

Stanley G. Tate
Florida Prepaid College Foundation, Inc.

FINANCIAL STATEMENTS

June 30, 2021



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Stanley G. Tate
Florida Prepaid College Foundation, Inc.
Table of Contents
June 30, 2021

	Page
REPORT	
Independent Auditors' Report	1
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7
REQUIRED COMMUNICATIONS	
Required Communications	14
Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality	19
Summary of Audit Adjustments	20
Management Representation Letter	21
INTERNAL CONTROL RECOMMENDATIONS	
Internal Control Findings	24



REPORT





INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Stanley G. Tate Florida Prepaid College Foundation, Inc. (a not-for-profit organization incorporated in the State of Florida), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Stanley G. Tate Florida Prepaid College Foundation, Inc. as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America

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

CARR, RIGGS & INGRAM, LLC

Tallahassee, Florida
December 22, 2021



FINANCIAL STATEMENTS

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

June 30, 2021	Unrestricted General Operating	Scholarship Matching Program	Other Programs	Total All Funds
Assets				
Current assets				
Cash and cash equivalents	\$ 44,484	\$ -	\$ -	\$ 44,484
Accounts receivable	-	-	15,000	15,000
Investments	146,732	-	-	146,732
Due from other funds	3,080,091	16,131,721	26,252,356	45,464,168
Total assets	\$ 3,271,307	\$ 16,131,721	\$ 26,267,356	\$ 45,670,384
Liabilities and Net Assets				
Current liabilities				
Accounts payable	\$ 10,000	\$ -	\$ -	\$ 10,000
Due to other funds	99,673	-	-	99,673
Due to beneficiaries	-	16,131,721	26,237,056	42,368,777
Total liabilities	109,673	16,131,721	26,237,056	42,478,450
Net assets				
Net assets without donor restrictions	3,161,634	-	-	3,161,634
Net assets with donor restrictions	-	-	30,300	30,300
Total net assets	3,161,634	-	30,300	3,191,934
Total liabilities and net assets	\$ 3,271,307	\$ 16,131,721	\$ 26,267,356	\$ 45,670,384

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

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

<i>For the year ended June 30, 2021</i>	Unrestricted General Operating	Scholarship Matching Program	Other Programs	Total All Funds
Revenues and other support				
Investment income	\$ 901,323	\$ -	\$ -	\$ 901,323
Contributed salaries and services	622,000	-	-	622,000
Administration fees	141,120	-	-	141,120
Donations	14,059	-	30,300	44,359
Total revenues and other support	1,678,502	-	30,300	1,708,802
Expenses				
Program services - scholarships	112,364	-	-	112,364
Supporting services - general and administrative	821,365	-	-	821,365
Total expenses	933,729	-	-	933,729
Change in net assets	744,773	-	30,300	775,073
Net assets, beginning of year	2,416,861	-	-	2,416,861
Net assets, end of year	\$ 3,161,634	\$ -	\$ 30,300	\$ 3,191,934

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

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

<i>For the year ended June 30, 2021</i>	<u>Program Services</u>	<u>Supporting Services</u>	Total
	Scholarships	General and Adminstrative	
Contributed salaries and services	\$ -	\$ 622,000	\$ 622,000
Scholarships	112,364	-	112,364
Marketing agent	-	67,974	67,974
Legal/court reporting	-	60,225	60,225
Consulting	-	37,039	37,039
Other changes and obligations	-	26,808	26,808
Travel	-	6,515	6,515
Freight	-	509	509
Banking charges	-	295	295
Total expenses	\$ 112,364	\$ 821,365	\$ 933,729

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

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

<i>For the year ended June 30, 2021</i>	Unrestricted General Operating	Scholarship Matching Program	Other Programs	Total All Funds
Cash flows from operating activities				
Change in net assets	\$ 744,773	\$ -	\$ 30,300	\$ 775,073
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:				
(Increase) decrease in:				
Accounts receivable	-	-	(15,000)	(15,000)
Due from other funds	(854,871)	2,380,024	(18,122,221)	(16,597,068)
Increase (decrease) in:				
Accounts payable	3,299	-	-	3,299
Due to other funds	(203,698)	-	-	(203,698)
Due to beneficiaries	-	(2,380,024)	9,877,274	7,497,250
Net cash provided by (used in) operating activities	(310,497)	-	(8,229,647)	(8,540,144)
Cash flows from investing activities				
Net change in investments	162,588	-	8,229,647	8,392,235
Net cash provided by (used in) investing activities	162,588	-	8,229,647	8,392,235
Net change in cash and cash equivalents	(147,909)	-	-	(147,909)
Cash and cash equivalents, beginning of year	192,393	-	-	192,393
Cash and cash equivalents, end of year	\$ 44,484	\$ -	\$ -	\$ 44,484

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

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

Note 1: DESCRIPTION OF THE ORGANIZATION

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Cash and Cash Equivalents

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

Investments

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

Net Assets

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets (Continued)

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

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity. Net assets with donor restrictions include funds related to the Path to Prosperity program. Under this program, donors are able to contribute funds to be matched by the Foundation to purchase scholarships for economically disadvantaged students who live in an area with the highest incidents of poverty in Florida.

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

Revenue Recognition

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

Contributed Salaries and Services

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

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

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 22, 2021, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The guidance in this ASU and its amendments supersedes the leasing guidance in Topic 840, entitled Leases. Under the guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. For nonpublic entities, the standard is effective for fiscal years beginning after December 15, 2020. Early adoption is permitted. The Foundation is currently evaluating the impact of the guidance on its financial statements.

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

Note 3: FINANCIAL ASSET AVAILABILITY

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

Cash and cash equivalents	\$	44,484
Accounts receivable		15,000
Investments		146,732
Due from other funds		45,464,168
<hr/>		
Financial assets at year-end		45,670,384
Less those financial assets unavailable for general expenditures within one year, due to:		
Held for Scholarship Matching Program		16,131,721
Held for other programs		26,237,056
Restricted by donors for other programs		30,300
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Financial assets available to meet cash needs for general expenditure within one year	\$	3,271,307
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Note 4: DUE TO BENEFICIARIES

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

Balance, June 30, 2020	\$	34,871,527
Donations		26,988,795
Payments on behalf of donors		(19,491,545)
Balance, June 30, 2021	\$	42,368,777
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Stanley G. Tate
Florida Prepaid College Foundation, Inc.
Notes to Financial Statements

Note 5: REVENUE

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

The Foundation had no contract assets or liabilities at the beginning or end of the year ended June 30, 2021.

Disaggregated Revenue

A summary of disaggregated revenue information follows:

For the year ended June 30, 2021

Revenue related to contracts with customers - point in time	
Administration fees	\$ 141,120
Non-contract revenue and support	
Investment income	901,323
Contributed salaries and services	622,000
Donations	44,359
Total revenue and other support	\$ 1,708,802

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

Note 6: RELATED-PARTY TRANSACTIONS

The Foundation purchases Florida Prepaid College Plans on behalf of selected scholarship recipients. Florida Prepaid College Plans at a cost of \$19,490,265 were purchased during the year ended June 30, 2021. In accordance with 1009.983(5), Florida Statutes, the chair of the Florida Prepaid College Board serves on the Board of Directors of the Foundation.

The Florida Prepaid College Board provides certain administrative expenses to the Foundation under a contractual agreement expiring December 2021. For the year ended June 30, 2021, contributed salaries and services were valued at \$622,000.

Amounts due from the Florida Prepaid College Board total \$45,464,168, and amounts due to the Florida Prepaid College Board totaled \$99,673, as of June 30, 2021.

Note 7: INCOME TAXES

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

The Foundation follows accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30, 2021, the Foundation has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements. Management and legal counsel determined federal income tax returns were not required to be filed.

Note 8: CONCENTRATION OF CREDIT RISK

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Foundation's deposits may not be returned to them. Cash deposits consisted of interest bearing demand accounts at one financial institution which is entirely insured by collateral pursuant to The Florida Security for Public Deposits Act (the Act). The Act establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the Foundation's deposits in qualified public depositories are totally insured. The Foundation had no cash or cash equivalents held outside of qualified public depositories at June 30, 2021.

At June 30, 2021, the Foundation also had \$146,732 on deposit with the Florida State Board of Administration held in the Florida PRIME account, shown as investments and restricted investments on the face of the financial statements. Florida PRIME represents a pool of investments whereby the Foundation owns a share of the respective pool, not the underlying securities. Cost approximates fair market value. While Florida PRIME is not registered under the 1940 Act or regulated by the SEC, the Foundation believes the credit risk related to these balances is minimal. The Florida PRIME is rated by Standard and Poor's as AAAM, and provides the Foundation with daily liquidity.

Note 9: RISKS AND UNCERTANTIES

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



REQUIRED COMMUNICATIONS

Stanley G. Tate
Florida Prepaid College Foundation, Inc.
Required Communications

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

- Perform audit services, as requested by the Board of Directors, in accordance with auditing standards generally accepted in the United States of America, in order to express an opinion on the Foundation's financial statements for the year ended June 30, 2021;
- Communicate directly with the Board of Directors and management regarding the results of our procedures;
- Address with the Board of Directors and management any accounting and financial reporting issues;
- Anticipate and respond to concerns of the Board of Directors and management; and
- Other audit-related projects as they arise and upon request.

Stanley G. Tate
Florida Prepaid College Foundation, Inc.
Required Communications

We have audited the financial statements of Stanley G. Tate Florida Prepaid College Foundation, Inc. for the year ended June 30, 2021, and have issued our report thereon dated December 22, 2021. Professional standards require that we provide you with the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p>Auditors' responsibility under Generally Accepted Auditing Standards</p>	<p>As stated in our engagement letter dated August 3, 2021, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP). Our audit of the financial statements does not relieve you or management of your responsibilities.</p> <p>As part of our audit, we considered the internal control of the Foundation. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.</p>
<p>Client's responsibility</p>	<p>Management, with oversight from those charged with governance, is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with the applicable framework. Management is responsible for the design and implementation of programs and controls to prevent and detect fraud.</p>
<p>Planned scope and timing of the audit</p>	<p>Our initial audit plan was not significantly altered during our fieldwork.</p>
<p>Management judgments and accounting estimates <i>The process used by management in forming particularly sensitive accounting estimates and the basis for the auditors' conclusion regarding the reasonableness of those estimates.</i></p>	<p>Please see the following section titled "Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality."</p>
<p>Potential effect on the financial statements of any significant risks and exposures <i>Major risks and exposures facing the Foundation and how they are disclosed.</i></p>	<p>No such risks or exposures were noted.</p>

Stanley G. Tate
Florida Prepaid College Foundation, Inc.
Required Communications

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p>Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the auditors' judgment about the quality of accounting principles</p> <ul style="list-style-type: none"> • <i>The initial selection of and changes in significant accounting policies or their application; methods used to account for significant unusual transactions; and effect of significant policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</i> • <i>The auditor should also discuss the auditors' judgment about the quality, not just the acceptability, of the Foundation's accounting policies as applied in its financial reporting. The discussion should include such matters as consistency of accounting policies and their application, and clarity and completeness of the financial statements, including disclosures. Critical accounting policies and practices applied by the Foundation in its financial statements and our assessment of management's disclosures regarding such policies and practices (including any significant modifications to such disclosures proposed by us but rejected by management), the reasons why certain policies and practices are or are not considered critical, and how current and anticipated future events impact those determinations;</i> • <i>Alternative treatments within GAAP for accounting policies and practices related to material items, including recognition, measurement, presentation and disclosure alternatives, that have been discussed with client management during the current audit period, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the auditor. Furthermore, if the accounting policy selected by management is not the policy preferred by us, discuss the reasons why management selected that policy, the policy preferred by us, and the reason we preferred the other policy.</i> 	<p>Please see Note 2 in the Notes to Financial Statements.</p>

Stanley G. Tate
Florida Prepaid College Foundation, Inc.
Required Communications

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

Stanley G. Tate
Florida Prepaid College Foundation, Inc.
Required Communications

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

Stanley G. Tate
Florida Prepaid College Foundation, Inc.
Accounting Policies, Judgments and Sensitive Estimates &
CRI Comments on Quality

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

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

Stanley G. Tate
Florida Prepaid College Foundation, Inc.
Summary of Audit Adjustments

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

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

QUALITATIVE MATERIALITY CONSIDERATIONS

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

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

Stanley G. Tate
Florida Prepaid College Foundation, Inc.
Management Representation Letter



The Honorable John D. Rood
Chairman

Adria D. Starkey
Vice Chair
FineMark National
Bank & Trust

Mark Agustin
HealthEdge Investment
Partners, LLC

Slater Bayliss
The Advocacy Group at
Cardenas Partners

Kathy Hebda
Florida College System

W. Radford Lovett II
Lovett Miller & Co.

Troy Miller
State University System

Kevin Thompson
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December 22, 2021

Carr, Riggs & Ingram, LLC
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Tallahassee, Florida 32308

This representation letter is provided in connection with your audit of the financial statements of Stanley G. Tate Florida Prepaid College Foundation, Inc., which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

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

We confirm, to the best of our knowledge and belief, as of December 22, 2021 the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated August 3, 2021, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

Stanley G. Tate
Florida Prepaid College Foundation, Inc.
Management Representation Letter



- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Significant estimates and material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the Organization is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the Organization and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements communicated by employees, former employees, grantors, regulators, or others.
- 16) We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessment whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the names of all of the Organization's related parties and all the related-party relationships and transactions, including any side agreements.
- 19) The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 20) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 21) Stanley G. Tate Florida Prepaid College Foundation, Inc. is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize

Stanley G. Tate
Florida Prepaid College Foundation, Inc.
Management Representation Letter



the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.

- 22) In regard to the financial statement preparation services performed by you, we have—
- a) Assumed all management responsibilities.
 - b) Designated Angie Robertson, Director of Accounting and Risk Management who has suitable skill, knowledge, or experience to oversee the services.
 - c) Evaluated the adequacy and results of the services performed.
 - d) Accepted responsibility for the results of the services.

Thompson_Kevin
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Digitally signed by
Thompson_Kevin
Date: 2021.12.22 08:36:28 -05'00'

Kevin Thompson
Executive Director

Robertson_Angie
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Robertson_Angie
Date: 2021.12.22 06:49:30 -05'00'

Angie Robertson
Dir. of Accounting and Risk Management



**INTERNAL CONTROL
RECOMMENDATIONS**

Internal Control Findings

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

In planning and performing our audit of the financial statements of the Stanley G. Tate Florida Prepaid College Foundation, Inc. as of and for the year ended June 30, 2021 in accordance with auditing standards generally accepted in the United States of America, we considered the Stanley G. Tate Florida Prepaid College Foundation, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Stanley G. Tate Florida Prepaid College Foundation, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Stanley G. Tate Florida Prepaid College Foundation, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

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

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

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

CARR, RIGGS & INGRAM, LLC

Tallahassee, Florida
December 22, 2021