1,075,046	\$ 418,453	\$ 28,052	\$ 186,355	\$ 20,632	\$ 9,434	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 2,581,797
Accounts receivable, net	1,054	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,054
Investments	-0-	6,859,335	2,881,503	2,610,993	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	12,351,831
TOTAL CURRENT ASSETS	<u>112,622</u>	<u>7,591,592</u>	<u>3,956,549</u>	<u>3,029,446</u>	<u>28,052</u>	<u>186,355</u>	<u>20,632</u>	<u>9,434</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>14,934,682</u>
NONCURRENT ASSETS													
Cash and cash equivalents restricted for endowment purposes	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,230	2,230
Investments restricted for endowment purposes	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	9,000,000	5,000,000	2,000,000	-0-	16,000,000
Equipment, net	6,581	-0-	-0-	-0-	-0-	4,741	-0-	-0-	-0-	-0-	-0-	-0-	11,322
TOTAL NONCURRENT ASSETS	<u>6,581</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>4,741</u>	<u>-0-</u>	<u>-0-</u>	<u>9,000,000</u>	<u>5,000,000</u>	<u>2,000,000</u>	<u>2,230</u>	<u>16,013,552</u>
TOTAL ASSETS	<u>\$ 119,203</u>	<u>\$ 7,591,592</u>	<u>\$ 3,956,549</u>	<u>\$ 3,029,446</u>	<u>\$ 28,052</u>	<u>\$ 191,096</u>	<u>\$ 20,632</u>	<u>\$ 9,434</u>	<u>\$ 9,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,230</u>	<u>\$ 30,948,234</u>
LIABILITIES													
Accounts payable	\$ 1,053	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 124	\$ 116	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 1,293
TOTAL LIABILITIES	<u>1,053</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>124</u>	<u>116</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,293</u>
NET ASSETS													
Without donor restrictions	118,150	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	118,150
With donor restrictions													
Time and purpose restrictions	-0-	7,591,592	3,956,549	3,029,446	28,052	190,972	20,516	9,434	-0-	-0-	-0-	-0-	14,826,561
Perpetual in nature	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	9,000,000	5,000,000	2,000,000	2,230	16,002,230
TOTAL NET ASSETS	<u>118,150</u>	<u>7,591,592</u>	<u>3,956,549</u>	<u>3,029,446</u>	<u>28,052</u>	<u>190,972</u>	<u>20,516</u>	<u>9,434</u>	<u>9,000,000</u>	<u>5,000,000</u>	<u>2,000,000</u>	<u>2,230</u>	<u>30,946,941</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 119,203</u>	<u>\$ 7,591,592</u>	<u>\$ 3,956,549</u>	<u>\$ 3,029,446</u>	<u>\$ 28,052</u>	<u>\$ 191,096</u>	<u>\$ 20,632</u>	<u>\$ 9,434</u>	<u>\$ 9,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,230</u>	<u>\$ 30,948,234</u>

THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.
SCHEDULES OF FINANCIAL POSITION BY FUND (CONTINUED)
June 30, 2021 and 2020

	<u>2020</u>												Total of All Funds
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions Purpose Restricted</u>						<u>With Donor Restrictions Perpetual in Nature</u>					
	Operating Fund	Florida Blue Scholarship Fund	Helios First Generation Scholars Fund	Dream Makers Fund	Gates Convening Fund	KidCare Fund	Student Success Center Fund	Other Funds	Helios First Generation Scholars Fund	Florida Blue Scholarship Fund	Dream Makers Fund	Florida Citrus Fund	
CURRENT ASSETS													
Cash and cash equivalents	\$ 42,387	\$ 584,836	\$ 637,549	\$ 366,416	\$ 18,552	\$ (27,431)	\$ 76,362	\$ 9,434	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 1,708,105
Accounts receivable, net	-0-	-0-	-0-	-0-	-0-	27,431	-0-	-0-	-0-	-0-	-0-	-0-	27,431
Grants receivable	-0-	-0-	-0-	-0-	-0-	-0-	300,067	-0-	-0-	-0-	-0-	-0-	300,067
Investments	-0-	3,962,531	1,009,883	1,463,290	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	6,435,704
TOTAL CURRENT ASSETS	<u>42,387</u>	<u>4,547,367</u>	<u>1,647,432</u>	<u>1,829,706</u>	<u>18,552</u>	<u>-0-</u>	<u>376,429</u>	<u>9,434</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>8,471,307</u>
NONCURRENT ASSETS													
Cash and cash equivalents restricted for endowment purposes	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,230	2,230
Investments restricted for endowment purposes	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	9,000,000	5,000,000	2,000,000	-0-	16,000,000
Equipment, net	1,065	-0-	-0-	-0-	-0-	-0-	13,849	-0-	-0-	-0-	-0-	-0-	14,914
TOTAL NONCURRENT ASSETS	<u>1,065</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>13,849</u>	<u>-0-</u>	<u>9,000,000</u>	<u>5,000,000</u>	<u>2,000,000</u>	<u>2,230</u>	<u>16,017,144</u>
TOTAL ASSETS	<u>\$ 43,452</u>	<u>\$ 4,547,367</u>	<u>\$ 1,647,432</u>	<u>\$ 1,829,706</u>	<u>\$ 18,552</u>	<u>\$ -0-</u>	<u>\$ 390,278</u>	<u>\$ 9,434</u>	<u>\$ 9,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,230</u>	<u>\$ 24,488,451</u>
LIABILITIES													
Accounts payable	\$ 94	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 2,655	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 2,749
TOTAL LIABILITIES	<u>94</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>2,655</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>2,749</u>
NET ASSETS													
Without donor restrictions	43,358	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	43,358
With donor restrictions													
Time and purpose restrictions	-0-	4,547,367	1,647,432	1,829,706	18,552	-0-	387,623	9,434	-0-	-0-	-0-	-0-	8,440,114
Perpetual in nature	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	9,000,000	5,000,000	2,000,000	2,230	16,002,230
TOTAL NET ASSETS	<u>43,358</u>	<u>4,547,367</u>	<u>1,647,432</u>	<u>1,829,706</u>	<u>18,552</u>	<u>-0-</u>	<u>387,623</u>	<u>9,434</u>	<u>9,000,000</u>	<u>5,000,000</u>	<u>2,000,000</u>	<u>2,230</u>	<u>24,485,702</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 43,452</u>	<u>\$ 4,547,367</u>	<u>\$ 1,647,432</u>	<u>\$ 1,829,706</u>	<u>\$ 18,552</u>	<u>\$ -0-</u>	<u>\$ 390,278</u>	<u>\$ 9,434</u>	<u>\$ 9,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,230</u>	<u>\$ 24,488,451</u>

THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.
SCHEDULES OF ACTIVITIES BY FUND
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>												Total of All Funds
	Without Donor Restrictions	With Donor Restrictions Purpose Restricted						With Donor Restrictions Perpetual in Nature					
	Operating Fund	Florida Blue Scholarship Fund	Helios First Generation Scholars Fund	Dream Makers Fund	Gates Convening Fund	Student Success Center Fund	SSC Now Fund	Other Funds	Helios First Generation Scholars Fund	Florida Blue Scholarship Fund	Dream Makers Fund	Florida Citrus Fund	
SUPPORT AND REVENUE													
Grants	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 10,000	\$ -0-	\$ 1,025,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 1,035,000
In-kind contributions	191,814	-0-	-0-	-0-	-0-	31,500	-0-	-0-	-0-	-0-	-0-	-0-	223,314
Contributions	20,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	20,000
Other income	-0-	25	-0-	12	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	37
Investment return, net	(1,195)	3,486,518	2,816,486	1,371,661	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	7,673,470
Net assets released from restrictions	<u>2,354,755</u>	<u>(442,318)</u>	<u>(507,369)</u>	<u>(171,933)</u>	<u>(500)</u>	<u>(228,151)</u>	<u>(1,004,484)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL SUPPORT AND REVENUE	<u>2,565,374</u>	<u>3,044,225</u>	<u>2,309,117</u>	<u>1,199,740</u>	<u>9,500</u>	<u>(196,651)</u>	<u>20,516</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>8,951,821</u>
OPERATING EXPENSES													
Awards and recognition	2,026,291	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,026,291
In-kind	223,314	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	223,314
Project and workgroups	65,978	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	65,978
Consulting	52,250	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	52,250
Meetings and conferences	31,530	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	31,530
Advertising	29,885	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	29,885
Payroll	23,752	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	23,752
Accounting and legal	18,958	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	18,958
Office expenses	8,617	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	8,617
Communications	5,331	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	5,331
Depreciation	3,592	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	3,592
Miscellaneous	<u>1,084</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,084</u>
TOTAL OPERATING EXPENSES	<u>2,490,582</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>2,490,582</u>
CHANGE IN NET ASSETS	74,792	3,044,225	2,309,117	1,199,740	9,500	(196,651)	20,516	-0-	-0-	-0-	-0-	-0-	6,461,239
NET ASSETS, BEGINNING OF YEAR	<u>43,358</u>	<u>4,547,367</u>	<u>1,647,432</u>	<u>1,829,706</u>	<u>18,552</u>	<u>387,623</u>	<u>-0-</u>	<u>9,434</u>	<u>9,000,000</u>	<u>5,000,000</u>	<u>2,000,000</u>	<u>2,230</u>	<u>24,485,702</u>
NET ASSETS, END OF YEAR	<u>\$ 118,150</u>	<u>\$ 7,591,592</u>	<u>\$ 3,956,549</u>	<u>\$ 3,029,446</u>	<u>\$ 28,052</u>	<u>\$ 190,972</u>	<u>\$ 20,516</u>	<u>\$ 9,434</u>	<u>\$ 9,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,230</u>	<u>\$ 30,946,941</u>

THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.
SCHEDULES OF ACTIVITIES BY FUND (CONTINUED)
For the Years Ended June 30, 2021 and 2020

	<u>2020</u>												Total of All Funds
	Without Donor Restrictions	With Donor Restrictions Purpose Restricted						With Donor Restrictions Perpetual in Nature					
	Operating Fund	Florida Blue Scholarship Fund	Helios First Generation Scholars Fund	Dream Makers Fund	Gates Convening Fund	KidCare Fund	Student Success Center Fund	Other Funds	Helios First Generation Scholars Fund	Florida Blue Scholarship Fund	Dream Makers Fund	Florida Citrus Fund	
SUPPORT AND REVENUE													
In-kind contributions	\$ 180,119	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 51,112	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 231,231
Contributions	71,500	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	71,500
Grants	-0-	-0-	-0-	-0-	25,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	25,000
Seminar registration	5,702	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	5,702
Investment return, net	(345)	628,354	539,942	230,419	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,398,370
Net assets released from restrictions	<u>1,408,931</u>	<u>(410,218)</u>	<u>(483,519)</u>	<u>(159,620)</u>	<u>(37,653)</u>	<u>-0-</u>	<u>(317,921)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL SUPPORT AND REVENUE	<u>1,665,907</u>	<u>218,136</u>	<u>56,423</u>	<u>70,799</u>	<u>(12,653)</u>	<u>-0-</u>	<u>(266,809)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,731,803</u>
OPERATING EXPENSES													
Awards and recognition	1,058,900	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,058,900
In-kind	231,231	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	231,231
Consulting	158,169	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	158,169
Meetings and conferences	84,750	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	84,750
Payroll	56,507	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	56,507
Accounting and legal	22,087	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	22,087
Travel	17,173	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	17,173
Office expenses	17,118	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	17,118
Project and workgroups	14,693	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	14,693
Depreciation	3,729	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	3,729
Miscellaneous	<u>2,005</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>2,005</u>
TOTAL OPERATING EXPENSES	<u>1,666,362</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,666,362</u>
CHANGE IN NET ASSETS	(455)	218,136	56,423	70,799	(12,653)	-0-	(266,809)	-0-	-0-	-0-	-0-	-0-	65,441
NET ASSETS, BEGINNING OF YEAR	<u>43,813</u>	<u>4,329,231</u>	<u>1,591,009</u>	<u>1,758,907</u>	<u>31,205</u>	<u>-0-</u>	<u>654,432</u>	<u>9,434</u>	<u>9,000,000</u>	<u>5,000,000</u>	<u>2,000,000</u>	<u>2,230</u>	<u>24,420,261</u>
NET ASSETS, END OF YEAR	<u>\$ 43,358</u>	<u>\$ 4,547,367</u>	<u>\$ 1,647,432</u>	<u>\$ 1,829,706</u>	<u>\$ 18,552</u>	<u>\$ -0-</u>	<u>\$ 387,623</u>	<u>\$ 9,434</u>	<u>\$ 9,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,230</u>	<u>\$ 24,485,702</u>

THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.
SCHEDULES OF BENEFITS TO THE COLLEGE FOUNDATIONS
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Broward College	\$ 171,443	\$ 85,415
Chipola College	26,624	18,202
College of Central Florida	37,790	28,486
College of the Florida Keys	20,360	17,976
Daytona State College	63,269	37,958
Eastern Florida State College	60,617	36,115
Florida Gateway College	33,080	20,693
Florida Southwestern State College	91,642	37,857
Florida State College at Jacksonville	97,732	46,040
Gulf Coast State College	33,544	23,940
Hillsborough Community College	131,923	51,784
Indian River State College	64,486	36,576
Lake – Sumter State College	40,730	20,989
Miami Dade College	203,994	101,357
North Florida College	27,364	19,017
Northwest Florida State College	36,518	21,000
Palm Beach State College	106,343	53,682
Pasco – Hernando State College	62,524	32,507
Pensacola State College	55,414	29,483
Polk State College	70,257	30,540
Santa Fe College	46,584	32,258
Seminole State College of Florida	64,545	41,951
South Florida State College	31,094	20,374
St. Johns River State College	54,991	24,390
St. Petersburg College	109,784	54,776
State College of Florida, Manatee – Sarasota	60,044	28,377
Tallahassee Community College	48,103	31,911
Valencia College	<u>170,689</u>	<u>71,077</u>
	<u>\$ 2,021,488</u>	<u>\$ 1,054,731</u>

**REPORT REQUIRED UNDER
*GOVERNMENT AUDITING STANDARDS***

CARROLL and COMPANY
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FREDERICK CARROLL III
FOUNDER (RETIRED)

**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
The Florida College System Foundation, Inc.
Tallahassee, Florida

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 The Florida College System Foundation, Inc. (a non-profit organization) (the Foundation), which comprise the statement of financial position as of June 30, 2021, 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 April 28, 2022.

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 the 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.

To the Board of Directors
The Florida College System Foundation, Inc.
Page Two

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

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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carroll and Company

April 28, 2022