Providing college scholarships to deserving students.

Annual Report

2007/2008
The Florida Prepaid College Foundation is making a difference in the lives of children.

Here is one example of how we have been effective in providing hope to deserving students.

**ANGEL PRICE**
Brevard Schools Foundation
Current Status: College Freshman

One of Brevard County Foundation’s shining Project STARS students is Angel Price. Despite Angel’s constant moving from one relative to another throughout Brevard County Public Schools and attending four different high schools, Angel graduated with a 3.32 unweighted GPA from Rockledge High School last May. Because of her incarcerated parents and moving from one relative to another, she had to give up her love for cheerleading in order to stay in school and have a home. She rose above adversity and showed great human spirit for survival. Her mentor, Wanda Gray, has been with her four years and helped her through many situations, getting her a laptop for college and funding some of her high school events so that she would have more of a normal teen life. Angel enrolled at Florida A&M University in Tallahassee in fall 2008 and has the desire to become an attorney. Brevard Schools Foundation and the Florida Prepaid College Foundation wish her success.
Since its beginning in 1990, the Florida Prepaid College Foundation has awarded 27,509 scholarships covering college tuition, local fees and dormitory housing for students throughout the state. During fall 2007, there were 3,823 Foundation scholars using their benefits in college, and 10,244 Foundation scholars have enrolled in college since inception. I am proud to report in this 2007/2008 Annual Report that the Foundation is carrying out its mission of offering college scholarships to the many deserving Florida students who may have thought college was out of reach.

In 2008, Angel Price, a student sponsored by Project STARS and the Brevard County Foundation, saw her academic perseverance pay off despite the challenge of changing high schools four times. She began using her scholarship at Florida A&M University. Also in 2008, seventh grader Stephanie Gipson of Washington County wrote a winning essay on Governor Lawton Chiles’ legacy and earned a four-year university Governor’s Recognition Scholarship from the Foundation. Gipson dreams of becoming a physician someday. These are just two of the thousands of success stories we are proud to report.

The Board could not do our job without the generous support of Governor Charlie Crist, the Florida Legislature and our many partner organizations. I personally thank them on behalf of our Board for investing in the young Floridians who are defying the odds against them in order to earn a college scholarship. We understand Florida leaders today are dealing with the tremendous challenges of major budget shortfalls and a weak economy, but we encourage them to consider it a priority during the 2009 legislative session to fund Project STARS.

The Stanley Tate Project STARS program, the Foundation’s largest endeavor, is a matching scholarship wherein half of the annual funding comes from the Florida Legislature and half from private donations. Participating students are economically disadvantaged and at risk of dropping out of school. With the 2007/2008 legislative appropriation, the Foundation was able to award 2,050 Project STARS scholarships.

Aiming for a Project STARS scholarship is a tremendous incentive for students in middle and high schools to keep their grades up, stay in school, stay out of trouble, work with a mentor, and be rewarded with going to college! Since inception, 84 percent of STARS students have met or are meeting the STARS requirements.

Community organizations such as Take Stock in Children of Palm Beach County and Foundation for Excellence in Escambia County, to name two of our current 60 partners, do the vital work to make Project STARS a reality for students, whether it is identifying eligible students or finding mentors.

The single largest purchase of Project STARS scholarships this year was made possible recently by the cooperative efforts of the Foundation and Take Stock in Children, a long-time partner of the Foundation. Under the TSIC TurboCharge 2 initiative, the Foundation provided matching funds to purchase 685 Project STARS scholarships – truly a tremendous investment in the college futures of Florida’s at-risk students.

All this cannot be done without the on-going resolve of Florida’s legislators. Most Project STARS scholars receive a 2+2 (two years of community college and two years of university) prepaid scholarship, while others will get a 2-year community college prepaid scholarship. All are great achievers whose college education will make a huge difference in the forward momentum of their lives.
Other Foundation accomplishments:

– A new partnership with the Florida Family Literacy Initiative brought college scholarships to 10 children of the six parents who were outstanding students at family literacy academies. The Volunteer USA Foundation, Florida Prepaid College Foundation and Dollar General are cooperating in this exciting family-friendly venture that opens up higher education to low-income families.

– Seventh grade students in Hernando County and Washington County chose to write essays on Governor Lawton Chiles to earn the 2008 Governor’s Recognition Scholarships. It was the second year of a Foundation-initiated effort to keep alive the legacy of Florida’s governors. First Lady Rhea Chiles said of Hernando County winner Ricardo Sabater: “Ricardo has given us a very interesting narrative of the legacy of U.S. Senator and Governor Lawton Chiles. He said, ‘He died in 1998, but his legacy shall live on through the programs he created.’ Yes. And I would add that it will live on through young people like Ricardo who, inspired by him, choose to serve our people and our planet.” Ricardo has ambitions of becoming a scientist and will be the first in his family to attend college.

– Governor Charlie Crist’s recognition of Black History Month and Hispanic Heritage Month continues to be supported by the Foundation, which donated four-year college scholarships to the student authors of outstanding essays on Florida’s rich heritage.

– Our Foundation’s partnership with private donors continues to provide a way for generous people, businesses and organizations to purchase college scholarships for Florida students.

The creation of the Prepaid College Foundation was a visionary step 18 years ago, with Project STARS establishing a public/private model for funding the opportunity of a lifetime -- a college scholarship -- for students at risk of becoming dropouts. We are grateful for the support of the Governor, Legislature and community partners, and look forward to maintaining the tradition of offering college scholarships to deserving young Floridians.

Sincerely,

Ted Hoepner
Chairman
Florida Prepaid College Foundation
The Florida Prepaid College Foundation provides a tax-deductible opportunity for businesses, community groups and individuals to purchase prepaid college scholarships for Florida children.

The Florida Prepaid College Plan has an annual enrollment period from October to January each year. Through the Foundation, scholarships may be purchased any time during the year.

Foundation scholarships may be purchased for an unnamed beneficiary (child) prior to matriculation, giving the donor the flexibility to reassign the scholarship to another child if the original beneficiary does not use the scholarship.

Foundation scholarships may be purchased for children through the 12th grade. The child must be a Florida resident at the time of selection and award.

Stanley Tate Project STARS scholarships may be purchased for children through the 11th grade. The children must be a Florida resident at the time of selection and award.

The cost of the scholarship is based on the type of plan and the projected college enrollment year. Foundation scholarships must be paid for in a single lump sum.

There is no application process for the donor. Donors simply provide the Foundation the type of plan they want to purchase, the projected college enrollment year and a summary of the scholarship award criteria. The Foundation coordinates the purchase and the administration of the scholarship.

The donor typically selects the student. Upon request, the Foundation will provide assistance with identifying qualified students.

Foundation scholarships can be used at any of Florida’s 11 public universities or 28 community colleges, including the 13 colleges offering baccalaureate degrees. The value of the scholarship may also be transferred to most private colleges in Florida, select technical schools in Florida and most out-of-state colleges.

Stanley Tate Project STARS beneficiaries are required to submit a student information form annually prior to the beginning of the fall semester, to update the Foundation on their academic progress.

Terms of participation are outlined in the policies & procedures of the Florida Prepaid College Foundation (available upon request).

All other terms of participation are the same as the Florida Prepaid College Plan.

When Foundation students are ready for college, they receive a Florida Prepaid College Plan student identification card. The student presents this card when registering for classes. The college will bill the Florida Prepaid College Plan, and the Plan will pay the college directly for the fees covered by the scholarship.

“It is allowing me to worry less about the financial aspect of college and focus more on academics.”

- Aaron Kistler, Pinellas Education Foundation
The Florida Prepaid College Foundation is the 501(c)(3) direct support organization for the Florida Prepaid College Board. The Florida Prepaid College Plan allows purchasers to prepay the cost of college tuition, local fees and dormitory housing and is guaranteed by the State of Florida. The Board has sold close to 1.3 million Prepaid College contracts statewide. The Foundation was created in 1990 as a public/private partnership. Businesses, organizations, community groups and individuals may purchase contracts through the Foundation, allowing scholarship recipients to benefit from the advantages and guarantee offered by the Florida Prepaid College Plan. The Foundation provides prepaid college scholarships to economically disadvantaged students who are at risk of dropping out of school and to other deserving students in need of assistance. Since inception, the Foundation has purchased 27,509 Prepaid College tuition, local fee and dormitory scholarships. As of fall 2008, 10,244 Foundation scholarship recipients have enrolled in college and are using their benefits.

TUITION SCHOLARSHIPS

The Foundation has awarded 23,960 tuition scholarships since inception. The Tuition Plan scholarships cover matriculation, building, capital improvement and financial aid fees. There are four types of tuition plans offered through the Foundation:

- 2-Year Community College Tuition Plan (covers 60 community college credit hours)
- 2-Year Community College Tuition Plan (covers 72 community college credit hours)
- 2+2 Tuition Plan (covers 60 community college credit hours and 60 university undergraduate credit hours)
- 4-Year University Tuition Plan (covers 120 university undergraduate credit hours)

The 2+2 Tuition Plan is the most popular plan, representing 16,247 or 68% of all tuition plans awarded. The Foundation has awarded 4,014 2-Year Community College (60 hour) Tuition Plans, 1,455 2-Year Community College (72 hour) Tuition Plans, and 2,244 4-Year University Tuition Plans.

LOCAL FEE AND DORMITORY SCHOLARSHIPS

The Foundation also offers optional, supplemental local fee and dormitory scholarships.

The local fee plan covers the student activity and service, health and athletic fees charged by Florida’s public universities and colleges. Local fee plans must be the same plan type as the tuition plan. To date, 3,500 local fee scholarships have been awarded.

The dormitory plan covers the cost of a standard, double-occupancy, air-conditioned dormitory room at a Florida university. The dormitory plan can be used toward the cost of other university-held housing, including some fraternity and sorority houses, and at select community colleges. The dormitory plan can be purchased in one-year increments, up to a total of five years. The plan may be purchased for a child with a four-year university tuition plan or a 2+2 tuition plan. To date, 49 dormitory scholarships have been awarded.

The Foundation provides prepaid college scholarships to economically disadvantaged students who are at risk of dropping out of school.

Plan Types Purchased Since Inception

Local Fee 12.7%
Dormitory 0.2%
Tuition 87.1%
STANLEY TATE PROJECT STARS SCHOLARSHIP PROGRAM

Stanley Tate Project STARS (Scholarship Tuition For At-Risk Students) is the Foundation’s largest program, representing 21,110 of all tuition and local fee contracts purchased by the Foundation. STARS is a matching scholarship program funded annually by the Florida Legislature and matched dollar-for-dollar by private sector donations.

The STARS program targets low-income students who are at risk of dropping out of school and gives them the incentive and opportunity to plan and prepare for college.

STARS PARTNERS

STARS partners include a notable group of public school foundations, school districts, community groups, businesses and individuals who are dedicated to providing the children of Florida with guidance and educational opportunities.

STARS STUDENTS

To qualify for a STARS scholarship, students must be residents of Florida, economically disadvantaged (eligible for the free and reduced lunch program) and at risk of dropping out of school.

Most STARS partners require that the scholarship recipient sign a contract agreeing to progress academically, meet school attendance requirements, abide by their school’s code of conduct, remain drug-free and crime-free, and meet with a mentor on a regular basis. The program’s partners monitor each student’s progress, and provide support and encouragement throughout their middle and high school years.

Donors select the students that receive STARS scholarships, and they may establish additional criteria, subject to Foundation approval.

STUDENT DEMOGRAPHICS

The Stanley Tate Project STARS Scholarship Program is committed to diversity. Of all scholarship recipients, 55 percent are minority students: 33 percent are African-American, 16 percent are Hispanic, 3 percent are Asian, less than 1 percent are Native American, and 2 percent are of other ethnicities. Since inception, 62 percent of students joining a local STARS program have been female; 38 percent are male.

Our annual survey shows that 63 percent of Project STARS scholarships are awarded to students from non traditional two-parent households: 53 percent are awarded to students living in single-parent homes, 8 percent living in extended family homes and 2 percent living in foster care.
STARS ANNUAL SURVEY

The Foundation conducts an annual survey of participating partners to measure the progress of STARS students. Survey results show that the STARS program continues to provide incentive and hope to its recipients.

Now that the STARS program has successfully guided students from middle school through high school and into college, the Foundation Board is interested in learning more about the students. Since 2006, the Foundation has required all STARS students to complete a survey prior to enrolling in college classes. Statistics from the surveys are compiled in the below charts.

### STUDENT SUCCESS

STARS scholarships continue to have a tremendous impact on the lives of its recipients. Among the recipients, 84 percent of the students are meeting the Stanley Tate Project STARS Scholarship Program requirements and are preparing for college.

Only 16 percent of STARS students did not meet the STARS requirements and therefore were terminated from the program.

To date, 8 percent of STARS students voluntarily withdrew from the program. Students that withdraw voluntarily have moved out of state or have received other college scholarships.

"It's made going to college a reality."

- Lucus Andrews, Pinellas Education Foundation
ANNUAL FUNDING

The Stanley Tate Project STARS Scholarship Program is funded by an annual appropriation from the Florida Legislature and matching funds from private donors.

In February of each year, private donors pledge the amount of money that they will raise in their local communities and contribute to Project STARS for the next fiscal year. Reliant upon legislative funding, the Foundation provides a dollar-for-dollar match of up to $100,000 per donor, and the balance is allocated on a pro-rata share based on individual donor pledges. The donors submit their contributions, and the Foundation completes the application process and purchases the scholarships.

Thanks to the generosity and commitment of the Florida Legislature and our private sector partners, the Stanley Tate Project STARS Scholarship Program has received close to $130 million.

2008/2009

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Almost every year since inception, donor pledges have exceeded the amount appropriated by the Legislature. Unmatched pledges now total more than $72.8 million. STARS was not funded in 1991/1992, 1992/1993 and 1993/1994.
Since inception, the Foundation has partnered with 97 Project STARS donors. Our partners consist of education foundations, school districts, community groups, businesses and corporations dedicated to making the dream of a college education come true for Florida's youth. Listed below are the 60 foundations that purchased 2,050 scholarships with state allocated funds for contract year 2007/2008.

Alachua County Schools Foundation
Bay Education Foundation
Brevard Schools Foundation
Broward Community College Foundation
Broward Education Foundation
Carnival Foundation
Charlotte Education Foundation
Collier County Education Foundation
Communities in Schools of Bradford County
Communities in Schools of Jacksonville
Communities in Schools of Putnam County
Cruise Industry Foundation
Flagler County Education Foundation
Florida Community College at Jacksonville Foundation, Inc.
Foundation for Excellence in Escambia County
Foundation for Lee County Public Schools
Foundation for Osceola Education, Inc.
Franklin County Schools/TSIC
FUTURES Foundation for Volusia County Schools
Hillsborough Education Foundation
Indian River Community College, Indian River Co.
Indian River Community College, Martin County
Indian River Community College, Okeechobee Co.
Indian River Community College, St. Lucie Co.
JBJ Foundation, Inc.
Kiwanis Club of Biscayne Bay
Lake City Community College Foundation
Lake County Schools/TSIC
Levy County Schools Foundation
Lighting The Way For Kids
Madison County Foundation
Manatee County School District
Monroe County Education Foundation
North Florida Community College Foundation
Okaloosa Public Schools Foundation, Inc.
Pasco Education Foundation, Inc.
Pasco/Hernando Community College Foundation
Pinellas Education Foundation
Polk Education Foundation
Public Education Foundation of Marion County
Ronald McDonald House Charities
Santa Rosa Educational Foundation
Seminole County Public Schools
South Florida Community College Foundation/TSIC
Take Stock in Children of Broward County
Take Stock in Children of Calhoun County
Take Stock in Children of Clay County
Take Stock in Children of Dade County
Take Stock in Children of Glades County
Take Stock in Children of Hendry County
Take Stock in Children of Palm Beach
Take Stock in Children of Sarasota County
Take Stock in Children of St. Johns County
Take Stock in Children of Taylor County
Take Stock In Children of Washington County
Take Stock In Children, dba WWDA
The Immokalee Foundation
Uncommon Friends Foundation
Walton County Schools/TSIC
Women of Tomorrow

"It is allowing me to be the first person in my family to go to college."

- Monica Rayborn, Polk Education Foundation
THE WOMEN OF TOMORROW MENTOR & SCHOLARSHIP PROGRAM

The Women of Tomorrow Mentor & Scholarship Program (WOT) established a partnership with the Broward Education Foundation in 2002 to purchase Project STARS scholarships for its graduates. Through this partnership, WOT has awarded 30 scholarships valued at more than $121,000 to deserving young women in Broward County! The success of the scholarship partnership was so great, Women of Tomorrow is now partnering directly with the Florida Prepaid College Foundation in order to offer this opportunity to all of its graduates in Broward, Miami-Dade and Palm Beach Counties.

WOT is believed to be the only program of its kind in the country, pairing extremely accomplished professional women with small groups of at-risk teenage girls in public high schools for a 4-year mentoring program. WOT mentors are judges, doctors, lawyers, newscasters, executives and entrepreneurs who expose young women to the possibilities out there for them, as well as walking them through a variety of learning experiences that will enrich their lives and their education.

Currently, the WOT program is established in 98 Broward, Miami-Dade and Palm Beach County high schools in South Florida and serves approximately 1,800 students with its network of approximately 250 mentors. Since the inception of its scholarship program in 2000, WOT has awarded more than $1.89 million in scholarships to 699 WOT students. The Florida Prepaid College Foundation is proud to partner with the Women of Tomorrow Mentor & Scholarship Program.

TAKE STOCK IN CHILDREN

As a long-time partner of the Florida Prepaid College Foundation, Take Stock In Children (TSIC) was excited to announce TurboCharge 2, an initiative that receives contributions from new donors and offers a four-to-one match on their money. Through the initiative, $25 received from a new donor is matched by TSIC corporate. The $50 is sent to the Foundation’s Project STARS to purchase $100 in scholarships.

TurboCharge 2 raised $3,560,000. When matched with the Project STARS remaining 2007/2008 allocation and an approved $1.176 million of escheated dollars, the initiative was able to purchase 685 new STARS scholarships valued at $6.93 million dollars. Thirty-one TSIC programs across the state participated on a first come, first serve basis. These TurboCharge 2 scholarships will allow low-income at-risk students the chance to go to college.

“Encouraging me to do something with my life and have confidence that I can have a career that I will enjoy and live comfortably.”

- Amber Mallory, Take Stock in Children of Palm Beach County

Visit www.floridaprepaidcollegefoundation.com To learn more about becoming a foundation partner.
Natalie Forcier has taken the mentoring aspect of Project STARS to a whole new level. She created the Youth Violence Prevention Initiative or “The Projekt”, that works with non-profit agency St. Andrews and is funded by the United Nations High Commissioner of Refugees. The aim of the project is ultimately to reduce violence among Sudanese at-risk youth living within urban Cairo through education and skills training, the reinforcement of hip hop culture, and the development of opportunities for sports and organized social events. Natalie wrote a letter to her Take Stock in Children (TSIC) mentor expressing her sincere gratitude for the time that was invested in her and to explain “exactly how far reaching your volunteer mentoring has gone, and as a result, how many lives you have touched.” She went on to say, “The more I talked to these young men I realized how I identified with their feelings and had many of the same feelings when I was younger. When I looked back at what helped me stay focused, motivated and determined, one of the largest influences was my relationship with you. Your helping me has in turn taught me how to identify with and create a program that helps a completely different group of people.” The combination of a STARS scholarship, one-on-one mentoring and the support of the Foundation for Lee County Public Schools and the Florida Prepaid College Foundation is now impacting the lives of Sudanese at-risk youth in Cairo, Egypt. A job well done Natalie!

Helen Quinn grew up in a house full of strong women who stressed the importance of education. Helen’s mother made it clear that college would be a part of all three of her daughters’ lives.

In the fall of Helen’s seventh grade year, the Quinns were given an opportunity to apply for a Project STARS scholarship through Communities in Schools (CIS) of Jacksonville. Helen and her mother filled out the scholarship application together and she would soon be matched with a mentor and the promise of a college education. Helen graduated from high school in 2001 and from the University of North Florida in 2005 with a degree in International Studies. After college graduation she applied to be a TSIC mentor in hopes of giving back to her community. Going full circle from mentee to mentor, Helen began her career with TSIC of Clay County as the student advocate at Orange Park High School. She is currently the student advocate for CIS Jacksonville, working with five schools in Arlington and the Southside.

“By providing me with money for college, the STARS Scholarship is helping me achieve my goals of becoming an English teacher. I can’t wait to finish school and start teaching. Without this scholarship, I don’t think I would be able to pay for schooling.”

- Kayla Crittenden, Lake County Schools
BERNARD GAINES
Charlotte Local Education Foundation
Current Status: High School Sophomore

Bernard Gaines is in the 10th grade and already has a young, entrepreneurial mind. He has begun designing and painting his own t-shirts. In fact, he sold one of his custom t-shirts just before school let out last year. Unfortunately, that same success was not showing up in the classroom.

He was a low-performing student with a vocabulary four years behind his grade level. The Charlotte Local Education Foundation was able to provide assistance for Bernard with a grant it received through the Florida Education Consortium. This grant allowed funding for tutoring, testing and specific instruction for students struggling in school. Bernard said that he did not want to go at first, but later found that everyone was so nice that he enjoyed going. The support he has received and the promise of a college education through his STARS scholarship has given him the desire to work hard and earn his high school diploma. Bernard has advanced from a 6th grade level in vocabulary to a 10th grade level since February!

His teachers say that his attitude is the main reason that he is doing so well, and Bernard is a joy to work with. His goals for next year are to keep his grades up, look for a college close by and maybe sell some more t-shirts.

JENNIFER SCHWOERER
Bay Education Foundation
Current Status: College Graduate

As a recent graduate of Florida State University-Panama City, Jenni Schwoerer is the third Take Stock in Children scholar to become a teacher. She did her student teaching in a third grade classroom at Cedar Grove Elementary School under the guidance of Denise Simonson, a Bay Education Foundation member. Describing Jenni as a true delight, Denise reported that she was “a go-getter from day one.” Prior to student teaching, Jenni worked as a paraprofessional in classrooms at Millville Elementary School. Jenni was quick to acknowledge the support of her family and friends and made a special video to honor them at her graduation party. Jenni also expressed her appreciation to the Bay Education Foundation and the Florida Prepaid College Foundation: “This scholarship has played a big role in giving me the determination to follow my dreams… I owe my career to the foundation! I can now better myself and give my daughter a wonderful and bright future.”

“We are very grateful for this scholarship,” said Diana Schwoerer, Jenni’s mother. “It removed a lot of fears for her and made it possible to achieve her goals. It was a godsend.” Diana went on to say that the requirements imposed by the Foundation on its scholarship students were very reasonable and that students should be following those rules with or without a scholarship.

Jennifer is currently a third grade teacher at Cedar Grove Elementary School. She also has been accepted into graduate school and is taking courses in the master’s degree program at FSU-PC.

SYESHIA MERCADO
Take Stock in Children of Sarasota County
Current Status: On Tour

A 2005 Take Stock graduate from Sarasota County, Syesha Mercado has recently become well known for her performances in the popular TV show “American Idol.” Syesha was accepted by Project STARS and TSIC in elementary school; even then, she wanted to be a singer and it was no question she would be a star. After graduation from Sarasota’s Booker High School’s Visual Performance Arts Program, she spent two years at Florida International University in Miami. She was the third place finalist and is currently touring with the top ten finalists in the American Idol LIVE 2008 Tour.
FOUNDATION PRIVATE DONORS

The Florida Prepaid College Foundation has many private donors, including community groups, businesses, hospitals, churches and individuals, that are making a college education a reality for students in their communities throughout Florida. These private donors purchase Foundation scholarships with 100 percent private sector donations, which permit them to set their own selection criteria.

Private Donors List

Since inception there have been 84 different private partners with 6,155 tuition, local fee, and dormitory scholarships purchased. This year seven private donors purchased 49 tuition, local fee and dormitory accounts.

- Christ Episcopal Church Foundation
- DeBartolo Family Foundation
- Devoe Cadillac Trust
- Orange Center Elementary School
- South Florida Educational Credit Union
- Tampa Bay Workforce Alliance
- Workforce Alliance, Inc.

“I don’t know what my future previously held if it were not for STARS. But now I can shape my future and go after all my dreams.”
- Kalee Moore, Take Stock in Children of Palm Beach County

Workforce Alliance

Workforce Alliance has a partnership with Take Stock in Children of Palm Beach County that has resulted in the awarding of Florida Prepaid College Foundation Scholarships to numerous children over the past decade who most likely would not otherwise have had the opportunity for a college education.

Workforce Alliance carries out the role of providing programs to prepare welfare-assisted adults of Palm Beach County for better employment opportunities that will lead to self-sufficiency. In conjunction with this program, the Workforce Alliance provides funding through the Florida Prepaid College Foundation that enables eligible children of these adults to be sponsored and funded for a college education, as long as the parent remains compliant in the welfare transition program.

Workforce Alliance funded 10 additional scholarships in 2008 because its leadership recognizes the Florida Prepaid College Foundation as a powerful weapon against the cycle of poverty that occurs when such opportunities are not available. The local office of Take Stock in Children is a partner with Workforce Alliance as the administrator for the scholarships. The program has proven a strong incentive for both parents and children to be successful and to find their pathway to a better career and an improved life.

Family Literacy Scholarship – A Foundation Innovation

Ten children whose parents are successfully striving to achieve literacy for themselves and their families have received community college scholarships provided by the Florida Prepaid College Foundation, in its role as a sponsor of Volunteer USA Foundation’s Family Literacy Initiative.

The Florida Family Literacy Initiative began in 1999, when First Lady Barbara Bush joined then-Governor Jeb Bush to announce the start of family literacy programs for Dade, Broward, and Palm Beach counties. Since 1999, the program has expanded statewide and has served thousands of families. The initiative focuses on providing literacy services to parents without a high school diploma and their children. Sixty percent of the families served are minority, and all are low-income.

Dollar General, one of Volunteer USA Foundation’s platinum partners, provided 50 percent of the funds needed to purchase the ten scholarships while the Prepaid Foundation donated the remaining 50 percent. The total value of the scholarships was $43,791.
FOUNDATION INNOVATIONS

The Florida Prepaid College Foundation Board is committed to assisting Florida children in achieving their dreams and reaching their goal of a higher education. The Board has implemented several innovative programs that honor our heritage, public servants and those that have defended our freedoms. The presentation of these scholarships is made possible by generous donations from private sector corporations, organizations and individuals.

THE GOVERNOR’S RECOGNITION SCHOLARSHIP
Since 1999, the Prepaid College Foundation has annually awarded college scholarships in honor of past Governors of the State of Florida through our Governor’s Recognition Scholarship essay contest.

Each year the Foundation Board selects a group of counties to participate and opens the essay contest to seventh grade students in that county who qualify for Project STARS. Eligible students write a 500-word essay explaining what they believe to be the legacy of any former Governor of the State of Florida. The winning student will receive a 4-year university tuition with local fee scholarship. The school district is responsible for collecting and submitting their top five essays and a panel of judges select the winning essay. The scholarship is awarded at the students’ end-of-the-year school award ceremony.

This year the Foundation Board selected Hernando and Washington County to be the recipients of the annual Governor’s Recognition Scholarship essay contest. Winners included Ricardo Sabater, from Fox Chapel Middle School in Spring Hill (Hernando) and Stephanie Gipson from Vernon Middle School in Vernon (Washington). The Florida Prepaid College Foundation contributed $30,221 to purchase the scholarships for these students.

HISPANIC HERITAGE MONTH SCHOLARSHIP
For the sixth year, the Florida Prepaid College Foundation sponsored the Governor’s Annual Hispanic Heritage Month Essay Contest for K-12 students throughout Florida. The essay contest celebrates Hispanic heritage, family and culture. The Florida Prepaid College Foundation donated 4-year university tuition and local fee scholarships to each of the three winners at an awards ceremony at the Governor’s mansion hosted by Governor Charlie Christ.

The theme of the 2008 essay contest was “In what ways does the foundation of Florida’s Hispanic legacy help to build the future of Florida’s innovation economy?” A panel of educators, community and civic leaders judged the essays on their content, insight and relation to the theme.

The year’s winners were William Velasquez, from Ridgewood High School in Port Richey; Alexis Tahmassebi, from DeLaura Middle School in Melbourne; and Alexis Rosa from Devon Aire K- 8 Center in Miami. The Florida Prepaid College Foundation contributed $48,746.59 to purchase the scholarships for these students.

BLACK HISTORY MONTH SCHOLARSHIP
For the sixth year, the Florida Prepaid College Foundation sponsored the Governor’s Annual Black History Month essay contest for K-12 students throughout Florida. The essay contest celebrates Black History Month and honors the historic contributions and accomplishments of African-American leaders, educators and entertainers from Florida. The Florida Prepaid College Foundation donated three 4-year university tuition and local fee scholarships to each of the winners during a reception at the Governor’s mansion commemorating Black History Month.

The theme of the 2008 essay contest was “How have the contributions of African-American scientists or inventors impacted your life?” A panel of educators, community, and civic leaders judged the essays on their content, insight and relation to the theme. The year’s winners were Joery Francois from North Miami High School (Miami-Dade); Jasmine Jordan from Progress Middle Magnet School (Hillsborough); and Aaron Watson III from Canopy Oaks Elementary School (Leon). The Florida Prepaid College Foundation contributed $44,760 to purchase scholarships for these students.

SPECIAL SCHOLARSHIPS
The Florida Prepaid College Foundation provides scholarships to other children who have special circumstances that may have otherwise kept them from going to college. The Foundation Board, on a case-by-case basis, reviews petitions for these special scholarships.
INDEPENDENT AUDITOR’S REPORT

Board of Directors
Florida Prepaid College Foundation, Inc.
Tallahassee, Florida

We have audited the accompanying statement of financial position of the Florida Prepaid College Foundation, Inc. (the Foundation), as of June 30, 2008, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Foundation’s management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Florida Prepaid College Foundation, Inc., as of June 30, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Tallahassee, Florida
October 20, 2008
# Financial Statements

## Statement of Financial Position

<table>
<thead>
<tr>
<th>June 30, 2008</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Other Programs</th>
<th>Total All Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>General</td>
<td>Scholarship Matching Program</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Operating</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$2,047,771</td>
<td>$</td>
<td>$</td>
<td>$2,047,771</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>$21,843</td>
<td>$</td>
<td>$</td>
<td>$21,843</td>
</tr>
<tr>
<td>Restricted assets</td>
<td>$12,644,685</td>
<td>$</td>
<td>$1,557,133</td>
<td>$14,201,818</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$2,069,614</td>
<td>$12,644,685</td>
<td>$1,557,133</td>
<td>$16,271,432</td>
</tr>
<tr>
<td>Liabilities and Net Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>$</td>
<td>$12,644,685</td>
<td>$1,557,133</td>
<td>$14,201,818</td>
</tr>
<tr>
<td>Due to beneficiaries</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Net assets</td>
<td>Unrestricted</td>
<td>$2,069,614</td>
<td>$</td>
<td>$2,069,614</td>
</tr>
<tr>
<td>Total Liabilities and Net Assets</td>
<td>$2,069,614</td>
<td>$12,644,685</td>
<td>$1,557,133</td>
<td>$16,271,432</td>
</tr>
</tbody>
</table>

## Statement of Activities

<table>
<thead>
<tr>
<th>Year ended June 30, 2008</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Other Programs</th>
<th>Total All Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>General</td>
<td>Scholarship Matching Program</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Operating</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues and Other Support</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration fees</td>
<td>$113,170</td>
<td>$</td>
<td>$</td>
<td>$113,170</td>
</tr>
<tr>
<td>Investment income</td>
<td>$441,294</td>
<td>$</td>
<td>$</td>
<td>$441,294</td>
</tr>
<tr>
<td>Total Revenues and Other Support</td>
<td>$554,464</td>
<td>$</td>
<td>$</td>
<td>$554,464</td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supporting services</td>
<td>$67,458</td>
<td>$</td>
<td>$</td>
<td>$67,458</td>
</tr>
<tr>
<td>Scholarships</td>
<td>$142,060</td>
<td>$</td>
<td>$</td>
<td>$142,060</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$209,518</td>
<td>$</td>
<td>$</td>
<td>$209,518</td>
</tr>
<tr>
<td>Increase in net assets</td>
<td>$344,946</td>
<td>$</td>
<td>$</td>
<td>$344,946</td>
</tr>
<tr>
<td>Net assets, beginning of year</td>
<td>$1,724,668</td>
<td>$</td>
<td>$</td>
<td>$1,724,668</td>
</tr>
<tr>
<td>Net Assets, End of Year</td>
<td>$2,069,614</td>
<td>$</td>
<td>$</td>
<td>$2,069,614</td>
</tr>
</tbody>
</table>
### Statement of Cash Flows

#### Year ended June 30, 2008

<table>
<thead>
<tr>
<th>Category</th>
<th>Unrestricted General Operating</th>
<th>Scholarship Matching Program</th>
<th>Other Programs</th>
<th>Total All Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Flows From Operating Activities</td>
<td>$ 344,946</td>
<td>$ 5,697,945</td>
<td>(363,641)</td>
<td>5,334,304</td>
</tr>
<tr>
<td>Increase in net assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustments to reconcile increase in net assets to net cash provided by operating activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease (increase) in:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>interest receivable</td>
<td>(21,843)</td>
<td></td>
<td></td>
<td>(21,843)</td>
</tr>
<tr>
<td>Increase (decrease) in:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due to beneficiaries</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Cash Provided by Operating Activities</td>
<td>323,103</td>
<td>5,697,945</td>
<td>(363,641)</td>
<td>5,657,407</td>
</tr>
<tr>
<td>Net increase in cash and cash equivalents</td>
<td>323,103</td>
<td>5,697,945</td>
<td>(363,641)</td>
<td>5,657,407</td>
</tr>
<tr>
<td>Cash and cash equivalents, beginning of year</td>
<td>1,724,668</td>
<td>6,946,740</td>
<td>1,920,774</td>
<td>10,592,182</td>
</tr>
<tr>
<td>Classified As:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 2,047,771</td>
<td>$ 12,644,685</td>
<td>$ 1,557,133</td>
<td>$ 16,249,589</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>$ 2,047,771</td>
<td>$ 12,644,685</td>
<td>$ 1,557,133</td>
<td>$ 16,249,589</td>
</tr>
<tr>
<td>Total Cash and Cash Equivalents</td>
<td>$ 2,047,771</td>
<td>$ 12,644,685</td>
<td>$ 1,557,133</td>
<td>$ 16,249,589</td>
</tr>
</tbody>
</table>
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

Organization
The 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 College Investment Plan. The Florida Prepaid Tuition Scholarship Program provides prepaid tuition scholarships to economically disadvantaged, at-risk students. The Foundation is a direct-support organization of the Board and is authorized by section 1009.984 of the Florida Statutes and incorporated under the provisions of chapter 617 and approved by the Secretary of State.

Basis of Accounting
The accounts of the Foundation are maintained in accordance with the principles of not-for-profit accounting. Resources are reported for accounting purposes into separate classes of net assets based on the existence or absence of donor-imposed restrictions. In the accompanying financial statements, net assets that have similar characteristics have been combined into similar categories as follows:

Permanently Restricted
Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation would be classified as permanently restricted. Generally, the donors of these assets would permit the Foundation to use all or part of the investment return on these assets. As of June 30, 2008, the Foundation does not have net assets that are permanently restricted.

Temporarily Restricted
Net assets whose use by the Foundation is subject to donor-imposed stipulations that can be fulfilled by actions of the Foundation pursuant to those stipulations are classified as temporarily restricted. To account for amounts donated for specific purposes, the Foundation maintains temporarily restricted net assets as follows:

Scholarship Matching Program
Resources restricted for scholarships. Private contributions are matched dollar for dollar by State of Florida contributions.

Other Programs
Resources restricted for scholarships, but not matched by State of Florida appropriation because the donors have retained the right to establish their own criteria for selection of recipients.

Unrestricted
Net assets that are not subject to donor-imposed stipulations are classified as unrestricted. Unrestricted net assets include resources that are available for support of Foundation operations.

The Foundation receives scholarship funds from donor organizations with instructions to purchase contracts from the Florida Prepaid College Plan for specified third-party beneficiaries. The Foundation has no discretion in determining the parties to be benefitted and it must deliver the contracts to the specified beneficiaries. Receipt of those scholarship funds is not a contribution to the Foundation, nor is the delivery of the contracts an expense of the Foundation. The unexpended funds from the donors are classified as amounts due to beneficiaries. The Foundation also receives unsolicited, unrestricted donations from various sources, which it records as other support. These funds are used for general operating purposes.
Note 1 - Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents
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.

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.

Note 2 - 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 $3,691,895 on deposit with Sun Trust Bank as of June 30, 2008. The Foundation also had $12,561,056 on deposit with Sun Trust Bank in a short term money market fund that is not insured under the Act. The Foundation believes the credit risk related to these balances is minimal.

Note 3 - Due to Beneficiaries

The Foundation receives scholarship funds from donors and purchases contracts 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:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, June 30, 2007</td>
<td>$8,867,514</td>
</tr>
<tr>
<td>Donations</td>
<td>15,622,404</td>
</tr>
<tr>
<td>Payments on Behalf of Donors</td>
<td>(10,288,100)</td>
</tr>
<tr>
<td>Balance, June 30, 2008</td>
<td>$14,201,818</td>
</tr>
</tbody>
</table>

Note 4 - Related-Party Transactions

The Foundation purchases prepaid tuition, dorm and local fee contracts from the Florida Prepaid College Plan on behalf of selected scholarship recipients. Prepaid tuition, dorm and local fee contracts at a cost of $10,288,100 were purchased during the year ended June 30, 2008. Certain directors serve on the Board of Directors of the Foundation as well as on the Florida Prepaid College Board which administers the Florida Prepaid College Plan.

Note 5 - Income Taxes

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.

Note 6 - Schedule of Functional Expenses

The Foundation’s functional expenses for the year ended June 30, 2008 were comprised entirely of management support services, as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Postage and Freight</td>
<td>$490</td>
</tr>
<tr>
<td>Travel</td>
<td>4,737</td>
</tr>
<tr>
<td>Printing and Marketing</td>
<td>10,130</td>
</tr>
<tr>
<td>Administration</td>
<td>52,101</td>
</tr>
<tr>
<td>Scholarships</td>
<td>142,060</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$209,518</td>
</tr>
</tbody>
</table>
Chairman Theodore J. (Ted) Hoepner – Mr. Hoepner was appointed to the Florida Prepaid College Board by Governor Jeb Bush in 2005 and is the current Chairman of the Board. As Chairman of the Prepaid College Board, Mr. Hoepner also serves as the Chairman of the Florida Prepaid College Foundation Board. Mr. Hoepner is a retired commercial banker whose career spans 38 years, of which the last five he served as Vice Chairman of SunTrust Bank, Inc. Prior to being named Vice Chairman in 2000, he was President, Chairman and CEO of SunTrust Banks of Florida. Mr. Hoepner earned a Bachelor of Arts from Carleton College and completed graduate programs at Harvard and New York Universities.

Vice Chairman Sandra L. Murman – Mrs. Murman was elected to the Florida Prepaid College Foundation Board of Directors in December 2004. She served eight years as a member of the House of Representatives and held the position of Speaker pro tempore; vice chairman of the House Appropriations Committee and chairman of the Health & Human Services Appropriations and Health Policy Council. Mrs. Murman had a successful career in business as a manager and sales representative of Top 500 Companies prior to her public service career. She serves on many civic boards and commissions and is an advocate for children, families and seniors. Mrs. Murman has a Bachelor’s degree in Marketing from Indiana University.

Ron Silver – Mr. Silver was elected to the Florida Prepaid College Foundation Board of Directors in April 2003. He was elected to the Florida Senate in 1992 and subsequently re-elected, serving as the Majority (Democratic) Leader for the 1994 session and Dean of the Legislature. Mr. Silver was a member of the House of Representatives from 1978-1992 and held the position of Chair, Dade County Legislative Delegation; House Majority Whip; House Majority Leader; and House Floor Leader for Governor. Mr. Silver’s career as a lawmaker has yielded a vast and extensive knowledge of public policy issues and the legislative process, allowing him to be an advocate and servant for his diverse community in Miami-Dade County. Mr. Silver currently is president of his own consulting firm (Ron Silver & Associates), which has represented major corporations such as Siemens, Maximus and Advoserve. Mr. Silver has a Bachelor’s degree and law degree from the University of Miami.

Christyne Hamilton – Ms. Hamilton was elected to the Florida Prepaid College Foundation Board of Directors in March 2007. She is a former member of the Florida Prepaid College Board, former vice president of Administrative and Business Services at Seminole Community College and has more than 40 years of experience working with the community college system and the Division of Community Colleges as Bureau Chief in areas of administration, finance, and business services. Ms. Hamilton also serves as a Business Officer for Lake Sumter Community College and currently serves as Special Advisor to the President in the role of Equity Consultant. She is the President/Treasurer of the Albert L. Brown Foundation. She is also currently a Board member of Lake Sumter Community College Foundation, Inc.; a Board member and recent Chair (2006-2008) of the Association of Small Foundations, Washington, D.C.; a Board member of the local chapter of the League of Women Voters and member of a number of local civic and volunteer organizations. Ms. Hamilton has a Bachelor’s degree in Business Administration from Rollins College and a Master’s degree in Accounting from the University of South Florida.

Thomas J. Wallace – Mr. Wallace has served as a member of the Florida Prepaid College Foundation Board and as its Executive Director since 1997. Mr. Wallace is also a member of the Executive Board for the National College Savings Plans Network. For more than 30 years, he has served the state of Florida in various policy and budget management positions. Mr. Wallace earned his Bachelor’s degree in Accounting from Florida State University.