

FLORIDA COLLEGE, INC.

Single Audit  
Financial Statements  
and  
Reports  
May 31, 2021

**ALAN K. GEER, P.A.**

CERTIFIED PUBLIC ACCOUNTANTS

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TAMPA, FLORIDA

FLORIDA COLLEGE, INC.  
INDEX TO SINGLE AUDIT FINANCIAL STATEMENTS AND REPORTS  
May 31, 2021

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## INDEPENDENT AUDITOR'S REPORT

The Senior Management and  
Board of Directors of  
Florida College, Inc.  
119 Glen Arven Avenue  
Temple Terrace, FL 33617

### Report on the Financial Statements

We have audited the accompanying financial statements of Florida College, Inc. (a nonprofit organization), which comprise the statements of financial position as of May 31, 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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 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 Florida College, Inc. as of May 31, 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**

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards (on page 28), as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and Chapter 10.650, *Rules of the Auditor General of the state of Florida*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated February 15, 2022, on our consideration of Florida College, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Florida College, Inc.'s internal control over financial reporting and compliance.



Tampa, Florida

February 15, 2022

**FLORIDA COLLEGE, INC.**  
**Statements of Financial Position**  
**as of May 31, 2021 and 2020**

	2021	2020
<b>Assets:</b>		
Cash and cash equivalents	\$ 4,538,916	\$ 3,205,524
Accounts receivable (net)	371,744	229,646
Pledges receivable	1,038,472	1,149,596
Notes receivable- Perkins student loans	274,721	312,970
Inventories	211,991	269,563
Investments: Securities	30,349,375	25,257,621
Prepaid expenses and deposits	503,305	318,218
Land and fixed assets (net)	28,504,537	28,782,461
<b>Total assets</b>	<b>65,793,061</b>	<b>59,525,599</b>
<b>Liabilities and net assets:</b>		
<b>Liabilities</b>		
Accounts payable	386,560	629,323
Student prepayments and deposits	179,382	160,991
Accrued liabilities and other payables	1,050,299	733,142
Current portion of long-term debt	303,292	248,344
Assets held in trust for agencies	471,380	543,954
Deferred revenue	986,059	798,952
Long-term debt (net of current portion)	5,969,329	6,176,104
<b>Total liabilities</b>	<b>9,346,301</b>	<b>9,290,810</b>
<b>Net assets</b>		
Unrestricted	16,823,469	16,797,778
Temporarily restricted	7,573,312	7,030,806
Permanently restricted	32,049,979	26,406,205
<b>Total net assets</b>	<b>56,446,760</b>	<b>50,234,789</b>
<b>Total liabilities and net assets</b>	<b>\$ 65,793,061</b>	<b>\$ 59,525,599</b>

See independent auditors' report

The accompanying notes are an integral part of these financial statements

**FLORIDA COLLEGE, INC.**  
**Statements of Activities**  
**for the year ended May 31, 2021**  
**with comparative totals for the year ended May 31, 2020**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals 2021	Totals 2020
<b>Revenues, gains, and other support:</b>					
Student tuition, fees, room and board (net)	\$ 13,644,983	\$ -	\$ -	\$ 13,644,983	\$ 13,713,815
Bookstore revenue	486,338	-	-	486,338	487,707
Contributions and bequests	623,840	3,688,856	332,504	4,645,200	4,612,384
Dividends and interest	9,307	4,672	209,641	223,620	346,123
Gain (loss) on securities - net	23,386	55	2,980,626	3,004,067	(219,481)
Unrealized gain (loss) on securities	-	5,229	3,022,203	3,027,432	651,940
Other revenue	1,923,569	-	-	1,923,569	1,216,652
Transfers between funds	471,930	-	(471,930)	-	-
<b>Total revenues, gains, and other support</b>	<b>17,183,353</b>	<b>3,698,812</b>	<b>6,073,044</b>	<b>26,955,209</b>	<b>20,809,140</b>
<b>Net assets released from restrictions</b>					
For satisfaction of program restrictions	2,582,222	(2,171,985)	(410,237)	-	-
For capital asset expenditures	1,003,354	(984,321)	(19,033)	-	-
<b>Total net assets released from restrictions</b>	<b>3,585,576</b>	<b>(3,156,306)</b>	<b>(429,270)</b>	<b>-</b>	<b>-</b>
<b>Total revenues, gains, and other support</b>	<b>20,768,929</b>	<b>542,506</b>	<b>5,643,774</b>	<b>26,955,209</b>	<b>20,809,140</b>
<b>Cost of revenues:</b>					
Bookstore cost of revenue	355,258	-	-	355,258	350,280
Outsourcing cost of revenue	1,061,129	-	-	1,061,129	913,955
<b>Total cost of revenues</b>	<b>1,416,387</b>	<b>-</b>	<b>-</b>	<b>1,416,387</b>	<b>1,264,235</b>
<b>Gross margin</b>	<b>19,352,542</b>	<b>542,506</b>	<b>5,643,774</b>	<b>25,538,822</b>	<b>19,544,905</b>
<b>Expenses and losses:</b>					
<b>Program services:</b>					
Instruction	4,344,445	-	-	4,344,445	4,298,366
Library	546,679	-	-	546,679	324,025
Student services	412,967	-	-	412,967	319,005
Scholarships and student aid	3,697,833	-	-	3,697,833	4,020,646
Academy	2,179,781	-	-	2,179,781	1,928,234
Bookstore	149,962	-	-	149,962	128,246
Cafeteria	124,358	-	-	124,358	98,471
Housing	1,319,259	-	-	1,319,259	1,329,904
Advising	169,236	-	-	169,236	144,046
Athletics	863,852	-	-	863,852	885,368
<b>Total program services</b>	<b>13,808,372</b>	<b>-</b>	<b>-</b>	<b>13,808,372</b>	<b>13,476,311</b>
<b>Support services:</b>					
General administration	260,596	-	-	260,596	430,404
President & business office	891,676	-	-	891,676	1,026,995
Admissions and marketing	483,584	-	-	483,584	528,799
Financial aid	160,195	-	-	160,195	120,403
Institutional development	512,444	-	-	512,444	341,263
Alumni and public relations	176,640	-	-	176,640	72,390
Creative services	319,725	-	-	319,725	265,803
Computer services	914,319	-	-	914,319	910,885
Plant operations	1,799,300	-	-	1,799,300	2,350,754
<b>Total support services</b>	<b>5,518,479</b>	<b>-</b>	<b>-</b>	<b>5,518,479</b>	<b>6,047,696</b>
<b>Total expenses and losses</b>	<b>19,326,851</b>	<b>-</b>	<b>-</b>	<b>19,326,851</b>	<b>19,524,007</b>
<b>Total change in net assets</b>	<b>25,691</b>	<b>542,506</b>	<b>5,643,774</b>	<b>6,211,971</b>	<b>20,898</b>
<b>Net assets at beginning of year</b>	<b>16,797,778</b>	<b>7,030,806</b>	<b>26,406,205</b>	<b>50,234,789</b>	<b>46,303,083</b>
<b>Net asset adjustment for recognition of King Educational Fund</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,910,808</b>
<b>Net assets at end of year</b>	<b>\$ 16,823,469</b>	<b>\$ 7,573,312</b>	<b>\$ 32,049,979</b>	<b>\$ 56,446,760</b>	<b>\$ 50,234,789</b>

See independent auditors' report

The accompanying notes are an integral part of these financial statements

**FLORIDA COLLEGE, INC.**  
**Statements of Functional Expenses**  
**for the year ended May 31, 2021**  
**with comparative totals for the year ended May 31, 2020**

	Program Services			Support Services			Totals	
	College	Academy	Total Program Services	Management & General	Fundraising	Total Support Services	2021	2020
Scholarships & Student Aid	\$ 3,706,525	\$ -	\$ 3,706,525	\$ -	\$ -	\$ -	\$ 3,706,525	\$ 4,030,712
Salaries & Wages	4,019,673	1,149,091	5,168,764	1,812,024	203,049	2,015,073	7,183,837	6,756,430
Retirement plan contributions	98,564	27,113	125,677	39,501	5,576	45,077	170,754	174,192
Other Employee Benefits	590,437	135,912	726,349	211,501	28,823	240,324	966,673	884,640
Payroll Taxes	284,453	90,503	374,956	121,040	15,862	136,902	511,858	489,236
Professional services	6,005	4,444	10,449	179,212	72	179,284	189,733	203,386
Investment Expense	-	-	-	18,771	-	18,771	18,771	13,518
Public relations, travel, tours & chorus	76,470	14,839	91,309	64,707	17,725	82,432	173,741	359,985
Supplies	44,153	24,777	68,930	17,376	586	17,962	86,892	82,545
Telecommunications & information technology	36,099	6,104	42,203	290,249	1,500	291,749	333,952	298,319
Printing, publications, postage & shipping	13,385	3,123	16,508	28,100	5,679	33,779	50,287	57,338
Equipment rental & maintenance	53,571	46,712	100,283	123,718	-	123,718	224,001	239,130
Utilities	404,954	44,056	449,010	146,227	-	146,227	595,237	670,046
On campus events	51,159	5,601	56,760	41,283	5,371	46,654	103,414	99,410
Conferences & professional development	11,857	380	12,237	3,438	-	3,438	15,675	227,121
Interest	263,604	8,493	272,097	8,257	-	8,257	280,354	421,855
Depreciation	615,079	72,874	687,953	840,768	1,073	841,841	1,529,794	1,445,007
Insurance	227,175	20,598	247,773	108,797	-	108,797	356,570	330,944
Athletics	479,214	23,559	502,773	-	-	-	502,773	447,795
Instructional	277,957	54,652	332,609	35,979	-	35,979	368,588	108,018
Maintenance & Security	24,384	301,468	325,852	684,723	178,830	863,553	1,189,405	1,476,461
Periodicals, subscriptions & books	55,788	829	56,617	-	1,295	1,295	57,912	70,297
Bad Debts	479	11,628	12,107	(40,490)	-	(40,490)	(28,383)	6,142
Miscellaneous	287,606	133,025	420,631	270,854	47,003	317,857	738,488	631,480
	<u>\$ 11,628,591</u>	<u>\$ 2,179,781</u>	<u>\$ 13,808,372</u>	<u>\$ 5,006,035</u>	<u>\$ 512,444</u>	<u>\$ 5,518,479</u>	<u>\$ 19,326,851</u>	<u>\$ 19,524,007</u>

See independent auditors' report  
The accompanying notes are an integral part of these financial statements

**FLORIDA COLLEGE, INC.**  
**Statements of Cash Flows**  
**for the years ended May 31, 2021 and 2020**

	<b>Total 2021</b>	<b>Total 2020</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 6,211,971	\$ 20,898
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Amortization and depreciation	1,529,793	1,445,007
(Increase) decrease in accounts receivable	(142,098)	52,829
(Increase) decrease in pledges receivable	111,124	171,830
(Increase) decrease in Perkins notes receivable	38,249	70,890
(Increase) decrease in inventories	57,572	7,078
(Increase) decrease in prepaid assets	(185,087)	(21,389)
Increase (decrease) in accounts payable, accrued liabilities and student deposits	92,785	210,504
Increase (decrease) in assets held in trust for others	(72,574)	(156,093)
Increase (decrease) in deferred revenues	187,107	666,395
(Gain)/loss on the disposal of fixed assets	281,573	302,546
(Gain)/loss on the sale of investments	(3,004,067)	216,377
Unrealized (gains)/losses on securities	(3,027,432)	(651,940)
Cash expended - restricted for capital expenditures	(1,003,354)	(329,299)
<b>Net change in cash from operating activities</b>	<b>1,075,562</b>	<b>2,005,633</b>
<b>Cash flows from investing activities:</b>		
(Purchases) of capital assets	(1,533,443)	(1,012,792)
Net (Purchases) of investments	(4,504,453)	(2,091,527)
Net Proceeds from sale of investments	5,444,198	1,302,181
<b>Net change in cash from investing activities</b>	<b>(593,698)</b>	<b>(1,802,138)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from contributions restricted for:		
Capital expenditures	1,003,354	329,299
New Borrowings in notes payable	128,000	169,095
Payments (decrease) in notes payable	(279,827)	(230,897)
<b>Net change in cash from financing activities</b>	<b>851,527</b>	<b>267,497</b>
<b>Net change in cash and cash equivalents</b>	1,333,391	470,992
Cash and cash equivalents at beginning of year	3,205,524	2,734,532
<b>Cash and cash equivalents at end of year</b>	<b>\$ 4,538,915</b>	<b>\$ 3,205,524</b>

See independent auditors' report

The accompanying notes are an integral part of these financial statements



FLORIDA COLLEGE, INC.  
Notes to the Financial Statements  
May 31, 2021 and 2020

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NOTE A -- NATURE OF ACTIVITIES

Florida College, Inc. ("the College") is a four year liberal arts college located on a 124 acre campus in Temple Terrace, Florida. The College was chartered in 1946 and was a two year institution until 1996, at which time it was accredited as a four year institution. The College has an enrollment of approximately 500 students, of which about 30% come from the state of Florida, 2% international and the balance from throughout the United States. The College is primarily supported by tuition, room, board, contributions from alumni and supporters of the College, and earnings on endowments.

The College also owns a private K-9 elementary school, Florida College Academy ("FCA"), which operates separately on the College campus under the oversight of the College.

NOTE B -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the accrual basis as required by generally accepted accounting principles.

Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958-205, 958-210, 958-225 and 958-230, which provides authoritative guidance for the preparation of Financial Statements of Not-for-Profit Organizations. Under this authoritative guidance, the Organization is required to report information regarding its financial position and activities with a minimum of two classes of net assets: net assets without donor restrictions (unrestricted net assets) and net assets with donor restrictions (restricted net assets). The College feels that this information, reported according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, is a preferable representation, and therefore has elected to continue reporting the information as described below:

- \* Unrestricted net assets -- Net assets that are not subject to donor-imposed stipulations.
- \* Temporary restricted net assets -- Net assets subject to donor-imposed stipulations that can be fulfilled by actions of the College pursuant to those stipulations or that expire by the passage of time.
- \* Permanently restricted net assets -- Net assets subject to donor-imposed stipulations that they be maintained permanently by the College. Generally, the donors of such assets permit the College to use all or part of the income earned on the assets.

Statement of Functional Expenses and Expense Allocations

With the implementation of Accounting Standards Update (ASU) 2016-14, the functional expenses schedule is now required to be reported in the financial statements for non-profit organizations. This statement shows the expenses in their natural and functional classification.

Some expenses are assigned to a functional category based on direct usage. Salaries, benefits, other personnel costs, interest, and depreciation are typically directly allocated to the appropriate department. Other expenses that are attributable to more than one activity, like utilities and repairs and maintenance, require allocation on a consistent and reasonable basis. These expenses are allocated based on estimates of time and usage. Management periodically reevaluates the allocation methodology.

FLORIDA COLLEGE, INC.  
Notes to the Financial Statements  
May 31, 2021 and 2020

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NOTE B -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Support Recognition

Tuition revenue and other program service fees are recognized as revenue in the period in which the service is provided, in accordance with the recommendations of the FASB ASC 606. Since the College's fiscal year ends shortly after the end of the school year, the College considers all current contracts with students to be fulfilled at the fiscal year end. Prepayments of tuition and fees are recorded as a liability, "Student prepayments and deposits", on the Statement of financial position. (See Note J)

The College accounts for contributions in accordance with the recommendations of the FASB ASC 958-605. Contributions, including unconditional promises to give (Pledges) are recognized as revenues in the period in which the pledge is made. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at 8%, to approximate net present value. An allowance for uncollectible contributions receivable is provided at 10% based upon management's judgment. Estates and bequests are not recognized as revenue until funds are received due to the difficulty of determining the value and timing of such events. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash equivalents include time deposits, certificates of deposits, and all highly liquid debt instruments with original maturities of three months or less, except for those purchased with endowment assets or other restricted deposits which are classified as investments. (See Note G) The College maintains several accounts with cash balances at one financial institution. These accounts are insured by the Federal Deposit Insurance Corporation (FDIC). One of these accounts is a sweep account for which actual funds are held in multiple, separately FDIC insured financial institutions. The coverage limits in effect at May 31, 2021 and 2020 were \$250,000 per depositor, per insured bank, for each account ownership category. At May 31, 2021 and 2020, the College's bank balances exceeding the FDIC limit totaled \$42,455 and \$81,803, respectively.

The College also maintains several brokerage money market funds, which are not insured by the FDIC. At May 31, 2021 and 2020, the College's brokerage money market funds, excluding amounts classified as long-term investments, totaled \$309,679 and \$5,445, respectively.

The classification of cash and cash equivalents by net asset class is presented in the supplemental reports on pages 23 and 24.

Accounts Receivable

Accounts receivable less allowance for bad debts is stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of actual collections by a third party administrator.

Inventory

The Bookstore inventory is stated at the lower of cost or market, using the first-in, first-out method.

FLORIDA COLLEGE, INC.  
Notes to the Financial Statements  
May 31, 2021 and 2020

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NOTE B -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Land, Buildings and Equipment

Land, buildings and equipment are stated primarily at cost less accumulated depreciation. Any donated fixed assets are recorded at fair market value. Depreciation is computed on the straight-line method over the estimated useful lives of the assets (5 to 40 years). Expenditures for new construction, major renewals, replacements, and equipment costing over \$2,500 are capitalized.

Investments

Because the College has adopted FASB ASC 958-320, "Investments - Debt and Equity Securities", investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values on the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. (See Note G)

Fair value of Financial Instruments

The College measures fair value of financial instruments based on the framework set forth by FASB ASC 820, "Fair Value Measurements and Disclosures." That framework provides a fair value hierarchy that prioritizes, into three levels, the inputs to valuation techniques used to measure fair value. Following is a description of those three levels as defined in ASC 820.

Level 1 inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 inputs: Inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: Unobservable inputs for the asset or liability.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

There have been no significant changes in the methodologies used for the years ended May 31, 2021 and 2020.

The carrying amounts of cash and cash equivalents, accounts receivable, unconditional promises to give (Pledges) to be received in less than one year, and prepaid expenses and deposits approximate their fair value because of the short maturities of those financial instruments. The fair value of pledges to be received in more than one year is estimated based on future cash flows discounted at 8% to present value and further adjusted downward 10% to net realizable value for estimated uncollectible accounts. (See Note F)

The fair value of loans to students under government loan programs is estimated to approximate carrying value, which is adjusted for estimated uncollectible accounts, although notes receivable under these programs are not salable and can only be assigned to the U.S. government.

FLORIDA COLLEGE, INC.  
Notes to the Financial Statements  
May 31, 2021 and 2020

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NOTE B -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value of Financial Instruments (Continued)

U.S. government securities, corporate bonds, actively traded equities, and cash investments are all valued at the closing price reported on the active or observable market on which the individual securities are traded.

Mutual fund investments are valued at the net asset value (NAV) of shares held as published at the end of the last trading day of the fiscal year.

The fair value of some long-term investments which are not actively traded investments are based upon values provided by an external investment manager or management of the investment.

The carrying amounts of accounts payable, accrued liabilities, student prepayments and deposits, and agency funds approximate their fair value because of the short maturities of those financial instruments.

The carrying amount of deferred revenue from charitable annuities approximates its fair value because the carrying amount is adjusted to the closing price reported on the active or observable markets in which the investments are held.

The carrying amount of notes payable approximates fair value because those financial instruments bear interest at rates that approximate current market rates for notes with similar maturities and credit quality.

See Note I, which sets forth by level, within the fair value hierarchy, the College's assets and liabilities at fair value as of May 31, 2021 and 2020.

Concentrations of risk:

The College generates revenue predominantly from tuition and fees, investment income, gifts and contributions. In planning and budgeting during a fiscal year, significant reliance is placed on meeting tuition and contribution goals in order for the College to sustain successful operations. In the event that enrollment or contributions significantly decrease in any one year, operations could be affected.

Financial instruments that potentially subject the College to concentrations of credit and market risk consist primarily of cash and investments. Cash equivalents are maintained at high credit quality financial institutions. The College has not experienced any losses on its cash equivalents. From time to time, the College's cash balances at the financial institutions exceed federal depository insurance coverage and management considers this to be a normal business risk.

The College's investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, because of the significance of the investments to the College's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements. Management is of the opinion that the diversification of its invested assets among the various asset classes should mitigate the impact of changes.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates primarily because of depreciation, estimated uncollectible accounts for receivables, and pledges receivable.

FLORIDA COLLEGE, INC.  
Notes to the Financial Statements  
May 31, 2021 and 2020

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NOTE C -- INCOME TAXES

The College qualifies as a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code and has received a determination letter from the Internal Revenue Service stating that it is exempt from federal income taxes, except for taxes on unrelated business income.

Income unrelated to the College's exempt purpose is subject to federal and state income taxes. The receipt of income from the College bookstore is subject to taxation as unrelated business income (UBI). The College has a UBI net operating loss carry forward resulting from prior years' losses; however, future benefit from this carry forward is expected to be minimal.

FASB ASC 740, "Income Taxes," and related subsections prescribe rules for the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the College's tax returns. Management has determined that the College does not have any uncertain tax positions that materially impact the financial statements or related disclosures.

Since tax matters are subject to some degree of uncertainty, there can be no assurance that the College's tax returns will not be challenged by the taxing authorities and that the College will not be subject to additional tax, penalties, and interest as a result of such challenge, although none is anticipated by management. Generally the College's tax returns remain open for federal and state income tax examination for three years from the date of filing.

NOTE D -- ACCOUNTS RECEIVABLE

Accounts receivable consist of amounts owed to the College primarily for student tuition, room, and board.

Accounts receivable consist of the following:

	<u>May 31, 2021</u>	<u>May 31, 2020</u>
Current student receivables	\$ 324,606	\$ 395,867
Former student receivables	251,378	182,412
Other receivables	135,124	9,678
Total	<u>\$ 711,108</u>	<u>\$ 587,957</u>
Less Allowance for doubtful accounts	(339,364)	(358,311)
Net Accounts receivable	<u>\$ 371,744</u>	<u>\$ 229,646</u>

NOTE E -- NOTES RECEIVABLE

Notes receivable were comprised of the following:

	<u>May 31, 2021</u>	<u>May 31, 2020</u>
Perkins loans receivable, permanently restricted - student federal loan program	\$ 274,721	\$ 312,970

The College participates in various federal student financial aid and loan programs governed by the U.S. Department of Education. Student loans receivable represent amounts due from students who have outstanding balances through loans with the Perkins federal program.

FLORIDA COLLEGE, INC.  
Notes to the Financial Statements  
May 31, 2021 and 2020

NOTE F -- PROMISES TO GIVE (PLEDGES RECEIVABLE)

	<u>May 31, 2021</u>	<u>May 31, 2020</u>
Promises to give expected to be collected in:		
Less than one year	\$ 517,294	\$ 656,150
One to five years	743,649	725,676
Total	\$ 1,260,943	\$ 1,381,826
Less present value discount at 8%	(107,085)	(104,497)
Less allowance for uncollectible	(115,386)	(127,733)
Net Pledges receivable	\$ 1,038,472	\$ 1,149,596

NOTE G -- INVESTMENTS

Investments are recorded at fair market value. The historical cost and fair market value is as follows:

	<u>May 31, 2021</u>			
	Cost	Fair Market Value	Unrealized Gains (Losses)	
Securities	\$ 26,180,082	\$ 30,349,375	\$ 4,169,293	
Total Investments	\$ 26,180,082	\$ 30,349,375	\$ 4,169,293	
	<u>May 31, 2020</u>			
	Cost	Fair Market Value	Unrealized Gains (Losses)	
Securities	\$ 24,115,761	\$ 25,257,621	\$ 1,141,860	
Total Investments	\$ 24,115,761	\$ 25,257,621	\$ 1,141,860	

NOTE H -- LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment consisted of the following:

	<u>May 31, 2021</u>	<u>May 31, 2020</u>
Land and improvements	\$ 3,321,059	\$ 3,026,346
Buildings and improvements	36,114,132	35,446,939
Equipment, vehicles, furniture & fixtures	5,447,231	5,345,958
Library books	1,591,725	2,073,250
Total fixed assets	\$ 46,474,147	\$ 45,892,493
Less: Accumulated depreciation	(17,969,610)	(17,110,032)
Land, buildings and equipment, net	\$ 28,504,537	\$ 28,782,461

FLORIDA COLLEGE, INC.  
Notes to the Financial Statements  
May 31, 2021 and 2020

NOTE I -- FAIR VALUE MEASUREMENTS

As described in Note B, the College measures fair value of investments based on the framework set forth by FASB ASC 820 which provides a fair value hierarchy that prioritizes, into three levels, the inputs to valuation techniques used to measure fair value.

The following tables set forth by level, within the fair value hierarchy, the College's financial assets and liabilities at fair value as of May 31, 2021 and 2020:

	<u>May 31, 2021</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Financial Assets</b>				
Cash and cash equivalents	\$ 4,538,916			\$ 4,538,916
Accounts receivable - net		371,744		371,744
Pledges receivable		1,038,472		1,038,472
Notes receivable			274,721	274,721
U.S. government securities, mutual fund investments, corporate stocks, equity investments, certificates and guaranteed insurance contracts	30,337,408	11,967		30,349,375
Prepaid expenses and deposits		503,305		503,305
<b>Total financial asset fair values</b>	<b>\$ 34,876,324</b>	<b>\$ 1,925,488</b>	<b>\$ 274,721</b>	<b>\$ 37,076,533</b>
<b>Financial Liabilities</b>				
Accounts payable and accrued liabilities		\$ 1,436,859		\$ 1,436,859
Deferred revenue and student prepayments	986,059	179,382		1,165,441
Notes payable	6,272,621			6,272,621
U.S. government loan funds		307,396		307,396
Other Agency funds	163,984			163,984
<b>Total financial liabilities fair values</b>	<b>\$ 7,422,664</b>	<b>\$ 1,923,637</b>	<b>\$ -</b>	<b>\$ 9,346,301</b>

FLORIDA COLLEGE, INC.  
Notes to the Financial Statements  
May 31, 2021 and 2020

NOTE I -- FAIR VALUE MEASUREMENTS (CONTINUED)

	<u>May 31, 2020</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Financial Assets</b>				
Cash and cash equivalents	\$ 3,205,524	\$ -	\$ -	\$ 3,205,524
Accounts receivable - net	-	229,646	-	229,646
Pledges receivable	-	1,149,596	-	1,149,596
Notes receivable	-	-	312,970	312,970
U.S. government securities, mutual fund investments, corporate stocks, equity investments, certificates and guaranteed insurance contracts	25,245,799	11,822	-	25,257,621
Prepaid expenses and deposits	-	318,218	-	318,218
<b>Total financial asset fair values</b>	<b>\$ 28,451,323</b>	<b>\$ 1,709,282</b>	<b>\$ 312,970</b>	<b>\$ 30,473,575</b>
<b>Financial Liabilities</b>				
Accounts payable and accrued liabilities	\$ -	\$ 1,362,465	\$ -	\$ 1,362,465
Deferred revenue and student prepayments	798,952	160,991	-	959,943
Notes payable	6,424,448	-	-	6,424,448
U.S. government loan funds	-	383,269	-	383,269
Other Agency funds	160,685	-	-	160,685
<b>Total financial liabilities fair values</b>	<b>\$ 7,384,085</b>	<b>\$ 1,906,725</b>	<b>\$ -</b>	<b>\$ 9,290,810</b>

NOTE J -- DEFERRED REVENUE

The College has several charitable gift annuities, whereby a donor gives money to the College in exchange for lifetime annuity payments to the donor. The College invests the contributed funds and uses the earnings to help pay the annuity payments to the donor. Upon the death of the donor, the residual account balance is then recognized as a contribution to the College. The account balances are deferred contributions to the College. These deferred contributions are presented as liabilities on the statements of financial position under the caption "Deferred revenue."

The College recognizes registration and tuition revenue in the period in which the related educational instruction is performed. Accordingly, registration and tuition fees received for the next school term are deferred until the instruction commences. These deferred revenues are presented as liabilities on the statements of financial position under the caption "Student prepayments and deposits."

The College's deferred revenue consisted of the following:

	<u>May 31, 2021</u>	<u>May 31, 2020</u>
Charitable gift annuities	\$ 139,547	\$ 125,329
Cares Act Funds unspent at year end	846,512	673,623
Prepaid tuition and fees	179,382	160,991
<b>Total Deferred revenue</b>	<b>\$ 1,165,441</b>	<b>\$ 959,943</b>



FLORIDA COLLEGE, INC.  
Notes to the Financial Statements  
May 31, 2021 and 2020

NOTE K -- LONG-TERM DEBT AND CAPITAL LEASES

	<u>May 31, 2021</u>	<u>May 31, 2020</u>
Note Payable to Pilot Bank for the construction of two residence halls, which is dated March 6, 2009. The note bears a variable rate of interest, which is equal to the Five Year Treasury Constant Maturity Average plus one and three quarters percent. At May 31, 2021 and 2020, this rate was 4.25% and 4.25%, respectively. The note matures on March 6, 2039 with a monthly principal and interest payment requirement based on the principal balance, the specified interest rate, and a 30 year amortization period, currently \$36,453. The loan is secured by certain real estate and buildings owned by the College.	\$ 6,037,960	\$ 6,211,156
Capital lease obligation with First American Commercial Bancorp, Inc. for the purchase of 3 modular classroom buildings, and is collateralized by those buildings. The note commenced November 2018 and matures in December 2023. The note bears interest at approximately 6.8% with monthly payments of \$2,335	66,087	88,747
Note payable to Pilot Bank for the purchase of a vehicle. The note bears interest at a rate of 4.5%, with monthly payemnts of \$614, and matures in June 2024	21,161	27,410
Capital Lease obligation with First American Commercial Bancorp, Inc. dated August 15, 2019, for the leasing of various equipment - notebook computers, software and fixtures. The lease term is for 36 months with maturity on August 31, 2022.	52,981	97,135
Capital Lease obligation with First American Commercial Bancorp, Inc. dated August 20, 2020, for the leasing of various equipment - notebook computers, software and fixtures. The lease term is for 36 months with maturity on July 20, 2023.	94,432	-
Totals	<u>\$ 6,272,621</u>	<u>\$ 6,424,448</u>

Future scheduled maturities of long-term debt and the capital leases are as follows:

Years ending May 31:	
2022	303,292
2023	275,996
2024	230,455
2025	209,903
2026	218,361
Thereafter	5,034,614
	<u>\$ 6,272,621</u>

NOTE L -- INTEREST EXPENSE

Interest expense for the years ended May 31, 2021 and 2020 totaled \$280,354 and \$250,903, respectively.

FLORIDA COLLEGE, INC.  
Notes to the Financial Statements  
May 31, 2021 and 2020

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NOTE M -- SHORT-TERM DEBT

The College has an unsecured, variable rate revolving line of credit at Pilot Bank with a limit of \$1.5 million. This line of credit began on March 4, 2009. The note has no stated maturity date, but does provide for an annual review on the anniversary date, and the note is callable on demand. As of May 31, 2020 and 2019, the College had an outstanding balance on the note of \$0 and \$0, respectively.

NOTE N -- OPERATING LEASES

During the year ended May 31, 2021, the College had eight operating lease agreements for office equipment, computer equipment, classroom portables and software with total monthly lease payments ranging from \$230 to \$4,486, and terms ending on various dates from July 2020 to August 2024. Lease payments for the years ended May 31, 2021 and 2020 were \$132,533 and \$194,249, respectively.

Future commitments under the operating lease agreements are estimated as follows:

Years ending May 31:	2022	110,967
	2023	78,683
	2024	53,832
	2025	13,458
	2026	-
	Thereafter	-
		<u>\$ 256,940</u>

NOTE O -- PENSION PLAN

The College maintains a 401(k) retirement plan (Florida College Retirement Plan and Trust) covering substantially all full-time and some part-time employees. The Plan allows for eligible participants to make elective deferrals to their accounts. The Plan provides matching of 100% of employee contributions, up to 3% of the employee's total salary, and allows for additional contributions from the College at the discretion of the Board.

For the plan years ended May 31, 2021 and 2020, the Board declared that no additional discretionary contribution would be made by the College. Matching contributions are paid into employee's accounts at the time of each payroll processing. Discretionary contributions, if any, are accrued and paid into the employee's accounts within the time frame specified by IRS guidelines.

The total retirement fund liability for discretionary contributions as of May 31, 2021 and 2020 was \$0 and \$0, respectively.

FLORIDA COLLEGE, INC.  
Notes to the Financial Statements  
May 31, 2021 and 2020

NOTE P -- ENDOWMENTS: RECONCILIATIONS OF NET ASSET BALANCES

The reconciliations of the Net Asset Balances of the College's Permanently Restricted Endowment Funds for the years ended May 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Beginning net asset balance	\$ 26,406,205	\$ 21,526,322
Investment returns- net	6,212,470	736,020
Contributions	332,504	1,168,184
Amounts appropriated for expenditures	(901,200)	(935,129)
Recognition of King Educational Fund	-	3,910,808
Transfer from temporarily restricted funds	-	-
Ending Net asset Balances	<u>\$ 32,049,979</u>	<u>\$ 26,406,205</u>

NOTE Q -- RESTRICTIONS ON NET ASSETS

Net assets released from restrictions were comprised of the following:

	<u>May 31, 2021</u>	<u>May 31, 2020</u>
Instructional support	\$ 302,271	\$ 370,041
Scholarships provided	1,846,377	1,956,670
Academy	131,228	3,048
Athletics	8,883	3,879
Other program services	26,190	17,583
Fundraising	180,606	23,051
Other Support services	86,667	276,693
Capital assets	1,003,354	329,299
Total use of restricted funds released	<u>\$ 3,585,576</u>	<u>\$ 2,980,264</u>

Temporarily restricted net assets are available for the following purposes:

Earmarked funds	\$ 3,763,714	\$ 3,187,358
Adopt-a-Student program	176,971	109,350
Capital campaign	1,545,281	1,665,269
Temporary scholarships	1,062,822	1,044,305
Board discretionary funds	1,024,524	1,024,524
Total temporarily restricted net assets	<u>\$ 7,573,312</u>	<u>\$ 7,030,806</u>

Permanently restricted net assets are available for the following purposes:

Boswell endowment fund FBO general fund	\$ 11,364,033	\$ 9,284,658
Permanently endowed scholarship funds	12,414,543	10,914,833
Other permanently endowed funds	8,271,403	6,206,714
Total permanently restricted net assets	<u>\$ 32,049,979</u>	<u>\$ 26,406,205</u>

The Boswell Endowment Fund is properly included in the list of permanently restricted assets in the table shown above. However, the College Board has been given authority by the donor to use the principal of this fund for operations should extenuating circumstances require it.

FLORIDA COLLEGE, INC.  
Notes to the Financial Statements  
May 31, 2021 and 2020

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NOTE R -- ENDOWMENTS: INVESTMENT AND SPENDING POLICY

The College's investment policy for Endowment Assets provides for a diversified portfolio allowing all styles of investment management (growth, value, core, other) including alternative or hedge fund managers and non-U.S. managers. The investment policy sets forth guidelines for these investments based on an investment horizon of five years or more.

The target asset allocation is as follows:

Cash Equivalents	0 - 10%
Fixed Income	20 - 50%
Domestic Equity	20 - 45%
International Equity	10 - 20%
Alternative Investments	0 - 30%
Real Estate	0 - 20%

The objective of the College's investment policy is to maximize overall Endowment return within reasonable and prudent levels of risk allowing for a spending rate of 4% per annum. The policy specifically sets earning objectives at 4% greater than the Consumer Price Index which allows for the desired spending rate along with a modest increase in assets over time.

NOTE S -- LIQUIDITY MANAGEMENT

The College's financial assets available within one year of the balance sheet date for general expenditures are as follows:

Cash and cash equivalents	\$	4,172,725
Accounts receivable- net		371,744
Pledges receivable (current), less pledges designated for capital expenditures by the donor		198,274
<b>TOTAL</b>	<b>\$</b>	<b>4,742,743</b>

The current pledges receivable of \$517,294 consist of \$319,020 restricted by the donor for capital expenditures. The remaining \$198,274 of pledges receivable are subject to an implied time restriction, but are expected to be collected within one year. The College has a goal to maintain cash and cash equivalent balances on hand to meet 60 days of ordinary business expenses (exclusive of depreciation), which are on average \$2,771,870. The College has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The College's endowment investments consist of donor restricted endowments with net asset balances totalling \$20,685,946 and a quasi-endowment with a net asset balance of \$11,364,033. Income from donor restricted endowments is restricted and not available for general expenditures, although some of the endowments are for the benefit of the general fund, and those endowment earnings are transferred each year to the general fund. Although the College does not intend to spend from its quasi-endowment, other than investment income which is appropriated for general expenditures, amounts from the quasi-endowment could be made available, if necessary, at the board's discretion.

In addition, the College has a committed line of credit totaling \$1,500,000, which can be drawn upon in the event of an unforeseen liquidity need.

FLORIDA COLLEGE, INC.  
Notes to the Financial Statements  
May 31, 2021 and 2020

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NOTE T -- COMMITMENTS AND CONTINGENCIES

For many years the College leased some of its east campus land for a golf course.

In 2019, the College executed a contract to sell this property for approximately \$4 million. The sale closed in August 2021.

NOTE U -- SUMMARIZED COMPARISON TOTALS ON STATEMENT OF ACTIVITIES

The statements of activities, found on page 4, include prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a comparative presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's statement of activities for the year ended May 31, 2020, from which the summarized information was derived. See page 26 for the 2020 statement of activities with the net asset class detail.

NOTE V -- CARES ACT FEDERAL AID

The CARES (Coronavirus Aid, Relief, and Economic Security) Act provided federal aid to assist the College during the COVID-19 pandemic. The following funds were received during the fiscal years ended May 31, 2021 and 2020, or are expected to be received in the following fiscal year.

Paycheck Protection Program (PPP) Loans were funded by the CARES Act. The loans are 100% forgivable if all employee retention criteria are met and the funds are used for the eligible expenses. The forgivable loans are to help fund payroll costs, employee benefits, mortgage interest, rent, utilities and worker protection costs related to Covid-19. During the years ended May 31, 2021 and 2020, the College received two PPP loans. The first loan was received in April of 2020 in the amount of \$1,486,000. The second loan was received in February 2021 in the amount of \$1,632,787. The funds, required to be used over a 24-week period, were allocated based on proration between the fiscal years ending May 31, 2022, 2021 and 2020. The first PPP loan has already been forgiven by the U.S. Congress. Likewise, the second PPP loan is expected to be forgiven.

The Higher Education Emergency Relief Fund, Institutions Program provides grants to educational Institutions allowing the recipient to use up to 50 percent of the funds received to cover any costs associated with significant changes to the delivery of instruction due to the coronavirus, as long as such costs do not include payment for various restricted expenses. For the year ended May 31, 2021 a total of \$222,628 was received from this program. For the year ending May 31, 2022, \$816,161 in relief funding is expected with the same requirements & conditions.

The Higher Education Emergency Relief Fund, Strengthening Institutions Program provides grants to educational institutions, allowing the recipient to use the funds to defray expenses incurred by recipient, including lost revenue, reimbursement for expenses already incurred, technology costs associated with a transition to distance education, faculty and staff trainings, and payroll ("Recipient's Expenses"). The recipient also may use these funds for grants to students for any component of the student's cost of attendance. During the year ended May 31, 2021, \$54,744 was received from this program.

The Higher Education Emergency Relief Fund, Student Aid Program provides grants to educational institutions, requiring recipients to use no less than fifty percent of the funds received to provide emergency financial aid grants to students for expenses related to the disruption of campus operations due to coronavirus. During the year ended May 31, 2021, \$222,628 was received from this program. During the year ending May 31, 2022, HEERF, renamed the American Rescue Plan, will provide \$637,805.

FLORIDA COLLEGE, INC.  
Notes to the Financial Statements  
May 31, 2021 and 2020

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NOTE W -- RECOGNITION OF KING EDUCATIONAL FUND

In 1963, the Wilbur C. King Education Fund was setup as an education fund to help pay for tuition for bible students at Florida College by the estate of Wilbur C. King.

In the fall of 2020, Florida College became aware that this education fund should be recognized as owned by the College as reflected in various legal documents. The college worked with the trust's board of trustees and the Florida College board of directors on the ownership and management of these funds. In the fiscal year ended May 31, 2020, the fund was recorded on the financial statements as an addition to permanently restricted net assets on the statement of activities. The funds are currently held primarily by Raymond James & Associates with a current value of approximately \$5,106,678.

NOTE X -- EVALUATION OF SUBSEQUENT EVENTS

The College has evaluated subsequent events through January 25, 2022, the date which the financial statements were available to be issued and found no events or transactions which require modifications to the financial statements.

NOTE Y -- SUPPLEMENTARY INFORMATION

The College has provided, as supplementary information, statements of financial position as of May 31, 2021 and 2020, statements of activities by type of net asset for the periods ended May 31, 2021 and 2020, and statements of cash flows by type of net asset for the periods ended May 31, 2021 and 2020. These statements do not include material interfund eliminations because such eliminations would create an out of balance condition within fund groups. Had the eliminations been reflected on the statements of financial position, both the interfund receivables and payables of \$8,041,475 as of May 31, 2021 and \$7,328,892 as of May 31, 2020 would have been eliminated. Had the eliminations been reflected on the statements of cash flows, both the increase in interfund receivables and payables of \$712,583 for the year ended May 31, 2021, and the decrease in interfund receivables and payables of \$253,676 for the year ended May 31, 2020 would have been eliminated. These statements can be found on pages 23 - 28.

NOTE Z - FINANCIAL RESPONSIBILITY

The College is required to report it's audited financial statements annually to the Department of Education (DOE). The DOE's new regulations have created further reporting requirements under the Financial Responsibility, Regulations 668.171-176. See below and pages 29-30.

Following are the fixed assets and long-term debt associated with the pre and post implementation of the new reporting requirements:

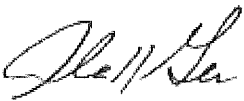
Fixed Assets:	2021	2020
Pre-implementation fixed assets, net of deprec.	\$ 27,065,599	\$ 27,869,495
Post-implementation fixed assets with debt	173,579	126,593
Post-implementation fixed assets without debt	1,265,359	786,373
Land and fixed assets, net of depreciation	<u>\$ 28,504,537</u>	<u>\$ 28,782,461</u>
Long-Term Debt:	2021	2020
Pre-implementation debt used for fixed assets	\$ 6,104,047	\$ 6,299,903
Post-implementation debt used for fixed assets	168,574	124,545
Total Long-Term Debt	<u>\$ 6,272,621</u>	<u>\$ 6,424,448</u>

## **Supplementary Information**

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

The Senior Management and  
Board of Directors of  
Florida College, Inc.  
119 Glen Arven Avenue  
Temple Terrace, FL 33617

We have audited the financial statements of Florida College, Inc. as of and for the years ended May 31, 2021 and 2020. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. These supplemental reports are presented for purposes of additional analysis and are not a required part of the financial statements. See Note U and Y on page nineteen and twenty of this report. Also, see Note Z - Financial Responsibility on page twenty. In addition, see page 31 for the Schedule of Expenditures of Federal Awards and State Financial Assistance. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Tampa, Florida

February 15, 2022



**FLORIDA COLLEGE, INC.**  
**Statement of Financial Position**  
**Disaggregated with Interfund Activity**  
**as of May 31, 2021**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total All Funds
<b>Assets:</b>				
Cash and cash equivalents	\$ 4,172,725	\$ -	\$ 366,191	\$ 4,538,916
Accounts receivable	711,108	-	-	711,108
Less: allowance for bad debts	(339,364)	-	-	(339,364)
Pledges receivable	-	1,038,472	-	1,038,472
Notes receivable	-	-	274,721	274,721
Inventories	211,991	-	-	211,991
Investments: Securities	-	1,893,535	28,455,840	30,349,375
Prepaid expenses and deposits	503,305	-	-	503,305
Due from other funds	-	4,780,852	3,260,623	8,041,475
Land and fixed assets	46,474,147	-	-	46,474,147
Less: accumulated depreciation	(17,969,610)	-	-	(17,969,610)
<b>Total assets</b>	<b>33,764,302</b>	<b>7,712,859</b>	<b>32,357,375</b>	<b>73,834,536</b>
<b>Liabilities and net assets:</b>				
<b>Liabilities</b>				
Accounts payable	386,560	-	-	386,560
Student prepayments and deposits	179,382	-	-	179,382
Accrued liabilities and other payables	1,050,299	-	-	1,050,299
Current portion of long-term debt	303,292	-	-	303,292
Assets held in trust for agencies	163,984	-	307,396	471,380
Deferred revenue	846,512	139,547	-	986,059
Due to other funds	8,041,475	-	-	8,041,475
Long-term debt (net of current portion)	5,969,329	-	-	5,969,329
<b>Total liabilities</b>	<b>16,940,833</b>	<b>139,547</b>	<b>307,396</b>	<b>17,387,776</b>
<b>Net assets</b>				
Unrestricted	16,823,469			16,823,469
Temporarily restricted		7,573,312		7,573,312
Permanently restricted			32,049,979	32,049,979
<b>Total net assets</b>	<b>16,823,469</b>	<b>7,573,312</b>	<b>32,049,979</b>	<b>56,446,760</b>
<b>Total liabilities and net assets</b>	<b>\$ 33,764,302</b>	<b>\$ 7,712,859</b>	<b>\$ 32,357,375</b>	<b>\$ 73,834,536</b>

See independent auditors' report

The accompanying notes are an integral part of these financial statements

**FLORIDA COLLEGE, INC.**  
**Statement of Financial Position**  
**Disaggregated with Interfund Activity**  
**as of May 31, 2020**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total All Funds
<b>Assets:</b>				
Cash and cash equivalents	\$ 3,101,714	\$ -	\$ 103,810	\$ 3,205,524
Accounts receivable	587,957	-	-	587,957
Less: allowance for bad debts	(358,311)	-	-	(358,311)
Pledges receivable	-	1,149,596	-	1,149,596
Notes receivable	-	-	312,970	312,970
Inventories	269,563	-	-	269,563
Investments: Securities	176,905	1,870,971	23,209,745	25,257,621
Prepaid expenses and deposits	318,218	-	-	318,218
Due from other funds	-	4,165,943	3,162,949	7,328,892
Land and fixed assets	45,892,493	-	-	45,892,493
Less: accumulated depreciation	(17,110,032)	-	-	(17,110,032)
<b>Total assets</b>	<b>32,878,507</b>	<b>7,186,510</b>	<b>26,789,474</b>	<b>66,854,491</b>
<b>Liabilities and net assets:</b>				
<b>Liabilities</b>				
Accounts payable	629,323	-	-	629,323
Student prepayments and deposits	160,991	-	-	160,991
Accrued liabilities and other payables	702,767	30,375	-	733,142
Current portion of long-term debt	248,344	-	-	248,344
Assets held in trust for agencies	160,685	-	383,269	543,954
Deferred revenue	673,623	125,329	-	798,952
Due to other funds	7,328,892	-	-	7,328,892
Long-term debt (net of current portion)	6,176,104	-	-	6,176,104
<b>Total liabilities</b>	<b>16,080,729</b>	<b>155,704</b>	<b>383,269</b>	<b>16,619,702</b>
<b>Net assets</b>				
Unrestricted	16,797,778			16,797,778
Temporarily restricted		7,030,806		7,030,806
Permanently restricted			26,406,205	26,406,205
<b>Total net assets</b>	<b>16,797,778</b>	<b>7,030,806</b>	<b>26,406,205</b>	<b>50,234,789</b>
<b>Total liabilities and net assets</b>	<b>\$ 32,878,507</b>	<b>\$ 7,186,510</b>	<b>\$ 26,789,474</b>	<b>\$ 66,854,491</b>

See independent auditors' report

The accompanying notes are an integral part of these financial statements

**FLORIDA COLLEGE, INC**  
**Statements of Activities**  
**Without Reclassification**  
**for the year ended May 31, 2021**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals 2021
<b>Revenues, gains, and other support:</b>				
Student tuition and fees	\$ 10,703,224	\$ -	\$ -	\$ 10,703,224
Residence hall rental revenue	1,991,621	-	-	1,991,621
Dining revenue	1,294,562	-	-	1,294,562
Less: discounts on tuition/room/board	(344,424)	-	-	(344,424)
Bookstore revenue	486,338	-	-	486,338
Contributions and bequests	623,840	3,688,856	332,504	4,645,200
Dividends and interest	9,307	4,672	209,641	223,620
Gain (loss) on securities - net	23,386	55	2,980,626	3,004,067
Unrealized gain (loss) on securities	-	5,229	3,022,203	3,027,432
Other revenue	1,923,569	-	-	1,923,569
Transfers between funds	471,930	-	(471,930)	-
<b>Total revenues, gains, and other support</b>	<b>17,183,353</b>	<b>3,698,812</b>	<b>6,073,044</b>	<b>26,955,209</b>
<b>Net assets released from restrictions</b>				
for capital asset expenditures	1,003,354	(984,321)	(19,033)	-
<b>Total net assets released from restrictions</b>	<b>1,003,354</b>	<b>(984,321)</b>	<b>(19,033)</b>	<b>-</b>
<b>Total revenues, gains, and other support</b>	<b>18,186,707</b>	<b>2,714,491</b>	<b>6,054,011</b>	<b>26,955,209</b>
<b>Cost of revenues:</b>				
Bookstore cost of revenue	355,258	-	-	355,258
Outsourcing cost of revenue	1,061,129	-	-	1,061,129
<b>Total cost of revenues</b>	<b>1,416,387</b>	<b>-</b>	<b>-</b>	<b>1,416,387</b>
<b>Gross margin</b>	<b>16,770,320</b>	<b>2,714,491</b>	<b>6,054,011</b>	<b>25,538,822</b>
<b>Expenses and losses:</b>				
<b>Program services:</b>				
Instruction	4,042,174	302,271	-	4,344,445
Library	546,179	500	-	546,679
Student services	387,277	25,690	-	412,967
Scholarships and student aid	1,851,456	1,454,911	391,466	3,697,833
Academy	2,048,553	131,228	-	2,179,781
Bookstore	149,962	-	-	149,962
Cafeteria	124,358	-	-	124,358
Housing	1,319,259	-	-	1,319,259
Advising	169,236	-	-	169,236
Athletics	854,969	8,883	-	863,852
<b>Total program services</b>	<b>11,493,423</b>	<b>1,923,483</b>	<b>391,466</b>	<b>13,808,372</b>
<b>Support services:</b>				
General administration	231,459	10,366	18,771	260,596
President & business office	835,172	56,504	-	891,676
Admissions and marketing	424,288	59,296	-	483,584
Financial aid	160,195	-	-	160,195
Institutional development	331,838	180,606	-	512,444
Alumni and public relations	163,355	13,285	-	176,640
Creative services	319,725	-	-	319,725
Computer services	914,319	-	-	914,319
Plant operations	1,870,855	(71,555)	-	1,799,300
<b>Total support services</b>	<b>5,251,206</b>	<b>248,502</b>	<b>18,771</b>	<b>5,518,479</b>
<b>Total expenses and losses</b>	<b>16,744,629</b>	<b>2,171,985</b>	<b>410,237</b>	<b>19,326,851</b>
<b>Total change in net assets</b>	<b>25,691</b>	<b>542,506</b>	<b>5,643,774</b>	<b>6,211,971</b>
<b>Net assets at beginning of year</b>	<b>16,797,778</b>	<b>7,030,806</b>	<b>26,406,205</b>	<b>50,234,789</b>
<b>Net asset adjustment for recognition of King Educational Fund</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets at end of year</b>	<b>\$ 16,823,469</b>	<b>\$ 7,573,312</b>	<b>\$ 32,049,979</b>	<b>\$ 56,446,760</b>

See independent auditors' report

The accompanying notes are an integral part of these financial statements

**FLORIDA COLLEGE, INC**  
**Statements of Activities**  
**Without Reclassification**  
**for the year ended May 31, 2020**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals 2020
<b>Revenues, gains, and other support:</b>				
Student tuition and fees	\$ 10,966,591	\$ -	\$ -	\$ 10,966,591
Residence hall rental revenue	1,837,515	-	-	1,837,515
Dining revenue	1,152,566	-	-	1,152,566
Less: discounts on tuition/room/board	(242,857)	-	-	(242,857)
Bookstore revenue	487,707	-	-	487,707
Contributions and bequests	416,005	3,028,195	1,168,184	4,612,384
Dividends and interest	7,939	29,144	309,040	346,123
Gain (loss) on securities - net	(1,552)	1	(217,930)	(219,481)
Unrealized gain (loss) on securities	-	7,030	644,910	651,940
Other revenue	1,216,652	-	-	1,216,652
Transfers between funds	1,421,652	(945,636)	(476,016)	-
<b>Total revenues, gains, and other support</b>	<b>17,262,218</b>	<b>2,118,734</b>	<b>1,428,188</b>	<b>20,809,140</b>
<b>Net assets released from restrictions</b> for capital asset expenditures	329,299	(329,299)	-	-
<b>Total net assets released from restrictions</b>	329,299	(329,299)	-	-
<b>Total revenues, gains, and other support</b>	<b>17,591,517</b>	<b>1,789,435</b>	<b>1,428,188</b>	<b>20,809,140</b>
<b>Cost of revenues:</b>				
Bookstore cost of revenue	350,280	-	-	350,280
Outsourcing cost of revenue	913,955	-	-	913,955
<b>Total cost of revenues</b>	<b>1,264,235</b>	<b>-</b>	<b>-</b>	<b>1,264,235</b>
<b>Gross margin</b>	<b>16,327,282</b>	<b>1,789,435</b>	<b>1,428,188</b>	<b>19,544,905</b>
<b>Expenses and losses:</b>				
<b>Program services:</b>				
Instruction	3,928,325	370,041	-	4,298,366
Library	323,568	457	-	324,025
Student services	301,879	17,126	-	319,005
Scholarships and student aid	2,063,976	1,538,267	418,403	4,020,646
Academy	1,925,186	1,369	1,679	1,928,234
Bookstore	128,246	-	-	128,246
Cafeteria	98,471	-	-	98,471
Housing	1,329,904	-	-	1,329,904
Advising	144,046	-	-	144,046
Athletics	881,489	3,879	-	885,368
<b>Total program services</b>	<b>11,125,090</b>	<b>1,931,139</b>	<b>420,082</b>	<b>13,476,311</b>
<b>Support services:</b>				
General administration	416,886	-	13,518	430,404
President & business office	986,450	40,545	-	1,026,995
Admissions and marketing	497,127	31,672	-	528,799
Financial aid	120,403	-	-	120,403
Institutional development	318,212	23,051	-	341,263
Alumni and public relations	65,187	7,203	-	72,390
Creative services	265,803	-	-	265,803
Computer services	909,869	1,016	-	910,885
Plant operations	2,168,015	157,226	25,513	2,350,754
<b>Total support services</b>	<b>5,747,952</b>	<b>260,713</b>	<b>39,031</b>	<b>6,047,696</b>
<b>Total expenses and losses</b>	<b>16,873,042</b>	<b>2,191,852</b>	<b>459,113</b>	<b>19,524,007</b>
<b>Total change in net assets</b>	<b>(545,760)</b>	<b>(402,417)</b>	<b>969,075</b>	<b>20,898</b>
<b>Net assets at beginning of year</b>	<b>17,343,538</b>	<b>7,433,223</b>	<b>21,526,322</b>	<b>46,303,083</b>
<b>Net asset adjustment for current year</b> recognition of King Educational Fund	-	-	3,910,808	3,910,808
<b>Net assets at end of year</b>	<b>\$ 16,797,778</b>	<b>\$ 7,030,806</b>	<b>\$ 26,406,205</b>	<b>\$ 50,234,789</b>

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The accompanying notes are an integral part of these financial statements

**FLORIDA COLLEGE, INC.**  
**Statement of Cash Flows**  
**Disaggregated with Interfund Activity**  
**for the year ended May 31, 2021**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2021
<b>Cash flows from operating activities:</b>				
Change in net assets	\$ 25,691	\$ 542,506	\$ 5,643,774	\$ 6,211,971
Adjustments to reconcile change in net assets to net cash used by operating activities:				
Amortization and depreciation	1,529,793	-	-	1,529,793
(Increase) decrease in accounts receivable-net	(142,098)	-	-	(142,098)
(Increase) decrease in pledges receivable	-	111,124	-	111,124
(Increase) decrease in Perkins notes receivable	-	-	38,249	38,249
(Increase) decrease in inventories	57,572	-	-	57,572
(Increase) decrease in prepaid assets	(185,087)	-	-	(185,087)
(Increase) decrease in interfund receivables	-	(614,909)	(97,674)	(712,583)
Increase (decrease) in accounts payable, accrued liabilities and student deposits	123,160	(30,375)	-	92,785
Increase (decrease) in assets held in trust for others	3,299	-	(75,873)	(72,574)
Increase (decrease) in deferred revenues	172,889	14,218	-	187,107
Increase (decrease) in interfund payables	712,583	-	-	712,583
(Gain)/loss on the disposal of fixed assets	281,573	-	-	281,573
(Gain)/loss on the sale of investments	(23,386)	(55)	(2,980,626)	(3,004,067)
Unrealized (gains)/losses on securities	-	(5,229)	(3,022,203)	(3,027,432)
Cash expended - restricted for capital expenditures	-	(984,321)	(19,033)	(1,003,354)
<b>Net change in cash from operating activities</b>	<b>2,555,989</b>	<b>(967,041)</b>	<b>(513,386)</b>	<b>1,075,562</b>
<b>Cash flows from investing activities:</b>				
(Purchases) of capital assets	(1,533,443)	-	-	(1,533,443)
Net (Purchases) of investments	-	(17,608)	(4,486,845)	(4,504,453)
Net Proceeds from sale of investments	200,291	328	5,243,579	5,444,198
<b>Net change in cash from investing activities</b>	<b>(1,333,152)</b>	<b>(17,280)</b>	<b>756,734</b>	<b>(593,698)</b>
<b>Cash flows from financing activities:</b>				
Proceeds from contributions restricted for:				
Capital expenditures	-	984,321	19,033	1,003,354
New Borrowings in notes payable	128,000	-	-	128,000
Payments (decrease) in notes payable	(279,827)	-	-	(279,827)
<b>Net change in cash from financing activities</b>	<b>(151,827)</b>	<b>984,321</b>	<b>19,033</b>	<b>851,527</b>
<b>Net change in cash and cash equivalents</b>	<b>1,071,010</b>	<b>-</b>	<b>262,381</b>	<b>1,333,391</b>
Cash and cash equivalents at beginning of year	3,101,714	-	103,810	3,205,524
<b>Cash and cash equivalents at end of year</b>	<b>\$ 4,172,724</b>	<b>\$ -</b>	<b>\$ 366,191</b>	<b>\$ 4,538,915</b>

See independent auditors' report  
The accompanying notes are an integral part of these financial statements

**FLORIDA COLLEGE, INC.**  
**Statement of Cash Flows**  
**Disaggregated with Interfund Activity**  
**for the year ended May 31, 2020**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2020
<b>Cash flows from operating activities:</b>				
Change in net assets	\$ (545,760)	\$ (402,417)	\$ 969,075	\$ 20,898
Adjustments to reconcile change in net assets to net cash used by operating activities:				
Amortization and depreciation	1,445,007	-	-	1,445,007
(Increase) decrease in accounts receivable	52,829	-	-	52,829
(Increase) decrease in pledges receivable	-	171,830	-	171,830
(Increase) decrease in Perkins notes receivable	-	-	70,890	70,890
(Increase) decrease in inventories	7,078	-	-	7,078
(Increase) decrease in prepaid assets	(21,389)	-	-	(21,389)
(Increase) decrease in interfund receivables	-	234,784	18,892	253,676
Increase (decrease) in accounts payable, accrued liabilities and student deposits	180,129	30,375	-	210,504
Increase (decrease) in assets held in trust for others	(30,877)	-	(125,216)	(156,093)
Increase (decrease) in deferred revenues	673,623	(7,228)	-	666,395
Increase (decrease) in interfund payables	(253,676)	-	-	(253,676)
(Gain)/loss on the disposal of fixed assets	302,546	-	-	302,546
(Gain)/loss on the sale of investments	(1,552)	(1)	217,930	216,377
Unrealized (gains)/losses on securities	-	(7,030)	(644,910)	(651,940)
Cash expended - restricted for capital expenditures	-	(329,299)	-	(329,299)
<b>Net change in cash from operating activities</b>	<b>1,807,958</b>	<b>(308,986)</b>	<b>506,661</b>	<b>2,005,633</b>
<b>Cash flows from investing activities:</b>				
(Purchases) of capital assets	(1,012,792)	-	-	(1,012,792)
Net (Purchases) of investments	(175,354)	(27,638)	(1,888,535)	(2,091,527)
Net Proceeds from sale of investments	-	7,325	1,294,856	1,302,181
<b>Net change in cash from investing activities</b>	<b>(1,188,146)</b>	<b>(20,313)</b>	<b>(593,679)</b>	<b>(1,802,138)</b>
<b>Cash flows from financing activities:</b>				
Proceeds from contributions restricted for:				
Capital expenditures	-	329,299	-	329,299
New Borrowings in notes payable	169,095	-	-	169,095
Payments (decrease) in notes payable	(230,897)	-	-	(230,897)
<b>Net change in cash from financing activities</b>	<b>(61,802)</b>	<b>329,299</b>	<b>-</b>	<b>267,497</b>
<b>Net change in cash and cash equivalents</b>	<b>558,010</b>	<b>-</b>	<b>(87,018)</b>	<b>470,992</b>
Cash and cash equivalents at beginning of year	2,543,704	-	190,828	2,734,532
<b>Cash and cash equivalents at end of year</b>	<b>\$ 3,101,714</b>	<b>\$ -</b>	<b>\$ 103,810</b>	<b>\$ 3,205,524</b>

See independent auditors' report

The accompanying notes are an integral part of these financial statements

**FLORIDA COLLEGE, INC.**  
**Financial Responsibility and Composite Score Supplemental Schedule**  
**as of May 31, 2021**

Financial Statement Reference	Description	Amounts	Calculation
<b>Primary Reserve Ratio Components</b>			
<b>Expendable Net Assets</b>			
Statements of Financial Position	Total unrestricted net assets EOY	16,823,469	+ 16,823,469
Statements of Financial Position	Total temporarily restricted net assets EOY	7,573,312	+ 7,573,312
Statements of Financial Position	Total permanently restricted net assets EOY	32,049,979	+ 32,049,979
N/A	Secured & Unsecured Related Party Receivable	0	
N/A	Unsecured Related Party Receivable	0	- 0
Statements of Financial Position	Property, Plant & Equip Net including leases	28,504,537	- (28,504,537)
Notes H, L, and Z	Property, Plant & Equipment - PreImplementation	27,065,599	
Notes H, L, and Z	Property, Plant & Equipment - Post w/Debt	173,579	
Notes H, L, and Z	Property, Plant & Equipment - Post w/o Debt	1,265,359	
N/A	Construction in Process	0	
N/A	Leases, Right -of -use Assets, Net	0	
N/A	Leases, Right -of -use Assets, Pre-Implementation	0	
N/A	Leases, Right -of -use Assets, Post-Implementation	0	
N/A	Goodwill - Intangible Assets	0	
N/A	Post-employment and pension liabilities	0	
Statements of Financial Position	Restricted Annuities	139,547	- (139,547)
N/A	Restricted Temporary Endowments	0	- 0
Statements of Financial Position	Net Assets - Restricted in Perpetuity	32,049,979	- (32,049,979)
Statements of Financial Position	Long-Term Debt Total	6,272,621	
Note K and Z	Long-Term Debt used for Fixed Assets - PreImplementation	6,104,047	+ 6,104,047
Note K and Z	Long-Term Debt NOT used for Fixed Assets - PreImplementation	0	
Note K and Z	Long-Term Debt used for Fixed Assets - Post-Implementation	0	+ 0
Note K and Z	Long-Term Debt NOT used for Fixed Assets - PostImplementation	0	
Note K and Z	Long-Term Debt used for Fixed Assets - Post-Implementation	168,574	+ 168,574
			<u>2,025,318</u>
<b>Total Unrestricted Expenses &amp; Losses</b>			
Statements of Activities	Total Unrestricted Expenses	19,326,851	+ 19,326,851
Statements of Activities	Total Cost of Revenues	1,416,387	+ 1,416,387
N/A	Non-Operating and Investment losses	0	+ 0
N/A	Pension Related changes	0	+ 0
			<u>20,743,238</u>

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**FLORIDA COLLEGE, INC.**  
**Financial Responsibility and Composite Score Supplemental Schedule**  
**as of May 31, 2021**

Financial Statement Reference	Description	Amounts	Calculation
<b>Equity Ratio Components</b>			
<b>Modified Net Assets</b>			
Statements of Financial Position	Unrestricted Net Assets	16,823,469	+ 16,823,469
Statements of Financial Position	Restricted Net Assets	39,623,291	+ 39,623,291
N/A	Goodwill / Intangible Assets	0	-
N/A	Unsecured Related Party Receivable	0	-
			<u>56,446,760</u>
<b>Modified Assets</b>			
Statements of Financial Position	Total Assets	65,793,061	+ 65,793,061
N/A	Goodwill / Intangible Assets	0	-
N/A	Unsecured Related Party Receivable	0	-
			<u>65,793,061</u>
<b>Net Income Ratio Components</b>			
Statements of Activities	Change in Unrestricted Net Assets	25,691	25,691
Statement of Activities	Total Revenues and Gains	20,768,929	<u>20,768,929</u>

**Financial Ratios and Composite Score Calculation**

**Calculations of Ratios**

Primary Reserve Ratio =	$\frac{\text{Expendable Net Assets } 2,025,318}{\text{Total Unrestricted Expenses \& Losses } 20,743,238}$	=	0.0976
Equity Ratio =	$\frac{\text{Modified Net Assets } 56,446,760}{\text{Modified Assets } 65,793,061}$	=	0.8579
Net Income Ratio =	$\frac{\text{Change in Unrestricted Net Assets } 25,691}{\text{Total Unrestricted Revenues \& Gains } 20,768,929}$	=	0.0012

**Calculations of Strength Factor Score**

>= 3, enter 3; <= -1, enter -1

Primary Reserve Strength Factor Score =	10 x Primary Reserve Ratio	10 x	0.0976 = 0.9760
Equity Strength Factor Score =	6 x Equity Strength Factor Score	6 x	0.8579 = 3.0000
Net Income Strength Factor Score =	1 + (25 x Negative Net Income Ratio) 1 + (50 x Positive Net Income Ratio)	1 + 1 +	0.0000 = 0.0000 0.0600 = 1.0600

**Calculations of Weighted Score**

Primary Reserve Weighted Score =	40% x Primary Reserve Strength Factor Score	40% x	0.9760 = 0.3904
Equity Weighted Score =	40% x Equity Strength Factor Score	40% x	3.0000 = 1.2000
Net Income Weighted Score =	20% x Net Income Strength Factor Score	20% x	1.0600 = 0.2120

**Composite Score**

Sum of All Weighted Scores	Primary Reserve Weighted Score	0.3904	
	Equity Weighted Score	1.2000	
	Net Income Weighted Score	0.2120	
	<b>Total</b>	<b>1.80</b>	

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The accompanying notes are an integral part of these financial statements



**FLORIDA COLLEGE, INC.**  
**Schedule of Expenditures of Federal Awards and State Financial Assistance**  
**For the Year Ended May 31, 2021**

**DEPARTMENT OF EDUCATION**

**STUDENT FINANCIAL ASSISTANCE CLUSTER**

**Federal Awards**

<u>Grants and Scholarships</u>	<u>CFDA Number</u>	<u>Expenditure</u>
Pell Grant	84.063	\$ 588,059
Federal Supplemental Educational Opportunity Grant	84.007	26,076
Federal Work Study	84.033	<u>17,459</u>
Total Student Grants:		\$ 631,594

<u>Student Loans:</u>	<u>CFDA Number</u>	<u>Dollar Amount</u>
Federal Direct Loans	84.268	1,609,636
Federal Direct Plus Loans	84.268	<u>1,501,634</u>
Total Student Loans:		\$ 3,111,270

Total Student Federal Awards and Student Loans	<u><u>\$ 3,742,864</u></u>
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<u>COVID-19 Federal Assistance</u>	<u>CFDA Number</u>	<u>Expenditure</u>
HEERF-Student Aid Portion	84.425E	\$ 445,256
HEERF-Institutional Portion	84.425F	321,128
HEERF-FIPSE	84.425N	<u>54,744</u>
Total Federal COVID-19 Awards		821,128

<b>Total Federal Awards</b>	<u><u>\$ 4,563,992</u></u>
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	<u>CSFA Number</u>	<u>Dollar Amount</u>
Bright Futures - 2020-2021	48.059	\$ 301,194
EASE - 2020-2021	48.064	377,860
FSAG - 2020-2021	48.054	<u>96,381</u>
<b>Total State Awards</b>		<u><u>\$ 775,435</u></u>

See independent auditor's report.  
The accompanying notes are an integral part of these financial statements.

FLORIDA COLLEGE, INC.  
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance  
May 31, 2021

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NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal and state award activity of Florida College, Inc. under programs of the federal (and Florida) governments for year ended May 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and chapter 10.650, Rules of the Auditor General of the state of Florida. Because the Schedule presents only a selected portion of the operations of Florida College, Inc, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Florida College, Inc.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and chapter 10.650, Rules of the Auditor General of the state of Florida.

NOTE C - INDIRECT COST RATE.

Florida College, Inc. has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

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 of  
Florida College, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Florida College, Inc. (a non-profit organization), which comprise the statements of financial position as of May 31, 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, and have issued our report thereon dated February 15, 2022.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Florida College, Inc.'s internal control over financial reporting (internal control) to determine 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 Florida College, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Florida College, 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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Florida College, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*.

We noted certain matters that we reported to the management of Florida College, Inc. in a separate letter dated February 15, 2022. See pages 43-44.

### **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 organization'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.



Tampa, Florida

February 15, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE  
AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL

To the Board of Directors of  
Florida College, Inc.

**Report on Compliance for Each Major Federal and State Program**

We have audited Florida College, Inc.'s compliance with the types of compliance requirements described in the OMB Compliance Supplement, and the requirements described in the Department of Financial Services' State Projects Compliance Supplement, that could have a direct and material effect on each of Florida College, Inc.'s major Federal and State programs for the year ended May 31, 2021. Florida College, Inc.'s major Federal and State programs are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs on page 39.

**Management Responsibility**

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions applicable to federal and state awards.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Florida College, Inc.'s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and Chapter 10.650, *Rules of the Auditor General*. Those standards, and the Uniform Guidance, and Chapter 10.650, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and/or state program occurred. An audit includes examining, on a test basis, evidence about Florida College, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of Florida College, Inc.'s compliance.

### **Opinion on Each Major Federal and State Program**

In our opinion, Florida College, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended May 31, 2021.

### **Report on Internal Control over Compliance**

Management of Florida College, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Florida College, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and/or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Florida College, Inc.'s internal control over compliance.

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

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

**Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.



Tampa, Florida

February 15, 2022

**FLORIDA COLLEGE, INC.**  
**Schedule of Findings and Questioned Costs -**  
**Federal Awards Programs and State Financial Assistance Projects**  
**Year Ended May 31, 2021**

**Part I – Summary of Auditors’ Results**

**Financial Statement Section**

Type of auditors’ report issued: Unmodified

**Internal control over financial reporting:**

\* Material weakness(es) identified?        yes   X   no

\* Significant deficiency(ies) identified not considered to be material weaknesses?        yes   X   no

Noncompliance material to financial statements noted?        yes   X   no

**Federal Awards and State Projects Section**

Dollar threshold used to determine between Type A/B programs?

\* Federal programs       \$750,000        
 \* State projects       Larger of \$100,000 or 30% of state projects      

Auditee qualified as low-risk auditee for federal purposes?   X   yes        no

Type of auditors’ report on compliance for major federal programs and state projects: Unmodified



**FLORIDA COLLEGE, INC.**  
**Schedule of Findings and Questioned Costs -**  
**Federal Awards Programs and State Financial Assistance Projects (continued)**  
**Year Ended May 31, 2021**

**Part I – Summary of Auditors’ Results (continued)**

**Federal Awards and State Projects Section (continued)**

Internal control over major programs:

\* Material weakness(es) identified?                           yes              X   no

\* Were significant deficiency(ies) identified  
 In our opinion not considered to be material                           yes              X   no  
 weakness(es)?

Any audit findings disclosed that are  
 required to be reported in accordance with  
 the Uniform Guidance and/or Chapter 10.650?                           yes              X   no

**IDENTIFICATION OF MAJOR FEDERAL PROGRAMS AND STATE PROJECTS:**

**FEDERAL PROGRAMS:**

CFDA Number(s)	Name of Program or Cluster
84.063, 84.007, 84.033, 84.268	U.S. Department of Education - Student Financial Assistance Cluster
84.425E, 84.425F, 84.425N	COVID-19/HEERF Program

**STATE PROGRAMS:**

CSFA Number(s)	Name of Program or Cluster
48.059	Florida Student Financial Assistance - Bright Futures
48.064	FEASE - Florida Effective Access to Student Education
48.054	FSAG - Florida Student Assistance Grant

**FLORIDA COLLEGE, INC.**  
**Schedule of Findings and Questioned Costs -**  
**Federal Awards Programs and State Financial Assistance Projects (continued)**  
**Year Ended May 31, 2021**

**Part II – Schedule of Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no financial statement findings required to be reported in accordance with *Government Auditing Standards*.

**Part III – Federal Award Findings and Questioned Costs**

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal programs, as required to be reported by the Uniform Guidance.

There were no findings required to be reported by the Uniform Guidance.

**Part IV – State Financial Assistance Project Findings and Questioned Costs**

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of state financial assistance projects, as required to be reported by Chapter 10.650 of the Rules of the Auditor General.

There were no findings required to be reported by Chapter 10.650 of the Rules of the Auditor General.

FLORIDA COLLEGE, INC.

State of Florida Student Financial Assistance Programs

Schedule of Populations, Samples Tested and Questioned Costs

For the Academic Year Beginning Fall 2020 and Ending Spring 2021

2020-2021 Academic Year

	<u>Award population</u>		<u>Award sample</u>				<u>Questioned Costs</u>			
	<u>Amount</u>	<u>Recipients</u>	<u>Amount</u>	<u>% of population amount</u>	<u>Recipients</u>	<u>% of population recipients</u>	<u>Amount</u>	<u>% of sample amount</u>	<u>Recipients</u>	<u>% of sample recipients</u>
Bright Futures - FAS	164,098	24	72,676	44%	10	42%	633	1%	1	10%
Bright Futures - Medallion	136,196	30	86,268	63%	20	67%	790	1%	3	15%
FL Effective Access to Student Education (FEASE)	377,860	140	82,390	22%	30	21%	-	0%	-	0%
FL Student Assistance Grant (FSAG)	96,381	48	22,316	23%	10	21%	-	0%	-	0%

**FLORIDA COLLEGE, INC.**  
**May 31, 2021**

**Schedule of Prior Audit Findings**

There were no findings reported last year for the year ending May 31, 2020.

7401 D Temple Terrace Hwy.  
Tampa, Florida 33637

(813) 988-9564

(800) 940-9564

Fax (813) 988-1815

alan@ageercpa.com

February 15, 2022

To the Senior Management and  
The Board of Directors of  
Florida College, Inc.

In planning and performing the single audit of the financial statements and federal and state awards of Florida College, Inc. for the year ended May 31, 2021, we noted certain matters that are presented for your consideration. Our comments and recommendations, which have been discussed with appropriate members of management, are intended to improve the internal control structure, result in improvement to compliance requirements, or to communicate other pertinent information to you.

#### FEDERAL FINDINGS

There are no significant findings this year.

#### STATE FINDINGS

Four students were over paid the Florida Bright Futures Awards for a total of \$1,423. See attached schedule for more details on the populations, samples, and questioned costs. This is the first time we have found questioned costs on this schedule in the ten years we have audited the college with this Financial Aid Director.

#### PRIOR YEAR FINDINGS AND RESOLUTION

There were no prior year findings.

CONCLUSION

Overall, the SFA office personnel are doing an excellent job with the many compliance requirements for both federal and state aid.

We wish to thank the student financial aid and business offices for their assistance during our audit.

This report is intended solely for the information and use of the Board of Directors, management, and others within the Organization.



Alan K. Geer, P.A.  
Tampa, Florida



February 15, 2022

Response to Management Letter

Florida College appreciates the service that Alan Geer, P.A. has provided in completing the Single Audit. This year, the College has been advised that there was an audit finding for state of Florida funding. Four students were overpaid in Bright Futures funding a total of \$1,423. Preparations are being made to send those funds back to the state. The overpayment was due to a Bright Futures reconciliation report not being run at the end of the 2020-2021 academic year.

The management plan to mitigate this risk in the future is to run the Bright Futures reconciliation report after the final day of classes in both the Fall and Spring semesters. This report will be compared to the registrar's report of hours earned for each student. If any student withdrawals were missed at the time of initial course drop, they will be identified through this comparison and appropriate funds can be returned to the state. This procedure was already in place and working well as evidenced by the fact that there have been no findings with state funds in the ten years that I have been here. This finding was a result of a one-time failure to run a comparison between the reconciliation report and final course enrollment numbers.

A handwritten signature in black ink, appearing to read "S. Blaylock", is positioned above the printed name.

Stephen Blaylock, MBA  
Florida College