

FLORIDA COLLEGE, INC.
INDEX TO SINGLE AUDIT FINANCIAL STATEMENTS AND REPORTS
May 31, 2024

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7401 D Temple Terrace Hwy
Tampa, Florida 33637

INDEPENDENT AUDITOR'S REPORT

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

(813)988-9564
(800)940-9464
Fax (813)988-1815
alan@ageercpa.com

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Florida College, Inc. (a nonprofit organization), which comprise the statements of financial position as of May 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Florida College, Inc. as of May 31, 2024 and 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Florida College, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Florida College, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Governmental Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Governmental Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Florida College, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Florida College, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards (on page 31), as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.650, *Rules of the Auditor General of the state of Florida*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our reports dated February 19, 2025, on our consideration of Florida College, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of those reports is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Florida College, Inc.'s internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Florida College, Inc.'s internal control over financial reporting and compliance.

Alan K. Geer, P.A.

Tampa, Florida
February 19, 2025

FLORIDA COLLEGE, INC.
Statements of Financial Position
as of May 31, 2024 and 2023

	2024	2023
Assets:		
Cash and cash equivalents	\$ 5,681,061	\$ 3,778,162
Accounts receivable (net)	400,826	487,070
Pledges receivable	8,226,021	8,099,939
Prepaid expenses and deposits	685,415	614,294
Inventories	242,957	233,380
Investments: Securities	29,083,061	28,104,346
Notes receivable- Perkins student loans	60,036	79,944
Land and fixed assets (net)	32,542,122	33,404,498
Total assets	76,921,499	74,801,633
Liabilities and net assets:		
Liabilities		
Accounts payable	374,564	561,188
Student prepayments and deposits	131,917	212,106
Accrued liabilities and other payables	1,032,110	1,002,911
Current portion of right-of-use liability	114,742	80,896
Current portion of long-term debt	240,369	199,711
Assets held in trust for agencies	151,597	177,852
Deferred revenue	419,624	314,946
Operating leases- right-of-use liability net of current portion	188,831	179,049
Financing leases- right-of-use liability net of current portion	-	-
Long-term debt (net of current portion)	5,227,126	5,468,679
Total liabilities	7,880,880	8,197,338
Net assets		
Without donor restrictions	22,899,320	23,105,567
With donor restrictions:		
Temporarily restricted	15,000,437	13,431,697
Permanently restricted	31,140,862	30,067,031
Total with donor restrictions	46,141,299	43,498,728
Total net assets	69,040,619	66,604,295
Total liabilities and net assets	\$ 76,921,499	\$ 74,801,633

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

FLORIDA COLLEGE, INC.
Statements of Activities
for the year ended May 31, 2024
with comparative totals for the year ended May 31, 2023

	Without Donor Restrictions	With Donor Restrictions	With Donor Restrictions in Perpetuity	Totals 2024	Totals 2023
Revenues, gains, and other support:					
Student tuition, fees, room and board (net)	\$ 19,230,083	\$ -	\$ -	\$ 19,230,083	\$ 17,045,627
Bookstore revenue	629,912	-	-	629,912	598,789
Contributions and bequests	1,329,652	4,939,209	891,206	7,160,067	15,701,629
Dividends and interest	-	-	1,117,267	1,117,267	305,380
Gain (loss) sale of securities - net	(225)	1,645	2,013,715	2,015,035	(76,870)
Unrealized gain (loss) on securities	-	-	134,268	134,268	(527,302)
Gain on Sale of Property	-	-	-	-	-
Other revenue	148,667	-	-	148,667	81,045
Transfers between funds	1,164,078	1,347,442	(2,511,520)	-	-
Total revenues, gains, and other support	22,502,167	8,288,196	1,644,936	30,435,299	33,108,298
Net assets released from restrictions					
For satisfaction of program restrictions	4,483,660	(3,912,575)	(571,105)	-	-
For capital asset expenditures	806,881	(806,881)	-	-	-
Total net assets released from restrictions	5,290,561	(4,719,456)	(571,105)	-	-
Total revenues, gains, and other support	27,792,728	1,568,740	1,073,831	30,435,299	33,108,298
Cost of revenues:					
Bookstore cost of revenue	423,553	-	-	423,553	455,583
Outsourcing cost of revenue	1,804,588	-	-	1,804,588	1,712,013
Total cost of revenues	2,328,141	-	-	2,328,141	2,167,596
Gross margin	25,464,587	1,568,740	1,073,831	28,107,158	30,940,702
Expenses and losses:					
Program services:					
Instruction	5,954,321	-	-	5,954,321	5,860,628
Library	415,851	-	-	415,851	437,284
Student services	506,354	-	-	506,354	540,776
Scholarships and student aid	4,482,288	-	-	4,482,288	4,240,529
Academy	3,572,913	-	-	3,572,913	3,405,452
Bookstore	178,006	-	-	178,006	167,978
Cafeteria	110,214	-	-	110,214	168,458
Housing	1,490,104	-	-	1,490,104	1,440,040
Advising	276,745	-	-	276,745	264,109
Athletics	805,519	-	-	805,519	929,214
Total program services	17,794,313	-	-	17,794,313	17,655,434
Support services:					
General administration	480,781	-	-	480,781	383,799
President & business office	1,064,220	-	-	1,064,220	1,461,240
Admissions and marketing	883,839	-	-	883,839	888,840
Financial aid	191,367	-	-	191,367	324,815
Institutional development	829,516	-	-	829,516	756,252
Alumni and public relations	382,929	-	-	382,929	390,945
Creative services	425,314	-	-	425,314	578,956
Computer services	1,228,003	-	-	1,228,003	1,448,484
Plant operations	2,402,552	-	-	2,402,552	2,153,573
Total support services	7,876,521	-	-	7,876,521	8,186,804
Total expenses and losses	25,670,834	-	-	25,670,834	26,742,338
Total change in net assets	(206,247)	1,568,740	1,073,831	2,436,324	5,188,364
Net assets at beginning of year	23,105,567	13,431,897	30,087,031	66,804,295	61,405,931
Net assets at end of year	\$ 22,899,320	\$ 15,000,437	\$ 31,140,862	\$ 69,040,619	\$ 66,604,295

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

FLORIDA COLLEGE, INC.
Statements of Functional Expenses
for the year ended May 31, 2024
with comparative totals for the year ended May 31, 2023

	Program Services			Support Services			Totals	
	College	Academy	Total Program Services	Management & General	Fundraising	Total Support Services	2024	2023
Scholarships & Student Aid	\$ 4,482,286	\$ 110,576	\$ 4,592,862	\$ 9,200.00	\$ -	\$ 9,200.00	\$ 4,602,062	\$ 4,402,068
Salaries & Wages	4,543,190	1,621,541	6,164,731	2,367,540	456,783	2,824,323	8,989,054	8,993,945
Retirement plan contributions	87,366	27,802	115,168	93,007	10,479	103,486	218,654	248,998
Other Employee Benefits	829,002	304,982	1,133,984	339,047	58,098	397,145	1,531,129	1,471,054
Payroll Taxes	342,214	129,485	471,699	162,110	36,395	198,505	670,204	647,033
Professional services	1,104	180,516	181,620	360,988	106,582	467,570	649,190	435,565
Investment Expense	-	-	-	31,529	-	31,529	31,529	25,081
Public relations, travel, tours & chorus	147,517	16,366	163,883	246,480	112,378	358,858	522,741	507,882
Supplies & office expenses	42,769	6,487	49,256	22,050	2,670	24,720	73,976	184,366
Telecommunication & information tech	110,559	12,393	122,952	311,007	90	311,097	434,049	783,728
Printing, publications & shipping	4,190	9,701	13,891	76,394	14,751	91,145	105,036	133,207
Equipment rental & maintenance	18,632	65,878	84,510	95,835	-	95,835	180,345	485,827
Utilities	486,742	18,323	505,065	217,832	-	217,832	722,897	697,884
On campus events	190,682	5,870	196,552	44,703	904	45,607	242,159	314,590
Conferences & professional development	289,318	2,649	291,967	7,961	-	7,961	299,928	360,646
Interest	256,581	8,435	265,016	12,403	-	12,403	277,419	273,381
Depreciation	625,281	111,400	736,681	1,189,088	1,073	1,190,161	1,926,842	1,679,434
Insurance	439,070	48,001	487,071	143,378	-	143,378	630,449	484,701
Athletics	358,411	61,475	419,886	-	-	-	419,886	584,720
Instructional	623,184	97,000	720,184	33,607	-	33,607	753,791	230,533
Maintenance & Security	28,152	416,178	444,330	828,963	-	828,963	1,273,293	1,689,408
Periodicals, subscriptions & books	137,219	18,633	155,852	-	169	169	156,021	147,957
Bad Debt Expense	-	52,547	52,547	42,779	-	42,779	95,326	60,547
Miscellaneous	177,931	246,675	424,606	411,104	29,144	440,248	864,854	899,783
	<u>\$ 14,221,400</u>	<u>\$ 3,572,913</u>	<u>\$ 17,794,313</u>	<u>\$ 7,047,005</u>	<u>\$ 829,516</u>	<u>\$ 7,876,521</u>	<u>\$ 25,670,834</u>	<u>\$ 25,742,338</u>

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

FLORIDA COLLEGE, INC.
Statements of Cash Flows
for the years ended May 31, 2024 and 2023

	<u>Total 2024</u>	<u>Total 2023</u>
Cash flows from operating activities:		
Change in net assets	\$ 2,436,324	\$ 5,198,364
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Amortization and depreciation	1,926,842	1,679,434
(Increase) decrease in accounts receivable	86,244	33,173
(Increase) decrease in pledges receivable	(126,082)	(7,248,530)
(Increase) decrease in Perkins notes receivable	19,908	61,753
(Increase) decrease in inventories	(9,577)	(17,267)
(Increase) decrease in prepaid assets	(71,121)	(304,916)
Increase (decrease) in accounts payable, accrued liabilities and student deposits	(237,614)	(54,540)
Increase (decrease) in assets held in trust for others	(26,255)	(53,401)
Increase (decrease) in deferred revenues	104,678	(18,641)
Non cash contributions	-	(17,505)
(Gain)/loss on the disposal of fixed assets	81,365	-
(Gain)/loss on the sale of investments	(2,015,035)	76,870
Unrealized (gains)/losses on securities	(134,268)	528,848
(Gain)/loss on the sale of Property	-	-
Cash expended - restricted for capital expenditures	(806,881)	(2,556,097)
Net change in cash from operating activities	<u>1,228,528</u>	<u>(2,692,455)</u>
Cash flows from investing activities:		
(Purchases) of capital assets	(1,145,831)	(2,906,107)
Net (Purchases) of investments	(22,112,923)	(4,706,889)
Net Proceeds from sale of investments	23,283,511	4,957,091
Net change in cash from investing activities	<u>24,757</u>	<u>(2,655,905)</u>
Cash flows from financing activities:		
Proceeds from contributions restricted for:		
Capital expenditures	806,881	2,556,097
New Borrowings in notes payable	162,440	213,403
Payments (decrease) in notes and leases payable	(319,707)	(298,869)
Net change in cash from financing activities	<u>649,614</u>	<u>2,470,631</u>
Net change in cash and cash equivalents	1,902,899	(2,877,729)
Cash and cash equivalents at beginning of year	<u>3,778,162</u>	<u>6,655,891</u>
Cash and cash equivalents at end of year	<u>\$ 5,681,061</u>	<u>\$ 3,778,162</u>

See independent auditors' report

The accompanying notes are an integral part of these financial statements

FLORIDA COLLEGE, INC.
Notes to the Financial Statements
May 31, 2024 and 2023

NOTE A -- NATURE OF ACTIVITIES

Florida College, Inc. ("the College") is a four year liberal arts college located on a 65 acre campus in Temple Terrace, Florida. The College was chartered in 1946 and was a two year institution until 1996, at which time it was accredited as a four year institution. The College has an enrollment of approximately 591 students, of which about 30% come from the state of Florida, 2% international and the balance from throughout the United States. The College is primarily supported by tuition, room, board, contributions from alumni and supporters of the College, and earnings on endowments.

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

NOTE B -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958 and ASU 2016-14, which provides authoritative guidance for the preparation of Financial Statements of Not-for-Profit Organizations. Under this authoritative guidance, the Organization is required to report information regarding its financial position and activities with a minimum of two classes of net assets: net assets without donor restrictions (unrestricted net assets) and net assets with donor restrictions (restricted net assets). Net Assets with donor restrictions is further divided into two parts, temporarily restricted net assets and permanently restricted net assets, because the permanently restricted funds are material.

Net Assets without donor restrictions

Unrestricted net assets--Net assets that are not subject to donor-imposed stipulations.

Net Assets with donor restrictions

- * Temporarily restricted net assets -- Net assets subject to donor-imposed stipulations that can be fulfilled by actions of the College pursuant to those stipulations or that expire by the passage of time.
- * Permanently restricted net assets -- Net assets subject to donor-imposed stipulations that they be maintained permanently by the College. Generally, the donors of such assets permit the College to use all or part of the income earned on the assets.

Statement of Functional Expenses and Expense Allocations

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

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

FLORIDA COLLEGE, INC.
Notes to the Financial Statements
May 31, 2024 and 2023

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

Revenue and Support Recognition

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

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

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash equivalents include time deposits, certificates of deposits, and all highly liquid debt instruments with original maturities of three months or less, except for those purchased with endowment assets or other restricted deposits which are classified as investments. (See Note G) The College maintains several accounts with cash balances at one financial institution. These accounts are insured by the National Credit Union Share Insurance Fund (NCUA). The coverage limits are similar to those in effect at banking institutions covered by the Federal Deposit Insurance Corporation (FDIC). The limits in effect at May 31, 2024 and 2023 were \$250,000 per depositor, per insured bank, for each account ownership category. At May 31, 2024 and 2023, the College's bank balances exceeding the FDIC limit totaled \$5,779,167 and \$3,888,685, respectively.

The College also maintains several brokerage cash and money market funds, which are not insured by the FDIC. At May 31, 2024 and 2023, the College's brokerage cash and money market funds, excluding amounts classified as long-term investments, totaled \$11,468 and \$282,579, respectively.

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

Accounts Receivable

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

Inventory

The Bookstore inventory is stated at net realizable value, using the first-in, first-out method.

FLORIDA COLLEGE, INC.
Notes to the Financial Statements
May 31, 2024 and 2023

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

Land, Buildings and Equipment

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

Investments

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

Fair value of Financial Instruments

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

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

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

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

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

There have been no significant changes in the methodologies used for the years ended May 31, 2024 and 2023.

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

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

FLORIDA COLLEGE, INC.
Notes to the Financial Statements
May 31, 2024 and 2023

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

Fair value of Financial Instruments (Continued)

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

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

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

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

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

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

See Note I, which sets forth by level, within the fair value hierarchy, the College's assets and liabilities at fair value as of May 31, 2024 and 2023.

Concentrations of risk:

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

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

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

Use of Estimates

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

FLORIDA COLLEGE, INC.
Notes to the Financial Statements
May 31, 2024 and 2023

NOTE C -- INCOME TAXES

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

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

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

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

NOTE D -- ACCOUNTS RECEIVABLE

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

Accounts receivable consist of the following:

	<u>May 31, 2024</u>	<u>May 31, 2023</u>
Current student receivables	\$ 660,681	\$ 498,542
Former student receivables	80,348	81,812
Other receivables	12,358	172,488
Total	\$ 753,387	\$ 752,842
Less Allowance for doubtful accounts	(352,561)	(265,772)
Net Accounts receivable	\$ 400,826	\$ 487,070

NOTE E -- NOTES RECEIVABLE

Notes receivable were comprised of the following:

	<u>May 31, 2024</u>	<u>May 31, 2023</u>
Perkins loans receivable, permanently restricted - student federal loan program	\$ 60,036	\$ 79,944

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

FLORIDA COLLEGE, INC.
Notes to the Financial Statements
May 31, 2024 and 2023

NOTE F -- PROMISES TO GIVE (PLEDGES RECEIVABLE)

	<u>May 31, 2024</u>	<u>May 31, 2023</u>
Promises to give expected to be collected in:		
Less than one year	\$ 2,235,161	\$ 2,209,581
One to five years	6,898,644	6,762,323
Total	<u>\$ 9,133,805</u>	<u>\$ 8,971,904</u>
Less present value discount at 8%	(794,404)	(775,275)
Less allowance for uncollectible	(113,380)	(96,690)
Net Pledges receivable	<u>\$ 8,226,021</u>	<u>\$ 8,099,939</u>

NOTE G -- INVESTMENTS

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

<u>May 31, 2024</u>	<u>Cost</u>	<u>Fair Market Value</u>	<u>Unrealized Gains (Losses)</u>
Securities	\$ 27,008,806	\$ 29,083,061	\$ 2,074,255
Total Investments	<u>\$ 27,008,806</u>	<u>\$ 29,083,061</u>	<u>\$ 2,074,255</u>
<u>May 31, 2023</u>	<u>Cost</u>	<u>Fair Market Value</u>	<u>Unrealized Gains (Losses)</u>
Securities	\$ 26,175,994	\$ 28,104,346	\$ 1,928,352
Total Investments	<u>\$ 26,175,994</u>	<u>\$ 28,104,346</u>	<u>\$ 1,928,352</u>

NOTE H -- LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment consisted of the following:

	<u>May 31, 2024</u>	<u>May 31, 2023</u>
Land and improvements	\$ 3,347,819	\$ 3,397,682
Buildings and improvements	41,728,671	41,176,795
Equipment, vehicles, furniture & fixtures	3,573,504	3,367,397
Operating lease right-of-use assets	438,343	540,102
Financing lease right-of-use assets	-	120,000
Library books	1,557,044	1,474,967
Total fixed assets	<u>\$ 50,645,381</u>	<u>\$ 50,076,943</u>
Less: Accumulated depreciation	(18,103,259)	(16,672,445)
Land, buildings and equipment, net	<u>\$ 32,542,122</u>	<u>\$ 33,404,498</u>

FLORIDA COLLEGE, INC.
Notes to the Financial Statements
May 31, 2024 and 2023

NOTE I -- FAIR VALUE MEASUREMENTS

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

The following tables set forth by level, within the fair value hierarchy, the College's financial assets and liabilities at fair value as of May 31, 2024 and 2023:

	<u>May 31, 2024</u>			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Cash and cash equivalents	\$ 5,681,061	\$ -	\$ -	\$ 5,681,061
Accounts receivable - net	-	400,826	-	400,826
Pledges receivable	-	8,226,021	-	8,226,021
Notes receivable	-	-	60,036	60,036
U.S. government securities, mutual fund investments, corporate stocks, equity investments, certificates and guaranteed insurance contracts	29,082,796	265	-	29,083,061
Prepaid expenses and deposits	-	685,415	-	685,415
Total financial asset fair values	\$ 34,763,857	\$ 9,312,527	\$ 60,036	\$ 44,136,420
Financial Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ 1,406,674	\$ -	\$ 1,406,674
Deferred revenue and student prepayments	419,624	131,917	-	551,541
Operating leases- right-of-use liability	303,573	-	-	303,573
Financing leases- right-of-use liability	-	-	-	-
Notes payable	5,467,495	-	-	5,467,495
U.S. government loan funds	-	74,521	-	74,521
Other Agency funds	77,076	-	-	77,076
Total financial liabilities fair values	\$ 6,267,768	\$ 1,613,112	\$ -	\$ 7,880,880

FLORIDA COLLEGE, INC.
Notes to the Financial Statements
May 31, 2024 and 2023

NOTE I -- FAIR VALUE MEASUREMENTS (CONTINUED)

	<u>May 31, 2023</u>			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Cash and cash equivalents	\$ 3,778,162	\$ -	\$ -	\$ 3,778,162
Accounts receivable - net	-	487,070	-	487,070
Pledges receivable	-	8,099,939	-	8,099,939
Notes receivable	-	-	79,944	79,944
U.S. government securities, mutual fund investments, corporate stocks, equity investments, certificates and guaranteed insurance contracts	28,092,789	11,557	-	28,104,346
Prepaid expenses and deposits	-	614,294	-	614,294
Total financial asset fair values	\$ 31,870,951	\$ 9,212,860	\$ 79,944	\$ 41,163,755
Financial Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ 1,564,099	\$ -	\$ 1,564,099
Deferred revenue and student prepayments	314,946	212,106	-	527,052
Operating leases- right-of-use liability	259,945	-	-	259,945
Financing leases- right-of-use liability	-	-	-	-
Notes payable	5,668,390	-	-	5,668,390
U.S. government loan funds	-	114,999	-	114,999
Other Agency funds	62,853	-	-	62,853
Total financial liabilities fair values	\$ 6,306,134	\$ 1,891,204	\$ -	\$ 8,197,338

NOTE J -- DEFERRED REVENUE

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

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

The College's bookstore sells gift cards, which can be redeemed to purchase merchandise in the bookstore. Until redeemed, the balance of outstanding gift cards is presented with liabilities on the statements of financial position under the caption "Deferred revenue."

	<u>May 31, 2024</u>	<u>May 31, 2023</u>
Charitable gift annuities	\$ 109,684	\$ 107,250
Cares Act Funds unspent at year end	-	189,338
Bookstore unredeemed gift cards	20,380	18,358
Prepaid student tuition and fees	421,477	212,106
Total Deferred revenues	\$ 551,541	\$ 527,052

FLORIDA COLLEGE, INC.
Notes to the Financial Statements
May 31, 2024 and 2023

NOTE K -- LONG-TERM DEBT AND RIGHT-OF-USE LIABILITIES

	<u>May 31, 2024</u>	<u>May 31, 2023</u>
<p>Note Payable to Lake Michigan Credit Union (formerly Pilot Bank) dated March 6, 2009 for the construction of two residence halls, secured by certain real estate and buildings owned by the College. The note bears a variable rate of interest, which is equal to the Five Year Treasury Constant Maturity Average plus one and three quarters percent. At May 31, 2024 and 2023, this rate was 5.92% and 4.25%, respectively. The note matures on March 6, 2039 with a monthly principal and interest payment requirement based on the principal balance, the specified interest rate, and a 30 year amortization period, currently \$46,473.</p>	\$ 5,467,495	\$ 5,668,390
<p>Financing lease- right-of-use liability with First American Commercial Bancorp, Inc. dated November 2018 for the purchase of 3 modular classroom buildings, collateralized by those buildings. The note matured in December 2023. The liability bore imputed interest at approximately 6.8% with monthly payments of \$2,335.</p>	-	15,866
<p>Operating lease- right-of-use liability with First American Commercial Bancorp, Inc. dated August 20, 2020, for the lease of various equipment, notebook computers, software and fixtures. The lease term was for 36 months and matured on July 20, 2023. The liability bore an imputed interest rate of approximately 6% with monthly payments of \$3,892.</p>	-	7,447
<p>Operating lease- right-of-use liability with First American Commercial Bancorp, Inc. dated April 18, 2022, for the lease of various equipment, notebook computers, software and fixtures. The lease term is for 48 months with maturity on April 18, 2026. The liability bears an imputed interest rate of approximately 6% with monthly payments of \$1,353.</p>	29,478	43,478
<p>Operating Lease right-of-use liability with First American Commercial Bancorp, Inc. commencing November 12, 2022, for the lease of various equipment - notebook computers, software and fixtures. The lease term is for 48 months with maturity on December 31, 2026. The lease bears imputed interest of approximately 6.7% with monthly payments of \$4,600.</p>	149,571	193,154
<p>Operating Lease right-of-use liability with First American Commercial Bancorp, Inc. commencing September 7, 2023, for the leasing of various equipment - notebook computers, software and fixtures. The lease term is for 36 months with maturity on September 7, 2026. The lease bears imputed interest of approximately 6% with monthly payments of \$4,943.</p>	124,524	-
Totals	<u>\$ 5,771,068</u>	<u>\$ 5,928,335</u>

Future scheduled maturities of long-term debt and right-of-use liabilities are as follows:

Years ending May 31:	2025	355,111
	2026	375,978
	2027	338,349
	2028	286,224
	2029	304,371
	Thereafter	<u>4,111,035</u>
		<u>\$ 5,771,068</u>

FLORIDA COLLEGE, INC.
Notes to the Financial Statements
May 31, 2024 and 2023

NOTE L -- INTEREST EXPENSE

Interest expense for the years ended May 31, 2024 and 2023 totaled \$277,419 and \$273,381, respectively.

NOTE M -- SHORT-TERM DEBT

The College has an unsecured, variable rate revolving line of credit at Lake Michigan Credit Union (formerly Pilot Bank) with a limit of \$1.5 million. This line of credit began on March 4, 2009. The note has no stated maturity date, but does provide for an annual review on the anniversary date, and the note is callable on demand. As of May 31, 2024 and 2023, the College had an outstanding balance on the note of \$0 and \$0, respectively.

NOTE N -- PENSION PLAN

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

For the plan years ended May 31, 2024 and 2023, the Board declared that no additional discretionary contribution would be made by the College. Matching contributions are paid into employee's accounts at the time of each payroll processing. Discretionary contributions, if any, are accrued and paid into the employee's accounts within the time frame specified by IRS guidelines.

The total retirement fund liability for discretionary contributions as of May 31, 2024 and 2023 was \$0 and \$0, respectively. The total retirement contributions expense for the years ended May 31, 2024 and 2023 was \$218,654 and \$240,663, respectively.

NOTE O -- ENDOWMENTS: RECONCILIATIONS OF NET ASSET BALANCES

The reconciliations of the Net Asset Balances of the College's Permanently Restricted Endowment Funds for the years ended May 31, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Beginning net asset balance	\$ 30,067,031	\$ 29,236,284
Investment returns- net	3,265,250	(302,873)
Contributions	891,206	2,599,561
Amounts appropriated for expenditures	(3,082,625)	(1,465,941)
Transfer from temporarily restricted funds	-	-
Ending Net asset Balances	<u>\$ 31,140,862</u>	<u>\$ 30,067,031</u>

FLORIDA COLLEGE, INC.
Notes to the Financial Statements
May 31, 2024 and 2023

NOTE P -- RESTRICTIONS ON NET ASSETS

	<u>May 31, 2024</u>	<u>May 31, 2023</u>
Net assets released from restrictions were comprised of the following:		
Instructional support	\$ 1,085,945	\$ 590,197
Scholarships provided	2,682,596	2,467,725
Academy	245,987	328,089
Athletics	28,793	116,571
Other program services	155,732	163,269
Fundraising	109,685	133,808
Other Support services	174,942	585,798
Capital assets	806,881	2,556,097
Total use of restricted funds released	\$ 5,290,561	\$ 6,941,554

Temporarily restricted net assets are available for the following purposes:

Earmarked funds	\$ 12,136,544	\$ 10,384,452
Adopt-a-Student program	249,308	249,308
Capital campaign	616,413	645,849
Temporary scholarships	973,648	1,127,564
Board discretionary funds	1,024,524	1,024,524
Total temporarily restricted net assets	\$ 15,000,437	\$ 13,431,697

Permanently restricted net assets are available for the following purposes:

Boswell endowment fund FBO general fund	\$ 10,680,825	\$ 10,014,869
Permanently endowed scholarship funds	14,909,734	12,808,330
Other permanently endowed funds	5,550,303	7,243,832
Total permanently restricted net assets	\$ 31,140,862	\$ 30,067,031

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

FLORIDA COLLEGE, INC.
Notes to the Financial Statements
May 31, 2024 and 2023

NOTE Q -- ENDOWMENTS: INVESTMENT AND SPENDING POLICY

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

The target asset allocation is as follows:

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

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

NOTE R -- LIQUIDITY MANAGEMENT

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

Cash and cash equivalents	\$	5,594,121
Accounts receivable- net		400,826
Pledges receivable (current), less pledges designated for capital expenditures or endowment funding by the donor		199,621
TOTAL	\$	6,194,568

The current pledges receivable of \$2,235,161 consist of \$2,035,540 restricted by the donor for endowment funding. The remaining \$199,621 of pledges receivable are subject to an implied time restriction, but are expected to be collected within one year. The College has a goal to maintain cash and cash equivalent balances on hand to meet 60 days of ordinary business expenses (exclusive of depreciation), which averaged \$4,345,355 during the year ended May 31, 2024. The College has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The College's endowment investments consist of donor restricted endowments with net asset balances totalling \$20,460,037 and a quasi-endowment with a net asset balance of \$10,680,825. Income from donor restricted endowments is restricted and not available for general expenditures, although some of the endowments are for the benefit of the general fund, and those endowment earnings are transferred each year to the general fund. Although the College does not intend to spend from its quasi-endowment, other than investment income which is appropriated for general expenditures, amounts from the quasi-endowment could be made available, if necessary, at the board's discretion.

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

FLORIDA COLLEGE, INC.
Notes to the Financial Statements
May 31, 2024 and 2023

NOTE S -- SUMMARIZED COMPARISON TOTALS ON STATEMENT OF ACTIVITIES

The statements of activities, found on page 4, include prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a comparative presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's statement of activities for the year ended May 31, 2023, from which the summarized information was derived. See page 26 for the 2023 statement of activities with the net asset class detail.

NOTE T -- RELATED PARTY TRANSACTIONS

There are no known related party transactions that should be disclosed.

NOTE U -- EVALUATION OF SUBSEQUENT EVENTS

The College has evaluated subsequent events through February 19, 2025, the date which the financial statements were available to be issued and found no events or transactions which require modifications to the financial statements.

NOTE V -- SUPPLEMENTARY INFORMATION

The College has provided, as supplementary information, statements of financial position as of May 31, 2024 and 2023, statements of activities by type of net asset for the periods ended May 31, 2024 and 2023, and statements of cash flows by type of net asset for the periods ended May 31, 2024 and 2023. These statements do not include material interfund eliminations because such eliminations would create an out of balance condition within fund groups. Had the eliminations been reflected on the statements of financial position, both the interfund receivables and payables of \$8,869,446 as of May 31, 2024 and \$7,084,788 as of May 31, 2023 would have been eliminated. Had the eliminations been reflected on the statements of cash flows, both the decrease in interfund receivables and payables of \$1,784,658 for the year ended May 31, 2024, and the decrease in interfund receivables and payables of \$2,341,031 for the year ended May 31, 2023 would have been eliminated. These statements can be found on pages 23 - 28.

FLORIDA COLLEGE, INC.
Notes to the Financial Statements
May 31, 2024 and 2023

NOTE W -- FINANCIAL RESPONSIBILITY

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

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

	<u>2024</u>	<u>2023</u>
Fixed Assets- Net of Depreciation:		
Pre-Implementation fixed assets	\$ 23,305,899	\$ 24,659,375
Post-Implementation fixed assets with debt	438,343	223,527
Post-Implementation fixed assets without debt	8,797,880	8,521,596
Land and fixed assets, net of depreciation	<u>\$ 32,542,122</u>	<u>\$ 33,404,498</u>
Long-Term Debt:	<u>2024</u>	<u>2023</u>
Pre-Implementation debt used for fixed assets	\$ 5,467,495	\$ 5,684,256
Post-Implementation debt used for fixed assets	303,573	244,079
Total Long-Term Debt	<u>\$ 5,771,068</u>	<u>\$ 5,928,335</u>

Supplementary Information

7401 D Temple Terrace Hwy
Tampa, Florida 33637

(813)988-9564
(800)940-9464
Fax (813)988-1815
alan@ageercpa.com

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

The Board of Directors
Florida College, Inc.
Temple Terrace, FL

We have audited the financial statements of Florida College, Inc. as of and for the years ended May 31, 2024 and 2023, and have issued our report thereon dated February 19, 2025, which contains an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. These supplemental reports are presented for purposes of additional analysis and are not a required part of the financial statements. See Notes V and W on pages 19 - 20 of this report and pages 23 - 30. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Alan K. Geer, P.A.

Tampa, Florida

February 19, 2025

FLORIDA COLLEGE, INC.
Statement of Financial Position
Disaggregated with Interfund Activity
as of May 31, 2024

	Without Donor Restrictions	With Donor Restrictions	With Donor Restrictions in Perpetuity	Total All Funds
Assets:				
Cash and cash equivalents	\$ 5,594,121	\$ -	\$ 86,940	\$ 5,681,061
Accounts receivable	753,387	-	-	753,387
Less: allowance for bad debts	(352,561)	-	-	(352,561)
Pledges receivable	-	8,226,021	-	8,226,021
Prepaid expenses and deposits	685,415	-	-	685,415
Inventories	242,957	-	-	242,957
Investments: Securities	-	109,684	28,973,377	29,083,061
Due from other funds	-	6,774,416	2,095,030	8,869,446
Notes receivable	-	-	60,036	60,036
Land and fixed assets	50,645,381	-	-	50,645,381
Less: accumulated depreciation	(18,103,259)	-	-	(18,103,259)
Total assets	39,465,441	15,110,121	31,215,383	85,790,945
Liabilities and net assets:				
Liabilities				
Accounts payable	374,564	-	-	374,564
Student prepayments and deposits	131,917	-	-	131,917
Accrued liabilities and other payables	1,032,110	-	-	1,032,110
Current portion of right-of-use liability	114,742	-	-	114,742
Current portion of long-term debt	240,369	-	-	240,369
Assets held in trust for agencies	77,076	-	74,521	151,597
Deferred revenue	309,940	109,684	-	419,624
Due to other funds	8,869,446	-	-	8,869,446
Operating leases- right-of-use liability net of current portion	188,831	-	-	188,831
Financing leases- right-of-use liability net of current portion	-	-	-	-
Long-term debt (net of current portion)	5,227,126	-	-	5,227,126
Total liabilities	16,566,121	109,684	74,521	16,750,326
Net assets				
Without donor restrictions	22,899,320			22,899,320
With donor restrictions:				
Temporarily restricted		15,000,437		15,000,437
Permanently restricted			31,140,862	31,140,862
Total with donor restrictions	-	15,000,437	31,140,862	46,141,299
Total net assets	22,899,320	15,000,437	31,140,862	69,040,619
Total liabilities and net assets	\$ 39,465,441	\$ 15,110,121	\$ 31,215,383	\$ 85,790,945

See independent auditors' report

The accompanying notes are an integral part of these financial statements

FLORIDA COLLEGE, INC.
Statement of Financial Position
Disaggregated with Interfund Activity
as of May 31, 2023

	Without Donor Restrictions	With Donor Restrictions	With Donor Restrictions in Perpetuity	Total All Funds
Assets:				
Cash and cash equivalents	\$ 3,409,517	\$ -	\$ 368,645	\$ 3,778,162
Accounts receivable	752,842	-	-	752,842
Less: allowance for bad debts	(265,772)	-	-	(265,772)
Pledges receivable	-	8,099,939	-	8,099,939
Prepaid expenses and deposits	614,294	-	-	614,294
Inventories	233,380	-	-	233,380
Investments: Securities	16,685	107,250	27,980,411	28,104,346
Due from other funds	-	5,331,758	1,753,030	7,084,788
Notes receivable	-	-	79,944	79,944
Land and fixed assets	50,076,944	-	-	50,076,944
Less: accumulated depreciation	(16,672,446)	-	-	(16,672,446)
Total assets	38,165,444	13,538,947	30,182,030	81,886,421
Liabilities and net assets:				
Liabilities				
Accounts payable	561,188	-	-	561,188
Student prepayments and deposits	212,106	-	-	212,106
Accrued liabilities and other payables	1,002,911	-	-	1,002,911
Current portion of right-of-use liability	80,896	-	-	80,896
Current portion of long-term debt	199,711	-	-	199,711
Assets held in trust for agencies	62,853	-	114,999	177,852
Deferred revenue	207,696	107,250	-	314,946
Due to other funds	7,084,788	-	-	7,084,788
Operating leases- right-of-use liability net of current portion	179,049	-	-	179,049
Financing leases- right-of-use liability net of current portion	-	-	-	-
Long-term debt (net of current portion)	5,468,679	-	-	5,468,679
Total liabilities	15,059,877	107,250	114,999	15,282,126
Net assets				
Without donor restrictions	23,105,567			23,105,567
With donor restrictions:				
Temporarily restricted		13,431,697		13,431,697
Permanently restricted			30,067,031	30,067,031
Total with donor restrictions	-	13,431,697	30,067,031	43,498,728
Total net assets	23,105,567	13,431,697	30,067,031	66,604,295
Total liabilities and net assets	\$ 38,165,444	\$ 13,538,947	\$ 30,182,030	\$ 81,886,421

See independent auditors' report

The accompanying notes are an integral part of these financial statements

FLORIDA COLLEGE, INC
Statements of Activities
Without Reclassification
for the year ended May 31, 2024

	Without Donor Restrictions	With Donor Restrictions	With Donor Restrictions in Perpetuity	Totals 2024
Revenues, gains, and other support:				
Student tuition and fees	\$ 15,003,189	\$ -	\$ -	\$ 15,003,189
Residence hall rental revenue	3,180,377	-	-	3,180,377
Dining revenue	2,059,214	-	-	2,059,214
Less: discounts on tuition/room/board	(1,012,697)	-	-	(1,012,697)
Bookstore revenue	629,912	-	-	629,912
Contributions and bequests	1,329,652	4,939,209	891,206	7,160,067
Dividends and interest	-	-	1,117,267	1,117,267
Gain (loss) sale of securities - net	(225)	1,545	2,013,715	2,015,035
Unrealized gain (loss) on securities	-	-	134,268	134,268
Other revenue	148,667	-	-	148,667
Transfers between funds	1,164,078	1,347,442	(2,511,520)	-
Total revenues, gains, and other support	22,502,167	6,288,196	1,644,936	30,435,299
Net assets released from restrictions				
for capital asset expenditures	806,881	(806,881)	-	-
Total net assets released from restrictions	806,881	(806,881)	-	-
Total revenues, gains, and other support	23,309,048	5,481,315	1,644,936	30,435,299
Cost of revenues:				
Bookstore cost of revenue	423,553	-	-	423,553
Outsourcing cost of revenue	1,904,588	-	-	1,904,588
Total cost of revenues	2,328,141	-	-	2,328,141
Gross margin	20,980,907	5,481,315	1,644,936	28,107,158
Expenses and losses:				
Program services:				
Instruction	4,868,376	1,085,945	-	5,954,321
Library	415,789	62	-	415,851
Student services	350,684	155,670	-	506,354
Scholarships and student aid	1,799,690	2,160,621	521,975	4,482,286
Academy	3,326,926	244,886	1,101	3,572,913
Bookstore	178,006	-	-	178,006
Cafeteria	110,214	-	-	110,214
Housing	1,490,104	-	-	1,490,104
Advising	278,745	-	-	278,745
Athletics	776,726	28,793	-	805,519
Total program services	13,595,260	3,675,977	523,076	17,794,313
Support services:				
General administration	449,252	-	31,529	480,781
President & business office	1,027,800	36,420	-	1,064,220
Admissions and marketing	863,298	541	-	863,839
Financial aid	191,367	-	-	191,367
Institutional development	719,831	109,685	-	829,516
Alumni and public relations	275,736	117,193	-	392,929
Creative services	425,314	-	-	425,314
Computer services	1,272,107	(46,104)	-	1,226,003
Plant operations	2,367,189	18,863	16,500	2,402,552
Total support services	7,591,894	236,598	48,029	7,876,521
Total expenses and losses	21,187,164	3,912,576	671,106	25,670,834
Total change in net assets	(206,247)	1,568,740	1,073,831	2,436,324
Net assets at beginning of year	23,105,567	13,431,697	30,067,031	66,604,295
Net assets at end of year	\$ 22,899,320	\$ 15,000,437	\$ 31,140,862	\$ 69,040,619

See independent auditors' report

The accompanying notes are an integral part of these financial statements

FLORIDA COLLEGE, INC
Statements of Activities
Without Reclassification
for the year ended May 31, 2023

	Without Donor Restrictions	With Donor Restrictions	With Donor Restrictions in Perpetuity	Totals 2023
Revenues, gains, and other support:				
Student tuition and fees	\$ 13,281,313	\$ -	\$ -	\$ 13,281,313
Residence hall rental revenue	2,770,545	-	-	2,770,545
Dining revenue	1,765,099	-	-	1,765,099
Less: discounts on tuition/room/board	(771,330)	-	-	(771,330)
Bookstore revenue	598,789	-	-	598,789
Contributions and bequests	1,384,459	11,717,609	2,599,561	15,701,629
Dividends and interest	-	10,223	295,157	305,380
Gain (loss) sale of securities - net	916	(793)	(76,993)	(76,870)
Unrealized gain (loss) on securities	-	(6,265)	(521,037)	(527,302)
Other revenue	61,045	-	-	61,045
Transfers between funds	2,988,316	(1,987,128)	(981,188)	-
Total revenues, gains, and other support	22,059,152	9,733,646	1,315,500	33,108,298
Net assets released from restrictions				
for capital asset expenditures	2,556,097	(2,556,097)	-	-
Total net assets released from restrictions	2,556,097	(2,556,097)	-	-
Total revenues, gains, and other support	24,615,249	7,177,549	1,315,500	33,108,298
Cost of revenues:				
Bookstore cost of revenue	455,583	-	-	455,583
Outsourcing cost of revenue	1,712,013	-	-	1,712,013
Total cost of revenues	2,167,596	-	-	2,167,596
Gross margin	22,447,653	7,177,549	1,315,500	30,940,702
Expenses and losses:				
Program services:				
Instruction	5,370,431	590,197	-	5,960,628
Library	437,469	(205)	-	437,264
Student services	377,302	163,474	-	540,776
Scholarships and student aid	1,772,804	2,025,575	442,150	4,240,529
Academy	3,077,363	327,084	1,005	3,405,452
Bookstore	167,976	-	-	167,976
Cafeteria	168,456	-	-	168,456
Housing	1,440,940	-	-	1,440,940
Advising	264,199	-	-	264,199
Athletics	812,643	116,571	-	929,214
Total program services	13,889,583	3,222,696	443,155	17,555,434
Support services:				
General administration	333,398	25,320	25,081	383,799
President & business office	1,281,252	179,988	-	1,461,240
Admissions and marketing	679,460	9,380	-	688,840
Financial aid	324,815	-	-	324,815
Institutional development	622,444	133,808	-	756,252
Alumni and public relations	358,962	31,983	-	390,945
Creative services	578,956	-	-	578,956
Computer services	1,150,955	297,529	-	1,448,484
Plant operations	2,137,056	-	16,517	2,153,573
Total support services	7,467,298	678,008	41,598	8,186,904
Total expenses and losses	21,358,881	3,900,704	484,753	25,742,338
Total change in net assets	1,090,772	3,276,845	830,747	5,198,364
Net assets at beginning of year	22,014,795	10,154,852	29,236,284	61,405,931
Net assets at end of year	\$ 23,105,567	\$ 13,431,697	\$ 30,067,031	\$ 66,604,295

See independent auditors' report

The accompanying notes are an integral part of these financial statements

FLORIDA COLLEGE, INC.
Statement of Cash Flows
Disaggregated with Interfund Activity
for the year ended May 31, 2024

	Without Donor Restrictions	With Donor Restrictions	With Donor Restrictions in Perpetuity	Total 2024
Cash flows from operating activities:				
Change in net assets	\$ (206,247)	\$ 1,568,740	\$ 1,073,831	\$ 2,436,324
Adjustments to reconcile change in net assets to net cash used by operating activities:				
Amortization and depreciation	1,926,842	-	-	1,926,842
(Increase) decrease in accounts receivable-net	86,244	-	-	86,244
(Increase) decrease in pledges receivable	-	(126,082)	-	(126,082)
(Increase) decrease in Perkins notes receivable	-	-	19,908	19,908
(Increase) decrease in inventories	(9,577)	-	-	(9,577)
(Increase) decrease in prepaid assets	(71,121)	-	-	(71,121)
(Increase) decrease in interfund receivables	-	(1,442,658)	(342,000)	(1,784,658)
Increase (decrease) in accounts payable, accrued liabilities and student deposits	(237,614)	-	-	(237,614)
Increase (decrease) in assets held in trust for others	14,223	-	(40,478)	(26,255)
Increase (decrease) in deferred revenues	102,244	2,434	-	104,678
Increase (decrease) in interfund payables	1,784,658	-	-	1,784,658
Non cash contributions- Capital Assets	-	-	-	-
(Gain)/loss on the disposal of fixed assets	81,365	-	-	81,365
(Gain)/loss on the sale of securities	225	(1,545)	(2,013,715)	(2,015,035)
Unrealized (gains)/losses on securities	-	-	(134,268)	(134,268)
Cash expended - restricted for capital expenditures	-	(806,881)	-	(806,881)
Net change in cash from operating activities	3,471,242	(805,992)	(1,436,722)	1,228,528
Cash flows from investing activities:				
(Purchases) of capital assets	(1,145,831)	-	-	(1,145,831)
Net (Purchases) of investments	-	-	(22,112,923)	(22,112,923)
Net Proceeds from sale of investments	16,460	(889)	23,267,940	23,283,511
Net change in cash from investing activities	(1,129,371)	(889)	1,155,017	24,757
Cash flows from financing activities:				
Proceeds from contributions restricted for:				
Capital expenditures	-	806,881	-	806,881
New Borrowings in notes payable	162,440	-	-	162,440
Payments (decrease) in notes and leases payable	(319,707)	-	-	(319,707)
Net change in cash from financing activities	(157,267)	806,881	-	649,614
Net change in cash and cash equivalents	2,184,604	-	(281,705)	1,902,899
Cash and cash equivalents at beginning of year	3,409,517	-	368,645	3,778,162
Cash and cash equivalents at end of year	\$ 5,594,121	\$ -	\$ 86,940	\$ 5,681,061

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

FLORIDA COLLEGE, INC.
Statement of Cash Flows
Disaggregated with Interfund Activity
for the year ended May 31, 2023

	Without Donor Restrictions	With Donor Restrictions	With Donor Restrictions in Perpetuity	Total 2023
Cash flows from operating activities:				
Change in net assets	\$ 1,090,772	\$ 3,276,845	\$ 830,747	\$ 5,198,364
Adjustments to reconcile change in net assets to net cash used by operating activities:				
Amortization and depreciation	1,679,434	-	-	1,679,434
(Increase) decrease in accounts receivable-net	33,173	-	-	33,173
(Increase) decrease in pledges receivable	-	(7,248,530)	-	(7,248,530)
(Increase) decrease in Perkins notes receivable	-	-	61,753	61,753
(Increase) decrease in inventories	(17,267)	-	-	(17,267)
(Increase) decrease in prepaid assets	(304,916)	-	-	(304,916)
(Increase) decrease in interfund receivables	-	2,228,741	112,290	2,341,031
Increase (decrease) in accounts payable, accrued liabilities and student deposits	(54,540)	-	-	(54,540)
Increase (decrease) in assets held in trust for others	(5,630)	-	(47,771)	(53,401)
Increase (decrease) in deferred revenues	(5,303)	(13,338)	-	(18,641)
Increase (decrease) in interfund payables	(2,341,031)	-	-	(2,341,031)
Non cash contributions	(17,505)	-	-	(17,505)
(Gain)/loss on the disposal of fixed assets	-	-	-	-
(Gain)/loss on the sale of securities	(916)	793	76,993	76,870
Unrealized (gains)/losses on securities	1,546	6,265	521,037	528,848
Cash expended - restricted for capital expenditures	-	(2,556,097)	-	(2,556,097)
Net change in cash from operating activities	57,817	(4,305,321)	1,555,049	(2,692,455)
Cash flows from investing activities:				
(Purchases) of capital assets	(2,906,107)	-	-	(2,906,107)
Net (Purchases) of investments	-	-	(4,706,889)	(4,706,889)
Net Proceeds from sale of investments	-	1,749,224	3,207,867	4,957,091
Net change in cash from investing activities	(2,906,107)	1,749,224	(1,499,022)	(2,655,905)
Cash flows from financing activities:				
Proceeds from contributions restricted for:				
Capital expenditures	-	2,556,097	-	2,556,097
New Borrowings in notes payable	213,403	-	-	213,403
Payments (decrease) in notes and leases payable	(298,869)	-	-	(298,869)
Net change in cash from financing activities	(85,466)	2,556,097	-	2,470,631
Net change in cash and cash equivalents	(2,933,756)	-	56,027	(2,877,729)
Cash and cash equivalents at beginning of year	6,343,273	-	312,618	6,655,891
Cash and cash equivalents at end of year	\$ 3,409,517	\$ -	\$ 368,645	\$ 3,778,162

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

FLORIDA COLLEGE, INC.
Financial Responsibility and Composite Score Supplemental Schedule
as of May 31, 2024

Financial Statement Reference	Description	Amounts	Calculation
Primary Reserve Ratio Components			
Expendable Net Assets			
Statements of Financial Position	Total unrestricted net assets EOY	22,899,320	+ 22,899,320
Statements of Financial Position	Total temporarily restricted net assets EOY	15,000,437	+ 15,000,437
Statements of Financial Position	Total permanently restricted net assets EOY	31,140,862	+ 31,140,862
N/A	Secured & Unsecured Related Party Receivable	0	
N/A	Unsecured Related Party Receivable	0	- 0
Statements of Financial Position	Property, Plant & Equip- Net including leases	32,542,122	- (32,542,122)
Notes H and L	Property, Plant & Equipment - PreImplementation	23,305,899	
Notes H and L	Property, Plant & Equipment - Post w/Debt	438,343	
Notes H and L	Property, Plant & Equipment - Post w/o Debt	8,797,880	
N/A	Construction in Process	0	
N/A	Leases, Right -of -use Assets, Net	438,343	
N/A	Leases, Right -of -use Assets, Pre- Implementation	0	
N/A	Leases, Right -of -use Assets, Post- Implementation	438,343	
N/A	Goodwill - Intangible Assets	0	
N/A	Post-employment and pension liabilities	0	
Statements of Financial Position	Restricted Annuities	109,684	- (109,684)
N/A	Restricted Temporary Endowments	0	- 0
Statements of Financial Position	Net Assets - Restricted in Perpetuity	31,140,862	- (31,140,862)
Statements of Financial Position	Long-Term Debt Total	5,771,068	
Note K and W	Long-Term Debt used for Fixed Assets - PreImplementation	5,467,495	+ 5,467,495
Note K and W	Long-Term Debt NOT used for Fixed Assets - PreImplementation	0	
Note K and W	Long-Term Debt used for Fixed Assets - Post- Implementation	303,573	+ 303,573
Note K and W	Long-Term Debt NOT used for Fixed Assets - PostImplementation	0	
Note K and W	Long-Term Debt used for Fixed Assets - Post- Implementation	0	+ 0
			<u>11,019,019</u>

Total Unrestricted Expenses & Losses

Statements of Activities	Total Unrestricted Expenses	25,670,834	+ 25,670,834
Statements of Activities	Total Cost of Revenues	2,328,141	+ 2,328,141
N/A	Non-Operating and Investment losses	0	+ 0
N/A	Pension Related changes	0	+ 0
			<u>27,998,975</u>

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

FLORIDA COLLEGE, INC.
Financial Responsibility and Composite Score Supplemental Schedule
as of May 31, 2024

Financial Statement Reference	Description	Amounts	Calculation
Equity Ratio Components			
Modified Net Assets			
Statements of Financial Position	Unrestricted Net Assets	22,899,320	+ 22,899,320
Statements of Financial Position	Restricted Net Assets	46,141,299	+ 46,141,299
N/A	Goodwill / Intangible Assets	0	- -
N/A	Unsecured Related Party Receivable	0	- -
			<u>69,040,619</u>
Modified Assets			
Statements of Financial Position	Total Assets	76,921,499	+ 76,921,499
N/A	Goodwill / Intangible Assets	0	- -
N/A	Unsecured Related Party Receivable	0	- -
			<u>76,921,499</u>
Net Income Ratio Components			
Statements of Activities	Change in Unrestricted Net Assets	(206,247)	(206,247)
Statement of Activities	Total Revenues and Gains	27,792,503	<u>27,792,503</u>

Financial Ratios and Composite Score Calculation

Calculations of Ratios

Primary Reserve Ratio =	$\frac{\text{Expendable Net Assets}}{\text{Total Unrestricted Expenses \& Losses}}$	$\frac{11,019,019}{27,998,975}$	=	0.3936
Equity Ratio =	$\frac{\text{Modified Net Assets}}{\text{Modified Assets}}$	$\frac{69,040,619}{76,921,499}$	=	0.8975
Net Income Ratio =	$\frac{\text{Change in Unrestricted Net Assets}}{\text{Total Unrestricted Revenues \& Gains}}$	$\frac{(206,247)}{27,792,503}$	=	(0.0074)

Calculations of Strength Factor Score

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

Primary Reserve Strength Factor Score =	10 x Primary Reserve Ratio	10 x	0.3936 =	3.0000
Equity Strength Factor Score =	6 x Equity Ratio	6 x	0.8975 =	3.000
Net Income Strength Factor Score =	1 + (25 x Negative Net Income Ratio) 1 + (50 x Positive Net Income Ratio)	1 + 1 +	-0.1850 = 0.0000 =	0.8150 0.0000

Calculations of Weighted Score

Primary Reserve Weighted Score =	40% x Primary Reserve Strength Factor Score	40%	x	3.0000 =	1.2000
Equity Weighted Score =	40% x Equity Strength Factor Score	40%	x	3.0000 =	1.2000
Net Income Weighted Score =	20% x Net Income Strength Factor Score	20%	x	0.8150 =	0.1630

Composite Score

Sum of All Weighted Scores	Primary Reserve Weighted Score	1.2000
	Equity Weighted Score	1.2000
	Net Income Weighted Score	0.1630
	Total	<u>2.56</u>

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

FLORIDA COLLEGE, INC.

Schedule of Expenditures of Federal Awards and State Financial Assistance

For the Year Ended May 31, 2024

**Department of Education
Student Financial Assistance Cluster**

Federal Awards

<u>Grants and Scholarships</u>	<u>CFDA Number</u>	
Pell Grant	84.063	\$ 852,219
Federal Supplemental Educational Opportunity Grant	84.007	28,790
Federal Work Study	84.033	<u>17,459</u>
Total Student Grants:		\$ 898,468

<u>Student Loans:</u>	<u>CFDA Number</u>	
Federal Direct Loans	84.268	1,657,350
Federal Direct Plus Loans	84.268	<u>2,025,142</u>
Total Student Loans:		\$ 3,682,492

Total Federal Awards	<u><u>\$ 4,580,960</u></u>
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State Awards

	<u>CSFA Number</u>	
Bright Futures - 2023-2024	48.059	\$ 221,661
EASE - 2023-2024	48.064	547,965
FSAG - 2023-2024	48.054	97,509
CSDDV - 2023-2024	48.055	<u>6,119</u>
Total State Awards		<u><u>\$ 873,254</u></u>

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

FLORIDA COLLEGE, INC.
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance
May 31, 2024

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal and state award activity of Florida College, Inc. under programs of the federal (and Florida) governments for year ended May 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and chapter 10.650, Rules of the Auditor General of the state of Florida. Because the Schedule presents only a selected portion of the operations of Florida College, Inc, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Florida College, Inc.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

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

NOTE C - INDIRECT COST RATE.

Florida College, Inc. has elected not to use the 15% de minimis indirect cost rate allowed under the Uniform Guidance.

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

To the Board of Directors of
Florida College, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Florida College, Inc. (a non-profit organization), which comprise the statements of financial position as of May 31, 2023 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated February 19, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Florida College, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Florida College, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Florida College, Inc.'s internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Florida College, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

Alan K. Geer, P.A.

Tampa, Florida

February 19, 2025

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

To the Board of Directors of
Florida College, Inc.

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Florida College, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and the State of Florida that could have a direct and material effect on each of Florida College, Inc.'s major federal and state programs for the year ended May 31, 2024. Florida College, Inc.'s major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned

In our opinion, Florida College, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended May 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.650, Rules of the Auditor General. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Florida College, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Florida College, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Florida College, Inc.'s federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Florida College, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance, and Chapter 10.650, Rules of the Auditor General, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Florida College, Inc.'s compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance, and Chapter 10.650, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Florida College, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Florida College, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Florida College, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items. Our opinion on each major federal and state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Florida College, Inc.'s response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Florida College, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Alan K. Geer, P.A.

Tampa, Florida
February 19, 2025

FLORIDA COLLEGE, INC.
 Schedule of Findings and Questioned Costs -
 Federal Awards Programs and State Financial Assistance Projects (continued)
 Year Ended May 31, 2024

Part I – Summary of Auditors’ Results (continued)

Federal Awards and State Projects Section (continued)

Internal control over major programs:

* Material weakness(es) identified? yes X no

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

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

IDENTIFICATION OF MAJOR FEDERAL PROGRAMS AND STATE PROJECTS:

FEDERAL PROGRAMS:

CFDA Number(s)	Name of Program or Cluster
84.063, 84.007, 84.033, 84.268	U.S. Department of Education - Student Financial Assistance Cluster

STATE PROGRAMS:

CSFA Number(s)	Name of Program or Cluster
48.059	Florida Student Financial Assistance - Bright Futures
48.064	FEASE - Florida Effective Access to Student Education
48.054	FSAG - Florida Student Assistance Grant
48.055	CSDDV - Children and Spouses of Deceased and Disabled Veterans

FLORIDA COLLEGE, INC.
Schedule of Findings and Questioned Costs -
Federal Awards Programs and State Financial Assistance Projects (continued)
Year Ended May 31, 2024

Part II – Schedule of Financial Statement Findings

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

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

Part III – Federal Award Findings and Questioned Costs

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

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

Part IV – State Financial Assistance Project Findings and Questioned Costs

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

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

FLORIDA COLLEGE, INC.

State of Florida Student Financial Assistance Programs

Schedule of Populations, Samples Tested and Questioned Costs

For the Academic Year Beginning Fall 2023 and Ending Spring 2024

2023-2024 Academic Year

	<u>Award Population</u>		<u>Award Sample</u>				<u>Questioned Costs</u>			
	<u>Amount</u>	<u>Recipients</u>	<u>Amount</u>	<u>% of population amount</u>	<u>Recipients</u>	<u>% of population recipients</u>	<u>Amount</u>	<u>% of sample amount</u>	<u>Recipients</u>	<u>% of sample recipients</u>
Bright Futures - FAS	98,368	15	65,508	67%	10	67%	-	0%	-	0%
Bright Futures - Medallion	123,293	28	39,114	32%	10	36%	-	0%	-	0%
FL Effective Access to Student Education (FEASE)	547,965	164	87,500	16%	33	20%	-	0%	-	0%
FL Student Assistance Grant (FSAG)	97,509	59	18,760	19%	12	20%	-	0%	-	0%
Children and Spouses of Deceased and Disabled Veterans (CSDDV)	6,119	1	6,119	100%	1	100%	-	0%	-	0%

FLORIDA COLLEGE, INC.
May 31, 2024

Schedule of Prior Audit Findings - May 31, 2023

FEDERAL FINDINGS

There were no significant findings last year.

STATE FINDINGS

There were no significant findings last year.