

**THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**



**For the Years Ended June 30, 2020 and 2019**

**CARROLL and COMPANY**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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FREDERICK CARROLL III  
FOUNDER (RETIRED)

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of The Florida College System Foundation, Inc. (a non-profit organization) (the Foundation) which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the

To the Board of Directors  
The Florida College System Foundation, Inc.  
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entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Florida College System Foundation, Inc. as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of financial position by fund, activities by fund, and benefits to the college foundations on pages 24 – 28 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated February 25, 2021, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance

To the Board of Directors  
The Florida College System Foundation, Inc.  
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and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

*Carroll and Company*

February 25, 2021

**THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2020 and 2019**

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**2020**

***ASSETS***

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

***LIABILITIES AND NET ASSETS***

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

*See accompanying notes.*

**THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**  
**June 30, 2020 and 2019**

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**2019**

***ASSETS***

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 41,852	\$ 2,302,547	\$ 2,344,399
Accounts receivable, net	2,875	27,431	30,306
Grants receivable	-0-	300,067	300,067
Investments	<u>-0-</u>	<u>5,780,216</u>	<u>5,780,216</u>
TOTAL CURRENT ASSETS	<u>44,727</u>	<u>8,410,261</u>	<u>8,454,988</u>
<b>NONCURRENT ASSETS</b>			
Cash and cash equivalents restricted for endowment purposes	-0-	2,230	2,230
Investments restricted for endowment purposes	-0-	16,000,000	16,000,000
Equipment, net	<u>1,341</u>	<u>10,371</u>	<u>11,712</u>
TOTAL NONCURRENT ASSETS	<u>1,341</u>	<u>16,012,601</u>	<u>16,013,942</u>
TOTAL ASSETS	<u>\$ 46,068</u>	<u>\$24,422,862</u>	<u>\$24,468,930</u>

***LIABILITIES AND NET ASSETS***

<b>LIABILITIES</b>			
Accounts payable	\$ 2,255	\$ 21,414	\$ 23,669
Refundable advance	<u>-0-</u>	<u>25,000</u>	<u>25,000</u>
TOTAL LIABILITIES	<u>2,255</u>	<u>46,414</u>	<u>48,669</u>
NET ASSETS	<u>43,813</u>	<u>24,376,448</u>	<u>24,420,261</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 46,068</u>	<u>\$24,422,862</u>	<u>\$24,468,930</u>

See accompanying notes.

**THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.**  
**STATEMENTS OF ACTIVITIES**  
**For the Years Ended June 30, 2020 and 2019**

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**2020**

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

See accompanying notes.



**THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.**  
**STATEMENTS OF ACTIVITIES (CONTINUED)**  
**For the Years Ended June 30, 2020 and 2019**

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**2019**

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
<b>SUPPORT AND REVENUE</b>			
Grants	\$ -0-	\$ 281,931	\$ 281,931
In-kind contributions	152,255	27,193	179,448
Contributions	84,556	3,215	87,771
Seminar registration	17,807	-0-	17,807
Other income	1,617	46	1,663
Investment return, net	(373)	1,310,352	1,309,979
Net assets released from restrictions	<u>1,545,629</u>	<u>(1,545,629)</u>	<u>-0-</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<u>1,801,491</u>	<u>77,108</u>	<u>1,878,599</u>
<b>OPERATING EXPENSES</b>			
Program services:			
Helios First Generation			
Scholars program	483,329	-0-	483,329
Florida Blue Scholarship Program	395,379	-0-	395,379
Dream Makers program	153,469	-0-	153,469
Other programs	474,672	-0-	474,672
Supporting services:			
Management and general	<u>296,429</u>	<u>-0-</u>	<u>296,429</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>1,803,278</u>	<u>-0-</u>	<u>1,803,278</u>
<b>CHANGE IN NET ASSETS</b>	(1,787)	77,108	75,321
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>45,600</u>	<u>24,299,340</u>	<u>24,344,940</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 43,813</u>	<u>\$24,376,448</u>	<u>\$24,420,261</u>

*See accompanying notes.*

**THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**For the Years Ended June 30, 2020 and 2019**

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**2020**

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

*See accompanying notes.*

**THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)**  
**For the Years Ended June 30, 2020 and 2019**

**2019**

	<b><u>Program Services</u></b>				<b><u>Supporting Services</u></b>	
	<b><u>Helios First Generation Scholars Program</u></b>	<b><u>Florida Blue Scholarship Program</u></b>	<b><u>Dream Makers Program</u></b>	<b><u>Other Programs</u></b>	<b><u>Management &amp; General</u></b>	<b><u>Total</u></b>
Awards and recognition	\$ 483,329	\$ 395,379	\$ 153,469	\$ 208,917	\$ 33,498	\$ 1,274,592
In-kind	-0-	-0-	-0-	27,193	152,255	179,448
Payroll	-0-	-0-	-0-	75,823	-0-	75,823
Meetings and conferences	-0-	-0-	-0-	22,052	45,939	67,991
Consulting	-0-	-0-	-0-	39,240	2,105	41,345
Travel	-0-	-0-	-0-	30,486	10,695	41,181
Office expenses	-0-	-0-	-0-	22,434	14,763	37,197
Project and workgroups	-0-	-0-	-0-	32,161	-0-	32,161
Accounting and legal	-0-	-0-	-0-	-0-	22,147	22,147
Miscellaneous	-0-	-0-	-0-	6,545	5,170	11,715
Advertising	-0-	-0-	-0-	6,773	497	7,270
Communications	-0-	-0-	-0-	3,048	3,940	6,988
Seminars	-0-	-0-	-0-	-0-	3,903	3,903
Depreciation	-0-	-0-	-0-	-0-	1,517	1,517
	<u>\$ 483,329</u>	<u>\$ 395,379</u>	<u>\$ 153,469</u>	<u>\$ 474,672</u>	<u>\$ 296,429</u>	<u>\$ 1,803,278</u>

*See accompanying notes.*

**THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 65,441	\$ 75,321
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	3,729	1,517
Net realized and unrealized gains on investments	(841,972)	(882,744)
(Increase) decrease in:		
Accounts receivable, net	2,875	(5,306)
Grants receivable	-0-	366,967
Increase (decrease) in:		
Accounts payable	(20,920)	21,311
Refundable advance	<u>(25,000)</u>	<u>(60,000)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(815,847)</u>	<u>(482,934)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of equipment	(6,931)	(10,094)
Purchase of investments	(5,392,100)	(3,964,868)
Proceeds from sale of investments	5,119,584	4,849,381
Proceeds from maturity of investments	<u>459,000</u>	<u>-0-</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>179,553</u>	<u>874,419</u>
NET (DECREASE) INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(636,294)	391,485
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH BEGINNING OF YEAR	<u>2,346,629</u>	<u>1,955,144</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH END OF YEAR	<u>\$ 1,710,335</u>	<u>\$ 2,346,629</u>

*See accompanying notes.*

**THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

***Nature of the Organization***

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

***Basis of Accounting***

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

***Basis of Presentation***

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

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

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

***Cash, Cash Equivalents, and Restricted Cash***

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

**THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2020**

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 1,708,105	\$ 2,344,399
Cash and cash equivalents restricted for endowments	<u>2,230</u>	<u>2,230</u>
Total cash, cash equivalents and restricted cash	<u>\$ 1,710,335</u>	<u>\$ 2,346,629</u>

***Investments***

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

***Property and Equipment***

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

***Income Taxes***

The Foundation is a not-for-profit tax-exempt organization under Internal Revenue Code Section 501(c)(3), and has been classified as an organization that is not a private foundation under Section 509(a)(1). The Foundation is exempt from income taxes, except on net income derived from unrelated business activities. Accordingly, there is no provision for income taxes in these financial statements.

***Revenue and Revenue Recognition***

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

**THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2020**

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Restricted and Unrestricted Support and Revenue***

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

***In-kind Contributions***

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

***Advertising***

The Foundation expenses advertising costs as incurred. Advertising expense totaled \$-0- and \$7,270 for the years ended June 30, 2020 and 2019, respectively.

***Functional Allocation of Expenses***

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

***Estimates***

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

***Reclassifications***

Certain amounts in the 2019 financial statements have been reclassified to conform to the 2020 presentation.

**THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2020**

**NOTE B – INVESTMENTS**

Investments consist of highly diversified portfolios that include equities, bonds, and mutual funds administered by Capital City Trust Company and RBC Wealth Management. These investments are carried at fair value and consist of the following as of June 30, 2020 and 2019:

Description	2020			2019		
	Cost	Fair Market Value	Unrealized Appreciation (Depreciation)	Cost	Fair Market Value	Unrealized Appreciation (Depreciation)
Equities	\$ 9,248,191	\$ 16,509,047	\$ 7,260,856	\$ 9,350,713	\$ 15,940,769	\$ 6,590,056
Government and corporate bonds and mutual funds	6,015,661	5,926,657	(89,004)	5,872,518	5,839,447	(33,071)
<b>TOTAL</b>	<b>\$ 15,263,852</b>	<b>\$ 22,435,704</b>	<b>\$ 7,171,852</b>	<b>\$ 15,223,231</b>	<b>\$ 21,780,216</b>	<b>\$ 6,556,985</b>

Total investment return for the years ended June 30, 2020 and 2019 consists of the following:

	2020	2019
Investment income, net	\$ 556,398	\$ 427,235
Net realized gains on sale of investments	382,157	422,982
Net unrealized gains on investments	459,815	459,762
	<b>\$ 1,398,370</b>	<b>\$ 1,309,979</b>

For the years ended June 30, 2020 and 2019, investment expenses in the amount of \$171,698 and \$173,724, respectively, are netted against investment income.

**NOTE C – FAIR VALUE MEASUREMENTS**

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



**THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2020**

**NOTE C – FAIR VALUE MEASUREMENTS (Continued)**

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (or exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

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

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

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

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

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

The following table presents the financial instruments carried at fair value as of June 30, 2019:

	Level 1	Level 2	Level 3	Total
Equities and equity mutual funds	\$ 15,940,769	–	–	\$ 15,940,769
Government and corporate bonds	\$ 5,839,447	–	–	5,839,447
				<b>\$21,780,216</b>

**THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2020**

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**NOTE C – FAIR VALUE MEASUREMENTS (Continued)**

The fair value of cash and cash equivalents, accounts receivable, grants receivable, accounts payable, and refundable advance approximates carrying value, principally because of the short maturity of these assets and liabilities.

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

**NOTE D – PROPERTY AND EQUIPMENT**

Property and equipment included the following as of June 30, 2020 and 2019:

	<b>Estimated Useful Lives</b>	<b>2020</b>	<b>2019</b>
Property and equipment	5 – 7 years	\$ 33,315	\$ 26,384
Less: Accumulated depreciation		(18,401)	(14,672)
<b>PROPERTY AND EQUIPMENT, net</b>		<b>\$ 14,914</b>	<b>\$ 11,712</b>

**NOTE E – CONCENTRATIONS OF CREDIT RISK**

The Foundation maintains cash balances at two financial institutions and two investment firms. The demand deposit accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 as of June 30, 2020 and 2019. The Foundation’s uninsured bank balances amounted to \$110,697 and \$394,114 as of June 30, 2020 and 2019, respectively.

The investment firms utilized by the Foundation are members of the Securities Investors Protection Corporation, which provides protection up to \$500,000. As of June 30, 2020 and 2019, the Foundation’s uninsured cash balances held by investment firms totaled \$128,784 and \$523,279, respectively.

**NOTE F – NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by the donor. Amounts released during the years ended June 30, 2020 and 2019 are as follows:

**THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2020**

**NOTE F – NET ASSETS RELEASED FROM RESTRICTIONS (Continued)**

	2020	2019
Helios First Generation Scholars Fund	\$ 483,519	\$ 483,329
Florida Blue Scholarship Fund	410,218	395,379
Student Success Center Fund	317,921	261,041
Dream Makers Fund	159,620	153,469
Gates Convening Fund	37,653	18,795
Kidcare Fund	-0-	206,931
Other programs	-0-	26,685
	<b>\$ 1,408,931</b>	<b>\$ 1,545,629</b>

**NOTE G – NET ASSETS WITH TIME AND PURPOSE RESTRICTIONS**

Net assets with time and purpose restrictions of \$8,440,114 and \$8,374,218 as of June 30, 2020 and 2019, respectively, are restricted primarily for scholarship assistance.

**NOTE H – NET ASSETS PERPETUAL IN NATURE**

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

**NOTE I – ENDOWMENT FUNDS**

An endowed scholarship fund was established in 2004 with a contribution of \$2,500,000 from Florida Blue, formerly Blue Cross and Blue Shield of Florida, Inc. In 2005, the Foundation received matching funds from the State of Florida Dr. Philip Benjamin Matching Grant Program totaling \$2,500,000. The principal shall remain intact and is not subject to withdrawals. The investment return from the endowment is designated for scholarship assistance. The principal balance as of June 30, 2020 and 2019 totaled \$5,000,000.

The Dream Makers Endowment Fund was established in 1999 with an original contribution of \$1,000,000 from Bank of America, formerly NationsBank and matching funds of \$1,000,000 from the State of Florida. The principal shall remain intact and is not subject to withdrawals. The investment return from the endowment is designated for scholarship assistance. The principal balance as of June 30, 2020 and 2019 totaled \$2,000,000.

**THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2020**

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**NOTE I – ENDOWMENT FUNDS (Continued)**

A general endowment was established in 1994 with a contribution of \$2,230 from Florida Citrus Mutual. The principal shall remain intact and is not subject to withdrawals. The investment return from the endowment is designated for scholarship assistance. The principal balance as of June 30, 2020 and 2019 totaled \$2,230.

In December 2006, the Helios Education Foundation established an endowment fund with a contribution totaling \$4,500,000. During fiscal year 2008, the Foundation received a match totaling \$4,500,000 from the State of Florida Dr. Philip Benjamin Matching Grant Program. The principal is to remain intact and is not subject to withdrawals. The investment return from the endowment is designated for scholarship assistance. The principal balance as of June 30, 2020 and 2019 totaled \$9,000,000.

***Interpretation of Relevant Law***

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

***Endowment Net Asset Composition***

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

	<b><u>2020</u></b>	<b><u>2019</u></b>
With donor restrictions	<u>\$ 16,002,230</u>	<u>\$ 16,002,230</u>

***Changes in Endowment Net Assets***

Changes in endowment net assets during the years ended June 30, 2020 and 2019 were as follows:

	<b><u>2020</u></b>	<b><u>2019</u></b>
Balance at beginning of year	\$ 16,002,230	\$ 16,002,230
Investment return, net	-0-	-0-
Contributions	-0-	-0-
Appropriation of endowment assets for expenditure	-0-	-0-
Balance at end of year	<u>\$ 16,002,230</u>	<u>\$ 16,002,230</u>

***Endowment Spending Policy***

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

**THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2020**

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**NOTE I – ENDOWMENT FUNDS (Continued)**

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

***Endowment Investment Policy***

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

**NOTE J – LIQUIDITY AND AVAILABILITY**

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

	<b><u>2020</u></b>	<b><u>2019</u></b>
Cash and cash equivalents	\$ 1,708,105	\$ 2,344,399
Accounts receivable, net	27,431	30,306
Grants receivable	300,067	300,067
Investments	6,435,704	5,780,216
Cash and cash equivalents restricted for endowment purposes	2,230	2,230
Investments restricted for endowment purposes	<u>16,000,000</u>	<u>16,000,000</u>
Total Financial Assets	24,473,537	24,457,218
Less: Financial assets with donor-imposed restrictions:		
Perpetual in nature	(16,002,230)	(16,002,230)
Time and purpose restrictions	<u>(8,428,920)</u>	<u>(8,410,261)</u>
Total financial assets available to meet cash needs for general expenses within one year	<u>\$ 42,387</u>	<u>\$ 44,727</u>

**THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2020**

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**NOTE J – LIQUIDITY AND AVAILABILITY (Continued)**

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

**NOTE K – IN-KIND CONTRIBUTIONS**

During the years ended June 30, 2020 and 2019, the Foundation received donated services and office space from the Florida Department of Education of \$231,231 and \$179,448, respectively, that met the criteria for recognition in accordance with accounting principles generally accepted in the United States of America, and are therefore reflected in the accompanying financial statements.

**NOTE L – UNCOLLECTIBLE ACCOUNTS RECEIVABLE**

During the fiscal years ended June 30, 2016 and 2017, the Foundation acted as the fiscal agent on behalf of the Governor’s Office related to the “Degrees to Jobs Summit” that was held in May 2016. As the fiscal agent, at the direction of the Governor’s Office, the Foundation expended funds totaling \$172,967 for the event. As of June 30, 2017, the Foundation had received reimbursements totaling \$95,000, leaving a receivable balance of \$77,967 as of that date. In December 2017 and August 2018, the Foundation received additional reimbursements of \$10,000 and \$25,000, respectively. Collection of the remaining balance is uncertain. Accordingly, an allowance for uncollectible accounts in the amount of \$42,967 remains as of June 30, 2020 and 2019, respectively.

**NOTE M – UNCERTAIN TAX POSITIONS**

Management is not aware of any activities that would jeopardize the Foundation’s tax-exempt status, and believes it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements as of and for the years ended June 30, 2020 and 2019.

The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any tax periods. The Foundation believes it is no longer subject to income tax examinations for fiscal years ending prior to June 30, 2017.

**NOTE N – SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events through February 25, 2021, the date which the financial statements were available to be issued.

**THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2020**

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**NOTE N – SUBSEQUENT EVENTS (Continued)**

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

**NOTE O – CHANGE IN ACCOUNTING PRINCIPLE**

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

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which sets out to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of *Topic 958, Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The Foundation implemented ASU 2018-08 during the year ended June 30, 2020. The implementation of this standard had no effect on the Foundation's recognition of contribution revenues in these financial statements.

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

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Foundation implemented ASU 2016-14 during the year ended June 30, 2019, and adjusted the presentation of the financial statements accordingly.

**THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2020**

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**NOTE P – RECENT ACCOUNTING PRONOUNCEMENTS**

In November 2017, the FASB issued ASU 2017-14, *Income Statement – Reporting Comprehensive Income (Topic 220), Revenue Recognition (Topic 605), and Revenue from Contracts with Customers (Topic 606)*, which sets out to clarify the principles of recognizing revenue and to develop a common revenue standard. This ASU amends ASU 2014-09 and ASU 2015-14, which are not yet effective. The new standard will apply to entities that enter into contracts with customers to transfer goods or services, except for contracts that are within the scope of other standards. In June 2020, the FASB extended the effective implementation date of the ASU to fiscal years beginning after December 15, 2019. The Foundation is currently evaluating the impact of the adoption of ASU 2017-14 on its financial statements.

In August 2018, the FASB issued ASU 2018-13, *Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*. The update modifies the disclosure requirements for fair value measurements. ASU 2018-13 will be effective for the Foundation for fiscal years beginning after December 15, 2019. The Foundation is currently evaluating the impact of the adoption of ASU 2018-13 on its financial statements.



## **SUPPLEMENTARY INFORMATION**

**THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.**  
**SCHEDULES OF FINANCIAL POSITION BY FUND**  
**June 30, 2020 and 2019**

2020

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

**THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.**  
**SCHEDULES OF FINANCIAL POSITION BY FUND (CONTINUED)**  
**June 30, 2020 and 2019**

	<u>2019</u>												Total of All Funds
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions Purpose Restricted</u>						<u>With Donor Restrictions Perpetual in Nature</u>					
	Operating Fund	Florida Blue Scholarship Fund	Helios First Generation Scholars Fund	Dream Makers Fund	Gates Convening Fund	KidCare Fund	Student Success Center Fund	Other Funds	Helios First Generation Scholars Fund	Florida Blue Scholarship Fund	Dream Makers Fund	Florida Citrus Fund	
<b>CURRENT ASSETS</b>													
Cash and cash equivalents	\$ 41,852	\$ 515,099	\$ 1,038,219	\$ 345,613	\$ 56,205	\$ (27,431)	\$ 365,408	\$ 9,434	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 2,344,399
Accounts receivable, net	2,875	-0-	-0-	-0-	-0-	27,431	-0-	-0-	-0-	-0-	-0-	-0-	30,306
Grants receivable	-0-	-0-	-0-	-0-	-0-	-0-	300,067	-0-	-0-	-0-	-0-	-0-	300,067
Investments	-0-	3,814,132	552,790	1,413,294	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	5,780,216
<b>TOTAL CURRENT ASSETS</b>	<b>44,727</b>	<b>4,329,231</b>	<b>1,591,009</b>	<b>1,758,907</b>	<b>56,205</b>	<b>-0-</b>	<b>665,475</b>	<b>9,434</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>8,454,988</b>
<b>NONCURRENT ASSETS</b>													
Cash and cash equivalents restricted for endowment purposes	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,230	2,230
Investments restricted for endowment purposes	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	9,000,000	5,000,000	2,000,000	-0-	16,000,000
Equipment, net	1,341	-0-	-0-	-0-	-0-	-0-	10,371	-0-	-0-	-0-	-0-	-0-	11,712
<b>TOTAL NONCURRENT ASSETS</b>	<b>1,341</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>10,371</b>	<b>-0-</b>	<b>9,000,000</b>	<b>5,000,000</b>	<b>2,000,000</b>	<b>2,230</b>	<b>16,013,942</b>
<b>TOTAL ASSETS</b>	<b>\$ 46,068</b>	<b>\$ 4,329,231</b>	<b>\$ 1,591,009</b>	<b>\$ 1,758,907</b>	<b>\$ 56,205</b>	<b>\$ -0-</b>	<b>\$ 675,846</b>	<b>\$ 9,434</b>	<b>\$ 9,000,000</b>	<b>\$ 5,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 2,230</b>	<b>\$ 24,468,930</b>
<b>LIABILITIES</b>													
Accounts payable	\$ 2,255	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 21,414	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 23,669
Refundable advance	-0-	-0-	-0-	-0-	25,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	25,000
<b>TOTAL LIABILITIES</b>	<b>2,255</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>25,000</b>	<b>-0-</b>	<b>21,414</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>48,669</b>
<b>NET ASSETS</b>													
Without donor restrictions	43,813	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	43,813
With donor restrictions													
Time and purpose restrictions	-0-	4,329,231	1,591,009	1,758,907	31,205	-0-	654,432	9,434	-0-	-0-	-0-	-0-	8,374,218
Perpetual in nature	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	9,000,000	5,000,000	2,000,000	2,230	16,002,230
<b>TOTAL NET ASSETS</b>	<b>43,813</b>	<b>4,329,231</b>	<b>1,591,009</b>	<b>1,758,907</b>	<b>31,205</b>	<b>-0-</b>	<b>654,432</b>	<b>9,434</b>	<b>9,000,000</b>	<b>5,000,000</b>	<b>2,000,000</b>	<b>2,230</b>	<b>24,420,261</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 46,068</b>	<b>\$ 4,329,231</b>	<b>\$ 1,591,009</b>	<b>\$ 1,758,907</b>	<b>\$ 56,205</b>	<b>\$ -0-</b>	<b>\$ 675,846</b>	<b>\$ 9,434</b>	<b>\$ 9,000,000</b>	<b>\$ 5,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 2,230</b>	<b>\$ 24,468,930</b>

**THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.**  
**SCHEDULES OF ACTIVITIES BY FUND**  
**For the Years Ended June 30, 2020 and 2019**

2020

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

**THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.**  
**SCHEDULES OF ACTIVITIES BY FUND (CONTINUED)**  
For the Years Ended June 30, 2020 and 2019

	<u>2019</u>												Total of All Funds
	Without Donor Restrictions	With Donor Restrictions Purpose Restricted						With Donor Restrictions Perpetual in Nature					
	Operating Fund	Florida Blue Scholarship Fund	Helios First Generation Scholars Fund	Dream Makers Fund	Gates Convening Fund	KidCare Fund	Student Success Center Fund	Other Funds	Helios First Generation Scholars Fund	Florida Blue Scholarship Fund	Dream Makers Fund	Florida Citrus Fund	
SUPPORT AND REVENUE													
Grants	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 50,000	\$ 206,931	\$ -0-	\$ 25,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 281,931
In-kind contributions	152,255	-0-	-0-	-0-	-0-	-0-	27,193	-0-	-0-	-0-	-0-	-0-	179,448
Contributions	84,556	-0-	-0-	-0-	-0-	-0-	-0-	3,215	-0-	-0-	-0-	-0-	87,771
Seminar registration	17,807	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	17,807
Other income	1,617	46	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,663
Investment return, net	(373)	463,094	681,857	165,401	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,309,979
Net assets released from restrictions	<u>1,545,629</u>	<u>(395,379)</u>	<u>(483,329)</u>	<u>(153,469)</u>	<u>(18,795)</u>	<u>(206,931)</u>	<u>(261,041)</u>	<u>(26,685)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL SUPPORT AND REVENUE	<u>1,801,491</u>	<u>67,761</u>	<u>198,528</u>	<u>11,932</u>	<u>31,205</u>	<u>-0-</u>	<u>(233,848)</u>	<u>1,530</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,878,599</u>
OPERATING EXPENSES													
Awards and recognition	1,274,592	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,274,592
In-kind	179,448	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	179,448
Payroll	75,823	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	75,823
Meetings and conferences	67,991	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	67,991
Consulting	41,345	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	41,345
Travel	41,181	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	41,181
Office expenses	37,197	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	37,197
Project and workgroups	32,161	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	32,161
Accounting and legal	22,147	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	22,147
Miscellaneous	11,715	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	11,715
Advertising	7,270	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	7,270
Communications	6,988	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	6,988
Seminars	3,903	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	3,903
Depreciation	<u>1,517</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,517</u>
TOTAL OPERATING EXPENSES	<u>1,803,278</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,803,278</u>
CHANGE IN NET ASSETS	(1,787)	67,761	198,528	11,932	31,205	-0-	(233,848)	1,530	-0-	-0-	-0-	-0-	75,321
NET ASSETS, BEGINNING OF YEAR	<u>45,600</u>	<u>4,261,470</u>	<u>1,392,481</u>	<u>1,746,975</u>	<u>-0-</u>	<u>-0-</u>	<u>888,280</u>	<u>7,904</u>	<u>9,000,000</u>	<u>5,000,000</u>	<u>2,000,000</u>	<u>2,230</u>	<u>24,344,940</u>
NET ASSETS, END OF YEAR	<u>\$ 43,813</u>	<u>\$ 4,329,231</u>	<u>\$ 1,591,009</u>	<u>\$ 1,758,907</u>	<u>\$ 31,205</u>	<u>\$ -0-</u>	<u>\$ 654,432</u>	<u>\$ 9,434</u>	<u>\$ 9,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,230</u>	<u>\$ 24,420,261</u>

**THE FLORIDA COLLEGE SYSTEM FOUNDATION, INC.**  
**SCHEDULES OF BENEFITS TO THE COLLEGE FOUNDATIONS**  
**For the Years Ended June 30, 2020 and 2019**

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	<u>2020</u>	<u>2019</u>
Broward College	\$ 85,415	\$ 103,625
Chipola College	18,202	31,483
College of Central Florida	28,486	27,403
Daytona State College	37,958	53,855
Eastern Florida State College	36,115	34,088
Florida Gateway College	20,693	20,190
Florida Keys Community College	17,976	31,604
Florida Southwestern State College	37,857	35,321
Florida State College at Jacksonville	46,040	64,906
Gulf Coast State College	23,940	47,426
Hillsborough Community College	51,784	51,868
Indian River State College	36,576	35,516
Lake – Sumter State College	20,989	19,676
Miami Dade College	101,357	113,356
North Florida Community College	19,017	17,715
Northwest Florida State College	21,000	20,347
Palm Beach State College	53,682	48,736
Pasco – Hernando State College	32,507	31,901
Pensacola State College	29,483	42,220
Polk State College	30,540	41,208
Santa Fe College	32,258	31,886
Seminole State College of Florida	41,951	52,960
South Florida State College	20,374	33,598
St. Johns River State College	24,390	24,055
St. Petersburg College	54,776	70,015
State College of Florida, Manatee – Sarasota	28,377	28,070
Tallahassee Community College	31,911	46,959
Valencia College	<u>71,077</u>	<u>83,121</u>
	<u>\$ 1,054,731</u>	<u>\$ 1,243,108</u>

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

**CARROLL and COMPANY**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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FREDERICK CARROLL III  
FOUNDER (RETIRED)

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Florida College System Foundation, Inc. (a non-profit organization) (the Foundation), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 25, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) 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 the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

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



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

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

### **Compliance and Other Matters**

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

### **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.

*Carroll and Company*

February 25, 2021