



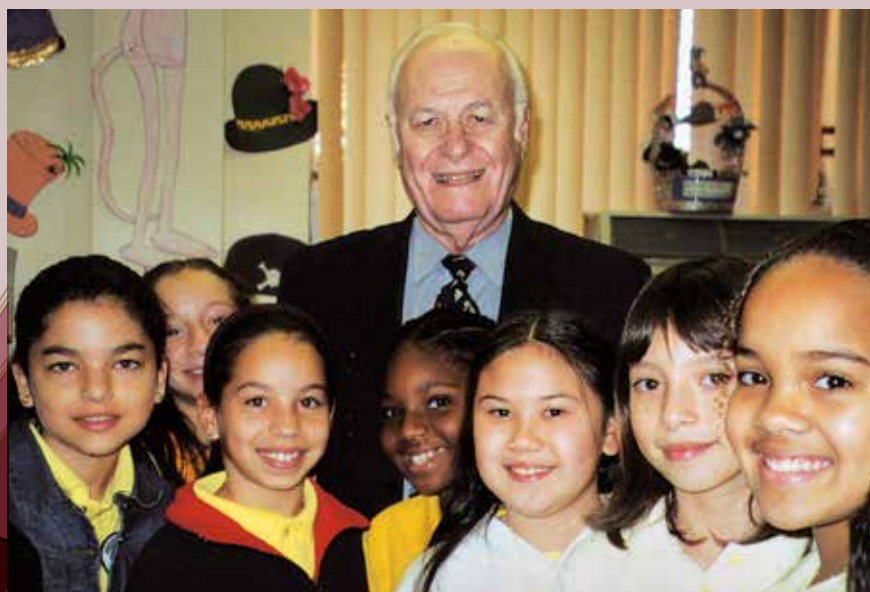
STANLEY G. TATE
**FLORIDA
PREPAID**
COLLEGE FOUNDATION

2012 ANNUAL REPORT

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The Florida Prepaid College Board and Florida Prepaid College Foundation would like to recognize and honor Stanley G. Tate for his exemplary record of professional and dedicated service to the families and children of Florida. Stanley Tate is credited for his contributions in providing leadership and guidance to numerous education, charitable and community organizations for the benefit of families and children, championing the establishment of the Florida Prepaid College Program, implementing the Florida 529 Savings Plan and through the Prepaid College Foundation redirecting the lives of thousands of Florida's children by providing them with the opportunity to receive a college education and achieve their true potential in life. On November 8, 2005, Governor Jeb Bush, the Florida Cabinet and members of the Foundation's Board recognized Stanley G. Tate for 18 years of service as Chairman of the Florida Prepaid College Board and 15 years of service as Chairman of the Florida Prepaid College Foundation Board. A Resolution was passed renaming the Project STARS Program to the "Stanley Tate Project STARS Scholarship Program." On September 20, 2012 the Foundation Board unanimously approved to update the name of the foundation to the Stanley G. Tate Florida Prepaid College Foundation.



CHAIRMAN'S MESSAGE



For the past 23 years, the Stanley G. Tate Florida Prepaid College Foundation has been committed to giving aspiring students the opportunity to build a better future for themselves and our state by providing college scholarships funded through partnerships with individuals, families, the Florida Legislature, businesses and educational foundations. It is my pleasure to share with you the 2012 Stanley G. Tate Florida Prepaid College Foundation Annual Report.

To date, the Foundation has awarded 33,377 Prepaid College Plan scholarships and, as of fall 2012, more than 16,000 Foundation scholarship recipients have gone to college using their benefits. More than half of all Foundation scholarship students are minorities and most are from single parent or non-traditional homes. Many Foundation scholarship students are the first in their family to go to college.

As we welcome another year, we reflect on the lives that have been enhanced by the various initiatives administered by the Foundation, including the Governor's Recognition Scholarship Program, Hispanic Heritage Month and Black History Month essay contests and the Stanley Tate Project STARS Scholarship Program.

The Stanley Tate Project STARS Scholarship Program (Scholarship Tuition for At-Risk Students) is the Foundation's largest program, representing 25,622 of the scholarships purchased by the Foundation. Stanley Tate, the founding Chairman of the Florida Prepaid College Board, served 18 years at the appointment of four Florida governors. His hallmark Foundation program provides Florida Prepaid College Plan scholarships to low-income students at risk of dropping out of middle and high school, giving them the incentive and opportunity to plan and prepare for college.

Project STARS scholarships are funded from an annual legislative appropriation along with matching contributions from partners, including Take Stock in Children, local education foundations, school districts and other community-based organizations. Businesses, hospitals, churches and community groups may also purchase Foundation scholarships, covering 100 percent of the scholarship cost and fully designating the criteria.

Stanley Tate's vision was to design a scholarship program that would prevent dropouts, provide a better-educated workforce and be a means to reward Florida's youth striving for personal excellence. The Florida Prepaid College Foundation Board remains dedicated to this original mission.

The Florida Prepaid College Board continues to give students the financial resources to build promising futures. We thank Florida Governor Rick Scott, the Florida Legislature, community organizations, businesses, mentors, teachers and parents for their support to make the program a continued success. The Foundation Board looks forward to a successful 2013 by awarding more scholarships and helping students achieve their dreams of a higher education.

Sincerely,

A handwritten signature in black ink, appearing to read "Duane L. Ottenstroer".

Duane L. Ottenstroer

Chairman

Florida Prepaid College Foundation Board

FOUNDATION FACTS

- The Stanley G. Tate Florida Prepaid College Foundation provides a tax-deductible opportunity for businesses, community groups and other not-for-profit, 501(c)3 groups to purchase prepaid college scholarships for Florida children.
- The Florida Prepaid College Plan has an annual enrollment period from October to January. Through the Foundation, scholarships may be purchased from October through August.
- Foundation scholarships may be purchased for an unnamed beneficiary (student), giving the donor the flexibility to reassign the scholarship to another student if the original beneficiary does not use the scholarship.
- Foundation scholarships may be purchased for children through the 12th grade. The children must be Florida residents 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 Florida residents 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 12 public universities or 28 state colleges, including the 23 colleges currently 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. The Florida Prepaid College Plan may be used at an eligible education institution as defined in s. 529 Internal Revenue Code.
- 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.

PRESLEY ISAAC

Indian River State College Foundation

STARS has provided me with the motivation to continue with my education.

DIONA THURSTON

JB Foundation, Inc.

The STARS scholarship is allowing me to further my education and helping me build towards my goal of becoming a physical therapist.

TIMOTHY DOLANSKI, JR.

Lake County Schools/TSIC

I received my AA at Lake Sumter thanks to you and I would not have had a chance if it wasn't for you guys at STARS. God bless.

The Florida Prepaid College Foundation is the 501(c)3 direct support organization for the Florida Prepaid College Board, which operates and oversees the Florida Prepaid College Plan. The Florida Prepaid College Plan allows families to prepay the cost of college tuition, fees and dormitory housing and is guaranteed by the State of Florida. The Florida Prepaid College Board has sold more than 1.5 million Prepaid College plans statewide.

The Foundation was created in 1990 as a public/private partnership to provide scholarships to students who may not have otherwise had the opportunity to go to college. Scholarships are awarded to economically disadvantaged students who are at risk of dropping out of school and to other deserving students in need of assistance. Many of the recipients are the first in their family to attend college.

Businesses, organizations and community groups may purchase contracts through the Foundation, allowing scholarship recipients to benefit from the advantages and guarantee offered by the Florida Prepaid College Plan. Since its inception, the Foundation has purchased 33,377 Prepaid College Plan scholarships and, as of fall 2012, more than 16,000 Foundation scholarship recipients have gone to college using their benefits.

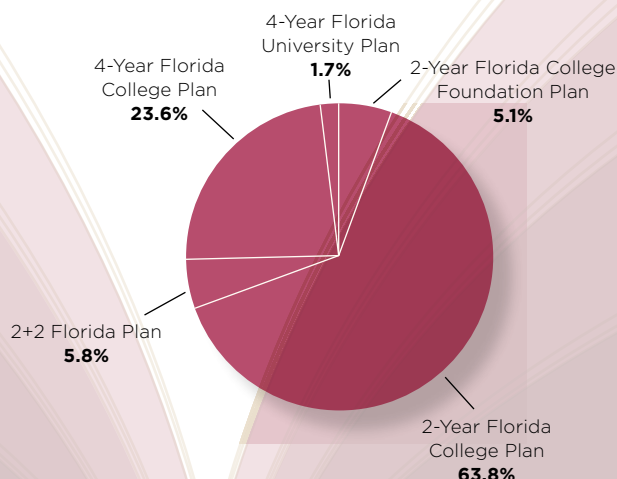
PLANS OFFERED

The Prepaid Plan covers the registration fees (the tuition, financial aid and Capital Improvement Trust Fund fees), local fees (activity and service, athletic and health fees) and tuition differential fee at Florida's state universities and the registration fees (the tuition, Capital Improvement and financial aid fees) and local fees (the student activity and service and technology fees) at Florida's public colleges. Foundation donors can choose from five different Prepaid Plans:

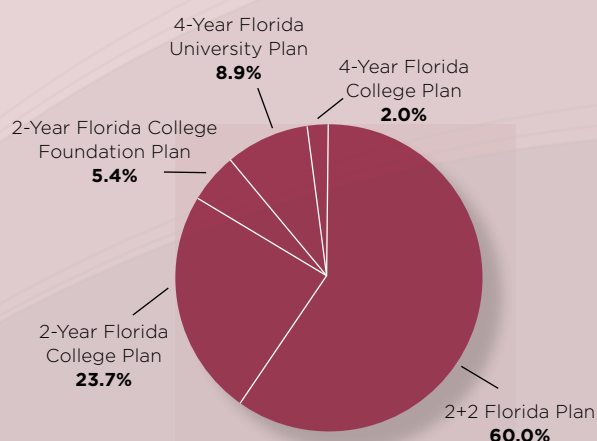
- 2-Year Florida College Plan (covers 60 lower division Florida College credit hours)
- 2-Year Florida College Foundation Plan (covers 72 lower division Florida College credit hours)
- 4-Year Florida College Plan (covers 60 lower division Florida College credit hours and 60 upper division Florida College credit hours)
- 2+2 Florida Plan (covers 60 Florida College lower division credit hours and 60 university undergraduate credit hours)
- 4-Year Florida University Plan (covers 120 university undergraduate credit hours)

CONTRACT YEAR 2011/2012

1,015 Total Scholarships Purchased



SINCE INCEPTION



DORMITORY SCHOLARSHIPS

The Foundation also offers optional, supplemental Florida Prepaid Dormitory Plan scholarships. The Dormitory Plan covers the cost of a standard, double-occupancy, air-conditioned dorm room at a Florida state university. The Dormitory Plan can be used toward the cost of other university held housing, including some fraternity and sorority houses, and at select Florida Colleges. The Dormitory Plan can be purchased in one-year increments, up to a total of four years. The Plan may be purchased for a student with a 4-Year Florida University Plan, a 2+2 Florida Plan, a 4-Year University Tuition Plan or a 2 + 2 Tuition Plan. To date, 57 dormitory scholarships have been awarded by the Foundation.

Stanley Tate Project STARS (Scholarship Tuition For At-Risk Students) is the Foundation's largest program, representing 25,622 of the scholarships 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 DONORS

STARS donors include a notable group of public school foundations, school districts, community groups, businesses and other 501(c)3 organizations that 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 or reduced lunch program), at-risk of dropping out of school and remain drug-free and crime-free. Most STARS donors require that the scholarship recipient sign a contract agreeing to progress academically, meet school attendance requirements, abide by their school's code of conduct and meet with a mentor on a regular basis.

The program's partners monitor each student's progress, providing support and encouragement throughout his/her middle and high school years.

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



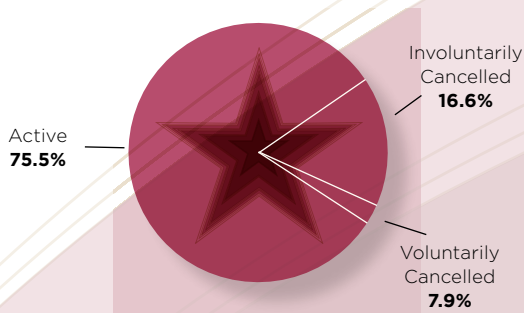
STUDENT SUCCESS

STARS scholarships continue to have a tremendous impact on the lives of its recipients. Among the recipients, 83.4 percent of the students are meeting the Stanley Tate Project STARS Scholarship Program requirements and are preparing for college.

Since inception, 16.6 percent of STARS students did not meet the STARS requirements and, therefore, were terminated from the program. Additionally, 7.9 percent of STARS students voluntarily withdrew from the program. Students who withdrew voluntarily have moved out-of state or have received other college scholarships.

CURRENT STATUS

Success Rate 83.4%



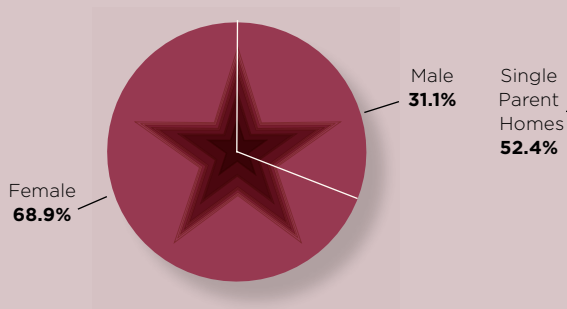
STUDENT DEMOGRAPHICS

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.

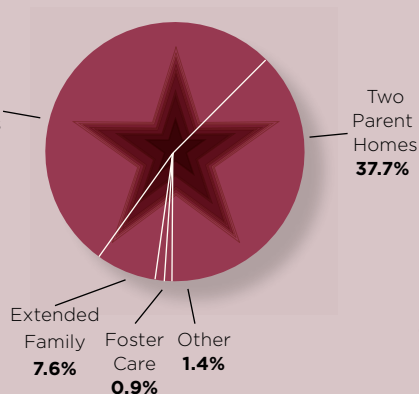
The Stanley Tate Project STARS Scholarship Program is committed to diversity. Of all scholarship recipients, 55.3 percent are minority students: 32 percent are African-American, 17 percent are Hispanic, 3.2 percent are Asian, and 3.1 percent are of other ethnicities. Since inception, 68.9 percent of students joining a local STARS program have been female; 31.1 percent have been male.

Our annual survey shows that only 37.7 percent of Project STARS scholarships are awarded to students from traditional, two-parent households; 52.4 percent live in single-parent homes, 7.6 percent live in extended family homes and 2.3 percent live in foster care or other.

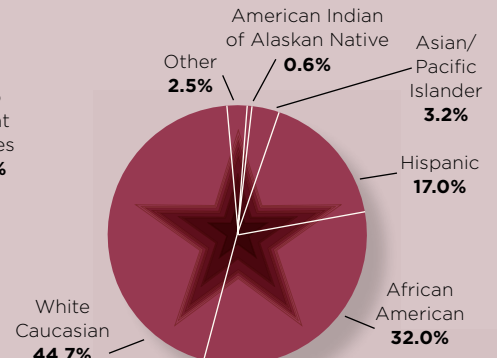
GENDER



HOUSEHOLD



RACE



The STARS program has successfully guided students from middle school through high school and into college. Since 2006, the Foundation has required all STARS students to complete a survey prior to enrolling in college classes and each subsequent year until they graduate college to help the Foundation learn more about scholarship recipients. Statistics from the surveys are compiled in the charts below. Students assigned to a STARS scholarship prior to 2006 and those who have not completed the 12th grade are not included.

What County do you live in?

County	Count	%
Alachua	302	3.2
Baker	35	0.4
Bay	71	0.7
Bradford	17	0.2
Brevard	273	2.9
Broward	898	9.4
Calhoun	9	0.1
Charlotte	40	0.4
Citrus	62	0.7
Clay	79	0.8
Collier	287	3.0
Columbia	79	0.8
Dade	18	0.2
DeSoto	39	0.4
Dixie	47	0.5
Duval	547	5.7
Escambia	64	0.7
Flagler	38	0.4
Franklin	21	0.2
Gadsden	103	1.1
Gilchrist	26	0.3
Glades	10	0.1
Gulf	1	0.0
Hamilton	0	0.0
Hardee	38	0.4
Hendry	12	0.1
Hernando	35	0.4
Highlands	115	1.2
Hillsborough	494	5.2
Holmes	3	0.0
Indian River	93	1.0
Jackson	9	0.1
Jefferson	3	0.0
Lafayette	5	0.1

County	Count	%
Lake	179	1.9
Lee	253	2.7
Leon	150	1.6
Levy	6	0.1
Madison	95	1.0
Manatee	173	1.8
Marion	170	1.8
Martin	68	0.7
Miami-Dade	550	5.8
Monroe	292	3.1
Nassau	104	1.1
Okaloosa	62	0.7
Okeechobee	75	0.8
Orange	65	0.7
Osceola	87	0.9
Palm Beach	296	3.1
Pasco	181	1.9
Pinellas	1,821	19.0
Polk	212	2.2
Putnam	18	0.2
Santa Rosa	68	0.7
Sarasota	139	1.4
Seminole	110	1.2
St. Johns	24	0.3
St. Lucie	87	0.9
Sumter	55	0.6
Suwannee	41	0.4
Taylor	19	0.2
Union	33	0.3
Volusia	98	1.0
Wakulla	35	0.4
Walton	20	0.2
Washington	50	0.5
Out-Of-State	11	0.1

TOTAL

9,520

Did you take/pass the 10th grade FCAT?

	Count	%
Yes	9,266	97.3
No	254	2.7
TOTAL	9,520	

Did you meet all other requirements needed to receive the standard high school diploma?

	Count	%
Yes	9,444	99.2
No	76	0.8
TOTAL	9,520	

What type of educational institution will you be attending?

	Count	%
University	2,991	31.4
Community College	4,583	48.1
In State Other	517	5.4
Out of State	316	3.3
Undecided	1,113	11.8
TOTAL	9,520	

How many years until college graduation?

	Count	%
2 years or less	841	8.8
3 years	1,035	10.9
4 years	6,979	73.3
More than 4 years	665	7.0
TOTAL	9,520	

How many college credits did you graduate high school with?

	Count	%
0 credits	7,327	77.0
1-3 credits	581	6.1
4-6 credits	373	3.9
7-12 credits	398	4.2
13-18 credits	237	2.5
More than 18 credits	604	6.3
TOTAL	9,520	

Where will you live while attending college?

	Count	%
Apartment	1,392	14.6
At home with parents	3,749	39.4
Dormitory	3,244	34.1
Fraternity/Sorority	345	3.6
Other	790	8.3
TOTAL	9,520	

Are you the first in your family to graduate high school?

	Count	%
Yes	1,408	14.8
No	8,112	85.2
TOTAL	9,520	

Are you the first in your family to go to college?

	Count	%
Yes	2,932	30.8
No	6,588	69.2
TOTAL	9,520	

Will you be the first in your family to graduate college?

	Count	%
Yes	4,684	49.2
No	4,836	50.8
TOTAL	9,520	

Do you plan on working while attending college?

	Count	%
Full time	1,012	10.6
Part time	1,509	15.9
Do not plan on working	6,999	73.5
TOTAL	9,520	



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 more than \$169 million for scholarships.

STARS Annual Funding (in Millions)

Contract Year	Legislative Appropriation \$	Private Sector Contributions \$	Total STARS \$	Pledges \$
1990	-	-	-	-
1991	1.3	1.3	2.6	1.3
1992	-	-	-	-
1993	-	-	-	-
1994	-	-	-	-
1995	1.0	1.0	2.0	2.2
1996	1.0	1.0	2.0	3.2
1997	1.0	1.0	2.0	6.9
1998	3.0	3.0	6.0	10.5
1999	5.0	5.0	10.0	11.2
2000	9.0	9.0	18.0	11.2
2001	1.7	1.7	3.4	10.3
2002	3.1	3.1	6.2	7.5
2003	3.6	3.6	7.2	7.7
2004	3.6	3.6	7.2	9.3
2005	6.0	6.0	12.0	12.0
2006	6.0	6.0	12.0	12.2
2007	8.0	8.0	16.0	12.2
2008	6.0	6.0	12.0	10.8
2009	5.6	5.6	11.2	10.1
2010	4.2	4.2	8.4	7.2
2011	4.0	4.0	8.0	7.3
2012	4.6	4.6	9.2	9.1
2013	7.0	7.0	14.0	9.1
TOTAL	\$84.7	\$84.7	\$169.4	\$171.3

Almost every year since 1990, donor pledges have exceeded the amount appropriated by the Legislature. Unmatched pledges now total more than \$86.7 million. STARS was not funded in 1990 and from 1992-1994.

STARS DONORS

Since 1991, the Foundation has partnered with 99 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 50 foundations that have purchased 949 scholarships with state allocated funds matched with donated funds during contract year 2011/2012.

5000 Role Models of Excellence

Alachua County Schools Foundation

Bay Education Foundation

Brevard Schools Foundation

Broward College Foundation

Broward Education Foundation

Carnival Foundation

Charlotte Education Foundation

Citrus County Sheriff's Office

Collier County Education Foundation

Communities in Schools of Bradford County

Flagler County Education Foundation

**Florida State College at Jacksonville
Foundation - Duval**

**Florida State College at Jacksonville
Foundation - Nassau**

**Foundation for Excellence
in Escambia County**

Foundation for Lee County Public Schools

Foundation for Seminole County Schools

**FUTURES Foundation for
Volusia County Schools**

Hillsborough Education Foundation

**Indian River State College Foundation,
Indian River County**

**Indian River State College Foundation,
Martin County**

**Indian River State College Foundation,
Okeechobee County**

**Indian River State College Foundation,
St. Lucie County**

Kiwanis Club of Biscayne Bay

Lake County Schools/TSIC

**Madison County Foundation
for Excellence in Education**

Manatee County School District

Monroe County Education Foundation

Okaloosa Public Schools Foundation

Pasco Education Foundation

Pinellas Education Foundation

**Public Education Foundation
of Marion County**

Ronald McDonald House Charities

Santa Rosa Educational Foundation

**South Florida Community College
Foundation/TSIC**

St. Johns County Education Foundation

Take Stock in Children Broward County

Take Stock in Children Dade County

Take Stock in Children of Calhoun County

Take Stock in Children of Clay County

Take Stock in Children of Palm Beach

Take Stock in Children of Sarasota County

**Take Stock in Children
of Washington County**

Tallahassee Chapter of the Links, Inc.

The Foundation for Florida Gateway College

The I Have A Dream Foundation Miami, Inc.

The Immokalee Foundation

Valencia Community College

Walton County Schools/TSIC

Women of Tomorrow



Ronald McDonald House Charities

The Ronald McDonald House Charities (RMHC) of Tampa Bay provides comfort, care and support to children and their families through the operation of core programs like the Ronald McDonald House, the Ronald McDonald Care Mobile®, RMHC College Scholarships and grants to other non-profit organizations that assist children.

The Ronald McDonald House of Tampa Bay provides a home-away-from-home for families of pediatric patients in area hospitals. Since 1980, four Houses have offered a safe and comfortable residence to more than 42,000 families who were welcomed with a private bedroom and bath, use of family rooms, well-stocked kitchens, homemade meals and most especially, comfort and care from supportive volunteers, staff and resident families.



Through its partnership with the Florida Prepaid College Foundation and Project STARS, RMHC Scholarship program is able to provide scholarships in an 11 county RMHC service area to promising students who desire a college education. The RMHC scholarship is a Florida Prepaid contract for 60 credit hours at a Florida college or equivalent accredited institution. Since the program began in 1995, RMHC Tampa Bay has awarded 721 scholarships totaling more than \$3.1 million.

Madison County Foundation

In 1992, the idea of an educational foundation with a mission to provide financial and volunteer support to the local school system became a reality. Three years later, the Madison County Foundation for Excellence in Education, Inc. partnered with the STARS Scholarship Program and began presenting scholarships to students who were at-risk of dropping out of school, unable to afford a college education and committed to being/remaining crime-free and drug-free.



On November 26, 2012, nine students at Madison County High School were presented scholarships to continue their education following high school graduation. Through the years the foundation has presented 57 STARS scholarships to students, who are now attending college and/or vocational training.

The Madison County Foundation scholars have graduated from college in Nursing, Education, Computer Science, Law Enforcement and are now dedicated employees in their chosen professions and careers. Several have chosen to continue their education at the graduate level. The STARS Program has, indeed, impacted the lives of many students and families in Madison County.

Visit www.floridaprepaidcollegefoundation.com to learn more about becoming a foundation donor.

OUR MISSION STATEMENT

The Florida Prepaid College Foundation is committed to giving aspiring students the opportunity to build a better future for themselves and our state by providing college scholarships funded through partnerships with individuals, families, the Florida Legislature, businesses and educational foundations with an unparalleled level of efficiency.



Melkevia Morris
Florida State College at Jacksonville – Duval
Current Status: College Graduate

Melkevia Morris was in fifth grade when she became a STARS scholar through the Take Stock in Children (TSIC) program. The only one of six siblings to attend college, Melkevia went on to graduate from Florida Agricultural and Mechanical University where she obtained a Bachelors of Science Degree in Accounting, Summa Cum Laude.

Melkevia went on to graduate school, receiving a Masters in Taxation from the University of Central Florida. She is now a Certified Public Accountant in Florida and working for Price Waterhouse Coopers, LLP as a Tax Associate. Melkevia's success is largely attributed to her involvement with the STARS scholarship program paired with the constant support she received from her family. The program helped her strive academically and personally through the most challenging of circumstances. Melkevia states, "I am forever grateful for such a prestigious organization that stood behind me 110 percent during the critical times when it mattered the most."



Clarrisa Alfes
Seminole County Public Schools
Current Status: High School Graduate

Clarrisa Alfes' family was hit hard by the economy's sudden downturn. Her father was laid off and finding a new job proved to be difficult for both her parents. Emotional and financial stress affected her family greatly; consequently, changing Clarrisa's prospective on life, shaping her into a stronger and more independent person. Clarrisa was determined to never experience

her parent's hardships working tirelessly to be the first in her family to attend and graduate college. To meet the financial requirements of attending college, Clarrisa worked feverishly in her studies to obtain financial assistance. "I am so grateful for the opportunities presented to me," Clarrisa says. "I intend to make the most out of those presented to me as they all help in accomplishing my goal of attending college, achieving a successful career and making my family proud."



Romel Giffard
Collier Education Foundation
Current Status: College Graduate

Before he was accepted as a participant in the STARS/TSIC scholarship/mentoring program, college was merely a dream for Romel. He spent his childhood in rundown neighborhoods, supported by his mother who worked long hours to help the family get by. He studied diligently in high school and received good grades with the assistance of the STARS program, which later resulted in

his acceptance into Florida Gulf Coast University. He graduated from FGCU in December 2012 with a degree in Business Management with an emphasis in Sports Management. He states that with the support of the Take Stock in Children program along with the Florida Prepaid College STARS scholarship, "I can now make a difference in my family and aid them in the near future."



Karina Cabrera
Program: Women of Tomorrow
Current Status: College Student

Karina's childhood was defined by hardship. Her mother, a cancer patient, raised Karina as a single parent after her biological father left them shortly after the diagnosis. Her mother fell victim to the disease when Karina was 13. Karina spent countless nights at the hospital with her mom, doing homework and making bracelets to pass the time. After her mother's passing, Karina continued to excel in her studies and participated in school

activities including Relay for Life and the National Art Honors Society. Karina is now a student at Florida State University seeking a degree in Marketing and Advertising.



Shaneil Wedderburn
Take Stock in Children Broward County
Current Status: High School Graduate

Shaneil remembers very vividly the day she found out she was going to be participating in the STARS/Take Stock in Children program. As a ninth grader, she didn't realize just how much of an impact the program would have on her life. Her mentor, Mrs. Corbitt, taught Shaneil how to set and accomplish long-term goals, specifically regarding attending college to potentially become a pediatrician. Shaneil said of the experience, "There were

small goals that I needed to make to get to my final destination. That has truly been the best lesson I have learned during the course of my life."



Natalie Hamilton
Take Stock in Children of Broward County
Current Status: College Student

Natalie Hamilton was selected as a STARS scholarship participant and placed with two mentors who made a tremendous impact on her educational experiences. Her mentors Leanne and Ravdeep both attended Nova Southeastern University and studied pharmacy. They encouraged Natalie to pursue knowledge beyond the classroom and to enhance her education in any way possible. Through their

motivation and support, Natalie learned to believe in herself and find the determination to reach her goals. She currently attends The College Academy and will be graduating with an A.A. in Biochemistry. She plans to further her education at the University of Miami with a double major in Neuroscience and English. She aspires to attend medical school in hopes of becoming a Neurosurgeon.



Steven Sims
Brevard Schools Foundation
Current Status: High School Graduate

Brought up in a broken low-income family, where his father was in and out of jail and younger sister suffered from physically and mentally handicaps, Steven experienced much adversity during his childhood years. Despite the cards dealt to him, Steven was determined to look beyond the present and focus on the future. Once inducted in the STARS/Take Stock in Children program during his 7th grade year, life's circumstances began to shift for

the better. Determination coupled with the support and guidance from his TSIC mentor and family friends, Steven began challenging himself to conquer his fear of failure, taking on a full academic course load for his last semester of high school which included IB and AP classes, while also managing extracurricular activities and sports. Steven graduated high school in May 2012.

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.

Since 1990, the Prepaid College Foundation has had 87 different private partners that have purchased 7,449 scholarships. This year, eight private donors purchased 57 scholarships:

Christ Episcopal Church Foundation

First Baptist Church Piney Grove, Inc.

***FUTURES Foundation for Volusia
County Schools***

Hillsborough Education Foundation

Pasco Education Foundation, Inc.

Pinellas Education Foundation

Take Stock in Children of Dade County

The Florman Family Foundation



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 Florida's heritage, public servants and those who have defended our freedoms. The presentation of these scholarships is made possible by generous donations from private sector corporations, organizations and individuals.



Scholarship winner Kirthi Oleti and family along with Anita Plummer, Broward County, Donna P. Korn (School board member) and Mr. Jack Vesey (Principal of Westglades Middle school)

GOVERNOR'S RECOGNITION SCHOLARSHIP

Since 1999, the Prepaid College Foundation has annually awarded college scholarships in honor of past Florida governors through the 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 and eighth grade students who qualify for project STARS. Eligible students write a 500-word essay. The theme of the essay is "Choose one former governor of Florida and describe his most significant impact on the Sunshine State and your life today." The winning student receives a 4-Year Florida College Plan scholarship. The school district helps administer the contest and students submit their essays directly to the Foundation. A panel of judges receives the top five essays from each county and selects the winning essay. The scholarship is awarded at a school board meeting in each participating county.

This year, the Foundation Board selected Baker, Sumter and Broward counties to be the recipients of the annual Governor's Recognition Scholarship essay contest. Winners were Shelbie Ann Martin from Baker County, Brett Pless from Sumter County and Kirthi Oleti from Broward County. The Florida Prepaid College Foundation contributed \$48,716 to purchase the scholarships for these students.



Scholarship winner Janet Meza with First Lady Ann Scott, Governor Rick Scott, Lt. Governor Jennifer Carroll and Foundation Executive Director Mr. Kevin Thompson

HISPANIC HERITAGE MONTH SCHOLARSHIP

For the 10th year, the Florida Prepaid College Foundation sponsored the Governor's Annual Hispanic Heritage Month Essay Contest for fourth through 12th grade students throughout Florida. The essay contest celebrates Hispanic heritage, family and culture. The Florida Prepaid College Foundation donated 4-Year Florida College Plans to each of the three winners at an awards ceremony at the Governor's Mansion hosted by Governor Rick Scott. The theme of the 2012 essay contest was 'Celebrating Florida's Heritage.' Writers were asked to name an important aspect of Florida's history that has contributed to Hispanic heritage and explain the ways it has influenced your own life's success and aspirations. Winners were Janet Meza, from T. Dewitt Taylor High School in Pierson FL; Michael Hampton, from Pineview Middle School in Osprey, FL; and Matthew Newsome from Devone Aire K-8 Center school in Miami, FL. The Florida Prepaid College Foundation contributed \$49,093 to purchase the scholarships for these students.



Scholarship winner Nya Jones with First Lady Ann Scott, Governor Rick Scott and Foundation Board Member Christyne Hamilton

BLACK HISTORY MONTH SCHOLARSHIP

For the 10th year, the Florida Prepaid College Foundation sponsored the Governor's Annual Black History Month Essay Contest for fourth through 12th grade 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 a 4-Year Florida College Plan to each of the three winners during a reception at the Governor's Mansion commemorating Black History Month.

The theme of the 2012 essay contest was "Celebrating African-American Pioneers Who Advanced Science and Technology." Fourth and fifth grade students were asked to address the following topic: "Describe a scientific or technological achievement or advancement by an African-American who made an impact on the American way of life. Additionally, how were you inspired or benefited by this person and their achievement". Middle and High School students were asked to address the following topic: "Describe an African-American who made a significant achievement in science and technology and how has that achievement advanced American quality of life. How has this person inspired you to become interested in science and technology and how do you plan to use this inspiration to advance America?"

The year's winners were Nya Jones from Polo Park Middle School in Wellington, FL; Diamond Brown from W.E. Cherry Elementary School in Jacksonville, FL; and Alexander Touchton from Mandarin High School in Jacksonville, FL. The Florida Prepaid College Foundation contributed \$48,074 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 AUDITORS' 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, 2012, 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, 2012, 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.

Carr, Riggs & Ingram, LLC

October 16, 2012

STATEMENT OF FINANCIAL POSITIONTemporarily Restricted

June 30, 2012	Unrestricted General Operating	Scholarship Matching Program	Other Programs	Total All Funds
Assets				
Current assets				
Cash and cash equivalents	\$ 589,875	\$ -	\$ -	\$ 589,875
Investments	968,487	-	-	968,487
Restricted investments	-	5,223,642	1,402,594	6,626,236
Total assets	\$ 1,558,362	\$ 5,223,642	\$ 1,402,594	\$ 8,184,598
Liabilities and Net Assets				
Current liabilities				
Accounts payable	\$ 11,893	\$ -	\$ -	\$ 11,893
Due to beneficiaries	-	5,223,642	1,402,594	6,626,236
Total liabilities	11,893	5,223,642	1,402,594	6,638,129
Net assets				
Unrestricted	1,546,469	-	-	1,546,469
Total liabilities and net assets	\$ 1,558,362	\$ 5,223,642	\$ 1,402,594	\$ 8,184,598

See accompanying notes to financial statements.

STATEMENT OF ACTIVITIESTemporarily Restricted

Year ended June 30, 2012	Unrestricted General Operating	Scholarship Matching Program	Other Programs	Total All Funds
Revenues and other support				
Administration fees	\$ 33,750	\$ -	\$ -	\$ 33,750
Investment income	12,030	-	-	12,030
Donations	2,500	-	-	2,500
Total revenues and other support	48,280	-	-	48,280
Expenses				
Supporting services	71,828	-	-	71,828
Scholarships	140,372	-	-	140,372
Total expenses	212,200	-	-	212,200
Decrease in net assets	(163,920)	-	-	(163,920)
Net assets, beginning of year	1,710,389	-	-	1,710,389
Net assets, end of year	\$1,546,469	\$ -	\$ -	\$ 1,546,469

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS

Temporarily Restricted

Year ended June 30, 2012	Unrestricted General Operating	Scholarship Matching Program	Other Programs	Total All Funds
Cash flows from operating activities				
Decrease in net assets	\$ (163,920)	\$ -	\$ -	\$ (163,920)
Adjustments to reconcile decrease in net assets to net cash provided by (used in) operating activities:				
Increase (decrease) in:				
Accounts payable	6,296	-	-	6,296
Due to beneficiaries	-	3,224,315	(575)	3,223,740
Net cash provided by (used in) operating activities	(157,624)	3,224,315	(575)	3,066,116
Cash flows from investing activities				
Purchase of investments	(968,487)	(5,223,642)	(1,402,594)	(7,594,723)
Net cash used in investing activities	(968,487)	(5,223,642)	(1,402,594)	(7,594,723)
Net change in cash and cash equivalents	(1,126,111)	(1,999,327)	(1,403,169)	(4,528,607)
Cash and cash equivalents, beginning of year	1,715,986	1,999,327	1,403,169	5,118,482
Cash and cash equivalents, end of year	\$ 589,875	\$ -	\$ -	\$ 589,875

See accompanying 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 529 Savings Plan. The Stanley Tate Project STARS Scholarship Program provides prepaid scholarships to economically disadvantaged, at-risk students. The Foundation is a direct-support organization of the Board 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, 2012, 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 donations are matched dollar for dollar by State of Florida appropriation.

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

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.

Subsequent Events

The Foundation evaluates subsequent events through the date of the auditors' report.

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 \$2,882,681 on deposit with SunTrust Banks, Inc. as of June 30, 2012.

At June 30, 2012, the Foundation also had \$7,594,723 on deposit with the Florida State Board of Administration held in the Florida PRIME account. Florida PRIME represents a pool of investments whereby the Foundation owns a share of the respective pool, not the underlying securities. Cost approximates fair market value. While Florida PRIME is not registered under the 1940 Act or regulated by the SEC, the Foundation believes the credit risk related to these balances is minimal. The Florida PRIME is rated by Standard and Poor's as AAAM. The dollar weighted average days to maturity of the Florida PRIME at June 30, 2012 is 38 days.

NOTE 3 - DUE TO BENEFICIARIES

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

Balance, June 30, 2011	\$ 3,402,496
Donations	10,961,688
Payments on behalf of donors	(7,737,948)
Balance, June 30, 2012	\$ 6,626,236

NOTE 4 - RELATED-PARTY TRANSACTIONS

The Foundation purchases Florida Prepaid College Plans on behalf of selected scholarship recipients. Florida Prepaid College Plans at a cost of \$7,737,948 were purchased during the year ended June 30, 2012. In accordance with 1009.983(5), Florida Statutes, the chair of the Florida Prepaid College Board serves on the Board of Directors of the Foundation.

For the year ended June 30, 2012, the Florida Prepaid College Board provides certain administrative expenses to the Foundation under a contractual agreement expiring December 2016. The value of these services cannot be reasonably estimated.

NOTE 5 - INCOME TAXES

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

The Foundation follows accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30, 2012, the Foundation has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements.

The federal income tax returns of the Foundation for 2008, 2009 are subject to examination by the Internal Revenue Service, generally for three years after they were filed. During fiscal 2011, management and legal counsel determined federal income tax returns were not required to be filed.

NOTE 6 - SCHEDULE OF FUNCTIONAL EXPENSES

The Foundation's functional expenses for the year ended June 30, 2012 were as follows:

Scholarships	\$ 140,372
General counsel	55,465
Travel	3,011
Administration	6,485
Printing and marketing	5,701
Insurance	257
Postage and freight	649
Telephone	107
Banking charges	153
Total expenses	\$ 212,200



CHAIRMAN DUANE OTTENSTROER

Mr. Ottenstroer was appointed to the Florida Prepaid College Board in 2001 by Florida Chief Financial Officer Tom Gallagher and reappointed in 2007 as the designee for Attorney General Bill McCollum. As Chairman of the Prepaid College Board, Mr. Ottenstroer serves as Chairman of the Prepaid College Foundation Board. Mr. Ottenstroer serves on numerous, corporate, charitable and community boards and is active in higher education policy as a board member for Flagler College. Mr. Ottenstroer earned a Bachelor's degree in Business from the University of Minnesota.



VICE CHAIRMAN SANDRA L. MURMAN

Former State Representative 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.



CHRISTYNE B. 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 served as the Business Officer for Lake Sumter Community College and, after retiring from Seminole Community College, returned to Lake-Sumter to currently serve as Special Advisor to the President in the role of Equity Consultant. She is the President/Treasurer of the Albert L. Brown Foundation, Inc. She is a former Board member of Lake Sumter Community College Foundation, Inc.; a recent Board member and past Chair (2006-2008) of the Association of Small Foundations, Washington, D.C.; and is a 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.



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.



KEVIN THOMPSON

Mr. Thompson was named the executive director of the Florida Prepaid College Board in April 2012. He joined the Board in November 2011 as Director of the 529 Savings Plan. With more than 18 years of experience in financial and administrative management, Mr. Thompson has served in key roles with several state agencies, most recently serving as Director of Agency Support Services for the Florida Agency for Workforce Innovation for nine years. Prior to this, he held financial and administrative positions with the Florida Department of Management Services and the Florida Department of Banking and Finance. Mr. Thompson's private sector experience includes time with Ernst & Young and Law Redd and Crona. Mr. Thompson is a Certified Public Accountant and holds Bachelor's and Master's degrees in Accounting from Florida State University.

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