



**Stanley G. Tate  
Florida Prepaid College Foundation, Inc.**

**FINANCIAL STATEMENTS**

**June 30, 2024**

**Stanley G. Tate**  
**Florida Prepaid College Foundation, Inc.**  
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**June 30, 2024**



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# REPORT





**CARR, RIGGS & INGRAM, L.L.C.**

**Carr, Riggs & Ingram, L.L.C.**  
2633 Centennial Boulevard  
Suite 200  
Tallahassee, FL 32308

850.878.8777  
850.633.6071 (fax)  
CRladv.com

## **INDEPENDENT AUDITOR'S REPORT**

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

### **Opinion**

We have audited the accompanying financial statements of the Stanley G. Tate Florida Prepaid College Foundation, Inc. (a not-for-profit organization incorporated in the State of Florida), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Stanley G. Tate Florida Prepaid College Foundation, Inc. as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Stanley G. Tate Florida Prepaid College Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Stanley G. Tate Florida Prepaid College Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Stanley G. Tate Florida Prepaid College Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

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

CARR, RIGGS & INGRAM, LLC

Tallahassee, Florida  
January 16, 2025



# FINANCIAL STATEMENTS

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

<i>June 30, 2024</i>	Unrestricted General Operating	Scholarship Matching Program	Other Programs	Total All Funds
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$ 53,737	\$ -	\$ -	\$ 53,737
Investments	918,455	-	-	918,455
Due from other governments	10,520,621	13,386,789	53,426,774	77,334,184
<b>Total assets</b>	<b>\$ 11,492,813</b>	<b>\$ 13,386,789</b>	<b>\$ 53,426,774</b>	<b>\$ 78,306,376</b>
<b>Liabilities and Net Assets</b>				
Current liabilities				
Accounts payable	\$ 45,036	\$ -	\$ -	\$ 45,036
Due to other governments	61,042	-	-	61,042
Due to beneficiaries	-	13,386,789	53,426,774	66,813,563
<b>Total liabilities</b>	<b>106,078</b>	<b>13,386,789</b>	<b>53,426,774</b>	<b>66,919,641</b>
Net assets				
Net assets without donor restrictions	11,386,735	-	-	11,386,735
<b>Total net assets</b>	<b>11,386,735</b>	<b>-</b>	<b>-</b>	<b>11,386,735</b>
<b>Total liabilities and net assets</b>	<b>\$ 11,492,813</b>	<b>\$ 13,386,789</b>	<b>\$ 53,426,774</b>	<b>\$ 78,306,376</b>

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

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

<i>For the year ended June 30, 2024</i>	<b>Unrestricted General Operating</b>	<b>Scholarship Matching Program</b>	<b>Other Programs</b>	<b>Total All Funds</b>
<b>Revenues and other support</b>				
Investment income	\$ 3,651,425	\$ -	\$ -	\$ 3,651,425
Contributions of non-financial assets	707,000	-	-	707,000
Administration fees	158,350	-	-	158,350
Other income	690	-	-	690
<b>Total revenues and other support</b>	<b>4,517,465</b>	<b>-</b>	<b>-</b>	<b>4,517,465</b>
<b>Expenses</b>				
Program services - scholarships	70,233	-	3,634	73,867
Supporting services - general and administrative	970,453	-	-	970,453
<b>Total expenses</b>	<b>1,040,686</b>	<b>-</b>	<b>3,634</b>	<b>1,044,320</b>
Change in net assets	3,476,779	-	(3,634)	3,473,145
Net assets, beginning of year	7,909,956	-	3,634	7,913,590
<b>Net assets, end of year</b>	<b>\$ 11,386,735</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,386,735</b>

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



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

<i>For the year ended June 30, 2024</i>	<u>Program Services</u>	<u>Supporting Services</u>	<b>Total</b>
	Scholarships	General and Adminstrative	
Contributed space, goods and services	\$ -	\$ 707,000	\$ 707,000
Marketing agent	-	82,156	82,156
Scholarships	73,867	-	73,867
Consulting	-	66,250	66,250
Legal and court reporting	-	60,225	60,225
Other changes and obligations	-	39,445	39,445
Travel	-	15,255	15,255
Banking charges	-	111	111
Freight	-	11	11
<b>Total expenses</b>	<b>\$ 73,867</b>	<b>\$ 970,453</b>	<b>\$ 1,044,320</b>

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

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

<i><b>For the year ended June 30, 2024</b></i>	<b>Unrestricted General Operating</b>	<b>Scholarship Matching Program</b>	<b>Other Programs</b>	<b>Total All Funds</b>
<b>Cash flows from operating activities</b>				
Change in net assets	\$ 3,476,779	\$ -	\$ (3,634)	\$ 3,473,145
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:				
(Increase) decrease in:				
Due from other governments	(2,639,544)	802,562	(8,353,997)	(10,190,979)
Increase (decrease) in:				
Accounts payable	34,941	-	-	34,941
Due to other governments	4,908	-	-	4,908
Due to beneficiaries	-	(802,562)	8,357,631	7,555,069
Net cash provided by (used in) operating activities	877,084	-	-	877,084
<b>Cash flows from investing activities</b>				
Purchase of investments	(827,678)	-	-	(827,678)
Net cash provided by (used in) investing activities	(827,678)	-	-	(827,678)
Net change in cash and cash equivalents	49,406	-	-	49,406
Cash and cash equivalents, beginning of year	4,331	-	-	4,331
Cash and cash equivalents, end of year	\$ 53,737	\$ -	\$ -	\$ 53,737

**DISCLOSURE OF NON-CASH TRANSACTIONS:**

The Foundation received \$707,000 of salaries, benefits, rent and other administrative services in the form of a contribution from the Florida Prepaid College Board.

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

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

**Note 1: DESCRIPTION OF THE ORGANIZATION**

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

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Accounting***

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

***Cash and Cash Equivalents***

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

***Investments***

The Foundation's investments include funds held by the State Board of Administration within the Florida PRIME account. These investments are recorded at amortized cost, which approximates fair value. Investments in Florida PRIME are rated AAAM by Standard and Poor's.

***Due from Other Governments***

The Foundation uses the Florida Prepaid College Board to invest excess funds under its Comprehensive Investment Policy. The Board calculates the Foundation's investment earnings based on rates provided by the Board's actuary and credits the Foundation's account on a quarterly basis. The rate represents the yield curve based on U.S. Treasury spot rates as provided by the Board's investment consultant.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Net Assets***

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

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

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

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

***Revenue Recognition***

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

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Contributed Salaries and Services***

The Florida Prepaid College Board provides support to the Foundation in the form of contributed personnel costs and services. The fair value of the contributed salaries and services is provided by Florida Prepaid College Board's management.

***Functional Allocation of Expenses***

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

***Estimates***

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

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, January 16, 2025, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

***Recent Accounting Pronouncements***

In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which is often referred to as the CECL model, or current expected credit losses. Among other things, the amendments in this ASU require the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions and other organizations will now use forward-looking information to better inform their credit loss estimates. Many of the loss estimation techniques applied today will still be permitted, although the inputs to those techniques will change to reflect the full amount of expected credit losses. In addition, the ASU amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration.

The Organization adopted ASU 2016-13 on July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

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

**Note 3: FINANCIAL ASSET AVAILABILITY**

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

Cash and cash equivalents	\$	53,737
Investments		918,455
Due from other governments		77,334,184
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Financial assets at year-end		78,306,376
Less those financial assets unavailable for general expenditures within one year, due to:		
Held for Scholarship Matching Program		13,386,789
Held for other programs		53,423,140
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Financial assets available to meet cash needs for general expenditure within one year	\$	11,496,447
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**Note 4: DUE TO BENEFICIARIES**

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

Balance, June 30, 2023	\$	59,258,494
Donations		87,440,993
Payments on behalf of donors		(79,885,924)
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Balance, June 30, 2024	\$	66,813,563
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**Stanley G. Tate**  
**Florida Prepaid College Foundation, Inc.**  
**Notes to Financial Statements**

**Note 5: REVENUE**

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

The Foundation had no contract assets or liabilities at the beginning or end of the year ended June 30, 2024.

***Disaggregated Revenue***

A summary of disaggregated revenue information follows:

*For the year ended June 30, 2024*

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Revenue related to contracts with customers - point in time	
Administration fees	\$ 158,350
Non-contract revenue and support	
Investment income	3,651,425
Contributed salaries and services	707,000
Other income	690
<b>Total revenue and other support</b>	<b>\$ 4,517,465</b>

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

**Note 6: CONTRIBUTIONS OF NON-FINANCIAL ASSETS**

All donated space, services, and goods were utilized by the Foundation's supporting services. There were no donor-imposed restrictions associated with the contributed space, services, or goods.

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

**Note 6: CONTRIBUTIONS OF NON-FINANCIAL ASSETS (Continued)**

The following reflects the components of donated space, services and goods contributed by the Florida Prepaid College Board during the year ended June 30, 2024:

Supporting Service	Donated Space	Donated Services	Donated Goods	Total
Salaries and benefits	\$ -	\$ 506,000	\$ -	\$ 506,000
Marketing	-	72,000	-	72,000
Records administration	-	78,000	-	78,000
Rent	17,000	-	-	17,000
Equipment and supplies	-	-	24,000	24,000
Audit fees	-	10,000	-	10,000
<b>Total contributed space, goods and services</b>	<b>\$ 17,000</b>	<b>\$ 666,000</b>	<b>\$ 24,000</b>	<b>\$ 707,000</b>

Donated space is valued at the actual facility expense incurred by the Florida Prepaid College Board related to the Foundation's operations based on staffing. Donated salaries and benefits are valued based on the actual wages paid to Florida Prepaid College Board staff in support of the Foundation's operations. Donated records administration, marketing, and audit services are valued at the standard hourly rates charged for those services. Donated goods are valued at the Foundation's proportional share of actual expense incurred by the Florida Prepaid College Board.

**Note 7: RELATED-PARTY TRANSACTIONS**

The Foundation purchases Florida Prepaid College Plans on behalf of selected scholarship recipients. Florida Prepaid College Plans at a cost of \$79,885,924 were purchased during the year ended June 30, 2024. In accordance with 1009.983(5), Florida Statutes, the chair of the Florida Prepaid College Board serves on the Board of Directors of the Foundation.

The Florida Prepaid College Board provides certain administrative expenses to the Foundation under a contractual agreement expiring December 8, 2026. For the year ended June 30, 2024, contributed space, services and goods were valued at \$707,000.

Amounts due from the Florida Prepaid College Board total \$77,334,184 and amounts due to the Florida Prepaid College Board totaled \$61,042, as of June 30, 2024.



**Note 8: 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, 2024, the Foundation has no uncertain tax positions that qualify for recognition or disclosure in the financial statements. Management and legal counsel determined federal income tax returns were not required to be filed.

**Note 9: CONCENTRATION OF CREDIT RISK**

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Foundation's deposits may not be returned to them. Cash deposits consisted of interest bearing demand accounts at one financial institution, which is entirely insured by collateral pursuant to The Florida Security for Public Deposits Act (the Act). The Act establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the Foundation's deposits in qualified public depositories are totally insured. The Foundation had no cash or cash equivalents held outside of qualified public depositories at June 30, 2024.

At June 30, 2024, the Foundation also had \$918,455 on deposit with the Florida State Board of Administration held in the Florida PRIME account, shown as investments on the face of the financial statements. Florida PRIME represents a pool of investments whereby the Foundation owns a share of the respective pool, not the underlying securities. Cost approximates fair market value. While Florida PRIME is not registered under the 1940 Act or regulated by the SEC, the Foundation believes the credit risk related to these balances is minimal. The Florida PRIME is rated by Standard and Poor's as AAAM, and provides the Foundation with daily liquidity.