



Florida Polytechnic University Foundation, Inc.

FINANCIAL STATEMENTS

June 30, 2020



INTRODUCTORY SECTION

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of Directors

Florida Polytechnic University Foundation, Inc.

Lakeland, Florida

We have audited the accompanying financial statements of the governmental activities and the General fund, of the Florida Polytechnic University Foundation, Inc. (Foundation) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General fund, of the Florida Polytechnic University Foundation, Inc., as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

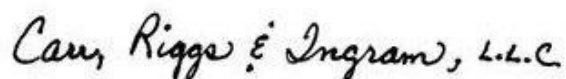
Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3–6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2021, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Foundation's internal control over financial reporting and compliance.



CARR, RIGGS & INGRAM, LLC

Tampa, Florida
February 4, 2021

Florida Polytechnic University Foundation, Inc.
Management's Discussion and Analysis
June 30, 2020

The management's discussion and analysis of Florida Polytechnic University Foundation, Inc.'s (Foundation), a component unit of Florida Polytechnic University, financial performance provides an overview of the Foundation's financial activities for the year ended June 30, 2020. It should be read in conjunction with the accompanying financial statements and notes.

Financial Highlights

As of June 30, 2020, the Foundation reported total assets of \$6,935,899, total liabilities of \$2,887,931 and a net position of \$4,047,968. The Foundation is a not-for-profit corporation incorporated in the State of Florida, but reports financial information in accordance with the Governmental Accounting Standards Board (GASB).

Overview of the Financial Statements

The basic financial statements consist of three components: 1) government-wide financial statements providing information about the activities of the Foundation as a whole; 2) fund financial statements; and, 3) notes to the financial statements.

Government-wide Financial Statements – The government-wide financial statements are designed to provide a broad overview of the Foundation's finances in a manner similar to a private-sector business. The government-wide statements provide information about the Foundation's financial status as a whole. These statements include details of general revenue during the year and a breakdown by category of expenses. The statements include all assets and liabilities using the accrual basis of accounting. This means that all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Foundation's net position and changes in net position. The net position – the difference between assets and liabilities – is an important measure of the Foundation's financial health.

Fund Financial Statements – The fund financial statements provide a detailed look at the Foundation's General Fund. The Foundation, like all government entities, uses fund accounting to ensure and reflect compliance (or noncompliance) with finance related legal requirements. The Foundation uses one fund, a governmental General Fund, which focuses on 1) how cash and other financial assets, that can readily be converted to cash, flow in and out; and, 2) the balances left at year-end that are available for spending. Consequently, the General Fund statements provide a detailed short-term view that indicates whether there are more or fewer financial resources that can be spent in the near future to finance the Foundation's programs.

Florida Polytechnic University Foundation, Inc.
Management's Discussion and Analysis
June 30, 2020

FINANCIAL HIGHLIGHTS

As noted above, net position may serve, over time, as a useful indicator of a government's financial position. The following schedules provide a summary of assets, liabilities, and net position and changes in net position of the Foundation:

<i>June 30,</i>	2020	2019	Increase (Decrease)
Assets			
Cash and cash equivalents	\$ 1,011,539	\$ 534,401	\$ 477,138
Investments	5,451,562	6,032,750	(581,188)
Contributions receivable, net	466,964	294,189	172,775
Accrued interest	5,034	8,537	(3,503)
Other non-current assets	800	-	800
Total assets	\$ 6,935,899	\$ 6,869,877	\$ 66,022
Liabilities			
Accounts payable	\$ 21,623	\$ 7,149	\$ 14,474
Due to Florida Polytechnic University	116,308	3,064	113,244
Other liabilities	2,750,000	2,750,000	-
Total liabilities	2,887,931	2,760,213	127,718
Net Position			
Restricted for			
Nonexpendable Endowments	2,176,573	1,422,338	754,235
Expendable	839,417	1,235,226	(395,809)
Unrestricted	1,031,978	1,452,100	(420,122)
Total net position	\$ 4,047,968	\$ 4,109,664	\$ (61,696)

Total assets as of June 30, 2020 were \$6,935,899, an increase of \$66,022 from the prior year. Total assets increased due to an increase in contributions receivable of \$172,775 and an increase in cash and cash equivalents of \$477,138. Total liabilities increased by \$127,718 due to a request by FPU Financial Aid to increase the Foundation's contribution to general scholarships. The Foundation's net position as of June 30, 2020 was \$4,047,968, a decrease of \$61,969 from the prior year

Florida Polytechnic University Foundation, Inc.
Management's Discussion and Analysis
June 30, 2020

FINANCIAL HIGHLIGHTS (CONTINUED)

As of June 30, 2020, approximately 75% of the Foundation's net position was restricted, of which approximately 54% is considered nonexpendable for endowments. The remaining 21% restricted is for scholarships, student wellness, and other student activities. The remaining balance of net position, or approximately 25% of the total net position, is unrestricted and may be used to meet the Foundation's unrestricted obligations.

<i>For the year ended June 30,</i>	2020	2019	Increase (Decrease)
Revenues			
Contributions, net of allowance and discounts	\$ 790,189	\$ 687,128	\$ 103,061
Interest and other	155,425	328,434	(173,009)
Miscellaneous revenue	2,827	385	2,442
Special Item - Gain on Forgiveness of Pledge Liability	-	5,718,582	(5,718,582)
Total revenues	948,441	6,734,529	(5,786,088)
Expense			
Program Services	290,000	932,155	(642,155)
Management and General	241,797	123,764	118,033
Fundraising	478,340	220,597	257,743
Total expenses	1,010,137	1,276,516	(266,379)
Change in net position	(61,696)	5,458,013	(5,519,709)
Net Position, beginning of year	4,109,664	(1,348,349)	5,458,013
Net Position, end of year	\$ 4,047,968	\$ 4,109,664	\$ (61,696)

Statement of Activities Table

Contributions to the Foundation totaled \$790,189, an increase of \$103,061 from the prior year. Contributions to the Foundation represent unrestricted, scholarship, and endowment support. Program Services totaled \$290,000, an increase of \$166,236 from the prior year, due to a greater number of scholarships provided. Management and general expenses for the Foundation totaled \$241,797 which represented the Foundation's contribution above the FL Statute \$200,000 threshold permissible to be paid by public funds. This is a decrease of \$690,358, completely due to the Foundation reclassifying costs and budgeting costs more efficiently. Some of those cost reclassifications are shown in the fundraising expense increase of \$257,743.

Florida Polytechnic University Foundation, Inc.
Management's Discussion and Analysis
June 30, 2020

Economic Factors

The Foundation is under new leadership effective September, 2019. The Foundation will refocus to ensure we seek investment resources that will align with the strategic priorities of the University. It is the objective of the Foundation to be a strong advocate for funding resources ensuring the University meets the strategic mission to serve students and industry through excellence in education, discovery and application of engineering and applied sciences.

Request for Information

If you have any questions concerning the basic financial statements or other accounting information in this report, please contact the Foundation at:

Florida Polytechnic University Foundation
Kathleen (Kathy) Bowman, VP Advancement & CEO Florida Polytechnic University Foundation
4550 Polytechnic Circle, Lakeland, FL 33804

Florida Polytechnic University Foundation, Inc.
Statement of Net Position

<i>June 30, 2020</i>	Primary Government Governmental Activities
Assets	
Cash and cash equivalents	\$ 1,011,539
Investments	340,532
Contributions receivable, net	249,264
Accrued interest	5,034
Other non-current assets	800
Restricted assets	
Non-current assets	
Investments - endowment	2,176,573
Investments - restricted for other long term purpose	2,934,457
Contributions receivable, net	217,700
Total assets	\$ 6,935,899
Liabilities	
Accounts payable	\$ 21,623
Due to Florida Polytechnic University	116,308
Other liabilities	2,750,000
Total liabilities	2,887,931
Net Position	
Restricted for	
Nonexpendable Endowments	2,176,573
Expendable	839,417
Unrestricted	1,031,978
Total net position	\$ 4,047,968

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

Florida Polytechnic University Foundation, Inc.
Statement of Activities

<i>For the year ended June 30, 2020</i>					
Functions/Programs	Expenses	Charges for Services and Fines	Program Revenues		Net (Expense) Revenue and Changes in Net Position
			Operating Grants and Contributions	Capital Grants and Contributions	
Component unit activities					
Program Services	\$ 290,000	\$ -	\$ 790,189	\$ -	\$ 500,189
Management and general	241,797	-	-	-	(241,797)
Fundraising	478,340	-	-	-	(478,340)
Total governmental activities	\$ 1,010,137	\$ -	\$ 790,189	\$ -	\$ (219,948)
General revenues					
Investment earnings					155,425
Miscellaneous					2,827
Total general revenues					158,252
Change in net position					(61,696)
Net position, beginning of year as previously reported					4,109,664
Net position, end of year					\$ 4,047,968

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

Florida Polytechnic University Foundation, Inc.
Balance Sheet
General Fund

June 30, 2020

Assets

Cash and cash equivalents	\$ 1,011,539
Investments	340,532
Contributions receivable, net	466,964
Accrued interest	5,034
Other assets	800
Restricted assets	
Investments - endowment	2,176,573
Investments - other long term purpose	2,934,457

Total assets	\$ 6,935,899
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**Liabilities, Deferred Inflows of Resources,
and Fund Balances**

Liabilities

Accounts payable	\$ 21,623
Accrued payroll and related liabilities	116,308
Other liabilities	2,750,000
Total liabilities	2,887,931

Deferred inflows of resources

Unavailable revenue	217,700
Total deferred inflows of resources	217,700

Fund balances

Nonspendable	
Endowment	2,176,573
Restricted for	
Scholarships	486,630
Other programs	260,387
Unassigned	906,678
Total fund balances	3,830,268

Total liabilities, deferred inflows of

resources, and fund balances	\$ 6,935,899
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Amounts reported for governmental activities in the statement of net position are different because:

Total Fund Balance - General Fund	\$ 3,830,268
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Unavailable revenue is recorded in the General Fund to offset receivables that do not meet the criteria for revenue recognition in the current period.	\$ 217,700
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Net Position of Governmental Activities	\$ 4,047,968
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The accompanying notes are an integral part of these financial statements.

Florida Polytechnic University Foundation, Inc.
Statement of Revenues, Expenditures, and Changes in Fund Balances
General Fund

For the year ended June 30, 2020

Revenues

Contributions, net of allowance and discounts	\$ 595,865
Interest and other	155,425
Miscellaneous revenue	2,827
Total revenues	754,117

Expenditures

Current	
General government	
Management and General	241,797
Program Services	290,000
Fundraising	478,340
Total expenditures	1,010,137

Excess (deficiency) of revenues over (under) expenditures	(256,020)
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Net change in fund balances	(256,020)
Fund balances, beginning of year	4,086,288

Fund balances, end of year	\$ 3,830,268
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Amounts reported for governmental activities in the statement of activities
are different because:

Net Change in Fund Balance - General Fund	\$ (256,020)
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Some revenues reported in the statement of activities will not be
collected for at least one year after the fiscal year end and, therefore,
are not reported as revenue in the General Fund

Changes in Unavailable Revenue - Contributions	\$ 194,324
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Changes in Net Position of Governmental Activities	\$ (61,696)
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The accompanying notes are an integral part of these financial statements.

Florida Polytechnic University Foundation, Inc.

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Florida Polytechnic University Foundation, Inc. (Foundation) was incorporated on October 30, 2012. Foundation was formed as a direct-support organization in accordance with Section 1004.28, Florida Statutes, and operates exclusively for the benefit of Florida Polytechnic University (University). The Foundation is considered a component unit of the University. The governing body of the Foundation is the Board of Directors (Board). The Board is comprised of not less than three and not more than forty-five elected directors, revised by the Nominations Committee, elected by the Board, and confirmed by the University Board of Trustees. The Foundation's purpose is to receive, hold, invest and administer property and to make expenditures to or for the benefit of the University by encouraging alumni and friends to provide private funds and other resources for the University's benefit, to manage those assets, to provide volunteer leadership in support of the University's objectives and to perform all business matter to accomplish these purposes, and to exercise rights in intellectual property for the benefit of the University.

Reporting Entity

According to the Foundations by-laws and Section 1004.28, Florida Statutes, the University Board of Trustees shall approve all appointments to the Foundation Board, resulting in University control of the Board. Therefore, the Foundation's financial statements are prepared in accordance with generally accepted accounting principles applicable to governmental nonprofit organizations as prescribed by the Governmental Accounting Standards Board (GASB).

In evaluating the Foundation as a reporting entity, there were no component units identified for which the Foundation is considered financially accountable.

Basis of Presentation

As noted above, The Foundation complies with accounting standards established by the GASB. The Foundation has implemented GASB Statement No. 34 as amended, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the Foundation. The Foundation reports only governmental activities; it does not have any business- type activities. Governmental activities are supported largely by contributions. Contributions are reported as program revenues, and miscellaneous and investment income are reported as general revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues consist of grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Other items not properly included as program revenues are reported as general revenues.

Florida Polytechnic University Foundation, Inc.
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

The financial transactions of the Foundation are reported in one fund in the fund financial statements. The fund is accounted for by a providing separate set of self-balancing accounts that comprises its assets, liabilities, deferred inflows of resources, fund balance, revenues and expenditures. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The purposes of the Foundation's fund is as follows:

Governmental Fund

- General Fund – This fund is used to account for the accumulation and expenditure of resources that are not required to be accounted for in another fund.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Contributions and similar items are recognized when all eligibility requirements have been met, although some may carry no requirements.

Governmental fund financial statements are reported using the financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, the District considers revenues to be available if they are collected within one year of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

Assets, Liabilities, Deferred Inflows, and Net Position or Equity

Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Florida Polytechnic University Foundation, Inc.
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)

Contributions Receivable

The Foundation accounts for its pledges in accordance with GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions. Unrestricted and restricted contributions receivable are recorded in the statement of net position. If management expects the cash from the contribution receivable to be received more than one year in the future, the promises to give revenue and receivable are discounted for the time value of money (i.e., net present value) at a discount rate of 1.05% for 2020. Endowment pledges are not recognized in the statement of net position.

Management estimates the allowance for uncollectible promises based on historical write-offs. Contributions are reported at net realizable value in the initial year and a discount is recorded. These contributions are not revalued in subsequent years and the Foundation has not elected the fair value option. Discount amortization is recognized as contribution revenue in subsequent years.

Investments

Investments consist primarily of assets invested in marketable equity and debt securities and money market accounts. Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statement of financial position. The realized and unrealized gain or loss on investments is reflected in the statement of activities.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonable possible that change in the fair values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Money market funds in the brokerage account are FDIC insured up to \$250,000.

Deferred Inflows of Resources

In addition to liabilities, the statement of revenue, expenditures, and changes in fund balance reports a separate section for deferred inflows of resources. This separate financial statement element reports unavailable revenues from certain contributions and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

Florida Polytechnic University Foundation, Inc.
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)

Net Position

Classification of net position is defined as follows:

- Restricted – nonexpendable endowment includes funds subject to donor-imposed stipulations that they be maintained permanently by the Foundation to use all or part of the related investment return for general or specific purposes in support of the University.
- Restricted – expendable includes funds whose use by the Foundation is subject to donor-imposed stipulations that can be fulfilled by actions of the Foundation pursuant to those stipulations.
- Unrestricted includes funds that do not meet the definition of restricted or net investment in capital assets.

Fund Balance and Spending Policy

In accordance with GASB Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions, which was implemented by the Board for the year ended September 30, 2011, governments are required to classify fund balance in governmental funds as nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted – amounts that can only be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- Committed – includes amounts that can be used for specific purposes determined by a formal action of the government’s highest level of decision-making authority.
- Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District’s adopted policy, only the board may assign amounts for specific purposes.
- Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose.

The Foundation has implemented fund balance and spending policies to clearly define the process for tracking the various classifications of fund balance. The policy states when an expenditure is incurred in which restricted, committed, assigned, or unassigned amounts are available to be used, the Foundation will first use restricted amounts, then committed amounts, then assigned amounts, and finally unassigned amounts, unless the Foundation has provided otherwise in its commitment or assignment actions.

Florida Polytechnic University Foundation, Inc.
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Contributions are recognized as increases in net position when received provided all eligibility requirements have been met, with the exception of pledges to the endowment which are recognized when received. Any assets donated to the Foundation are recorded at their fair value at the date of donation.

Income Tax Status

The Foundation is a not-for-profit organization that is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Unrelated business income, as defined by Section 509(a)(1) of the Code is subject to federal income tax. The Foundation currently has no unrelated business taxable income. Accordingly, no provision for income taxes has been recorded.

The Foundation adopted the income tax standard for uncertain tax positions on January 1, 2009. As a result of the implementation, the Foundation determined there were no uncertain tax position for which either recognition or disclosure is required in the Financial Statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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, February 4, 2021. See Note 4 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Note 2: DETAILED NOTES ON ALL FUNDS

Deposits and Investments

At June 30, 2020, \$500,000 of the Foundation's bank balances is covered by federal depository insurance (FDIC).

Custodial credit risk – Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution the Foundation may not be able to recover deposits.

Florida Polytechnic University Foundation, Inc.
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

Interest rate risk – Interest rate risk is the possibility that interest rates will rise and reduce the fair value of an investment. The Foundation had no policy on interest rate risk.

As of June 30, 2020, the Foundation had the following investments in debt securities and related maturities:

Investment Type	Investment Maturities			
	Fair Value	Less than 1 year	1-5 Years	> 5 Years
Corporate Bonds	\$ 658,946	\$ -	\$ 325,091	\$ 333,855
Foreign Bonds	92,667	-	92,667	-
U.S. Government Bonds	536,000	-	380,525	155,475
Mutual Funds				
Equity	3,650,949	3,650,949	-	-
Bonds	513,000	513,000	-	-
Total Investments	\$ 5,451,562	\$ 4,163,949	\$ 798,283	\$ 489,330

Credit Risk - Credit risk is the risk that an insurer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law does not limit investment options of the Foundation. The Foundation had no policy on credit risk. Presented below is the actual rating as of June 30, 2020 for each type of investment. The Foundation had no policy on credit risk. Presented below is the actual rating as of June 30, 2020 for each type of investment.

Investment Type	Rating	Fair Value
Corporate Bonds	AAA - BBB+	\$ 658,946
Foreign Bonds	AA+ - AAA	92,667
U.S. Government Bonds	AA+	536,000
Mutual Funds		
Equity	NR	3,650,949
Bonds	NR	513,000
Total Investments		\$ 5,451,562

Fair Value – GASB Codification Section 3100: Fair Value Measurements establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Florida Polytechnic University Foundation, Inc.
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

The three levels of the fair value hierarchy under the codification are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.
- Level 2: Inputs to the valuation methodology include:
- quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability;
 - inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Foundation's investments at June 30, 2020 are reported at fair value as follows:

Investment Type	Assets Measured at Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
Corporate Bonds	\$ 658,946	\$ 658,946	\$ -	\$ -
Foreign Bonds	92,667	92,667	-	-
U.S. Government Bonds	536,000	536,000	-	-
Mutual Funds				
Equity	3,650,949	3,650,949	-	-
Bonds	513,000	513,000	-	-
Total Investments	\$ 5,451,562	\$ 5,451,562	\$ -	\$ -

Florida Polytechnic University Foundation, Inc.
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Contribution Receivable

Contribution receivable at June 30, 2020 are summarized as follows:

Expected receipt of contribution in:	Amount
2021	\$ 282,530
2022	203,850
2023	13,850
Gross contributions receivable	500,230
Less discount for present value	(5,252)
Less allowance for doubtful contributions receivable	(28,014)
Net contributions receivable	\$ 466,964

Contributions receivable consist primarily of promises from individuals and corporations within the Central Florida and Tampa Bay area. Management has established an allowance account as its estimate of uncollectible promises to give of approximately \$28,000 at June 30, 2020.

Other Liabilities

The Foundation has \$2,750,000 in other liabilities as of year ended June 30, 2020. During fiscal year 2014, an anonymous donor gave \$5,000,000 to the Foundation. According to the stipulations of the second amendment to the donation agreement, \$250,000 was returned to the anonymous donor in fiscal year 2015. \$2,000,000 of the donation was designated for unrestricted purposes. Funds were available in a dollar for dollar match as donations were received from additional donors. During fiscal year June 30, 2014, \$447,200 was matched and recognized as revenue. During fiscal year end June 30, 2015, the remaining \$1,552,800 was matched, collected, and recognized as revenue. The remaining \$2,750,000 cannot be used until the anonymous donor and Foundation enter an agreement as to how the funds will be released. The second amendment of the donation agreement states, if a written agreement is not reached on or before August 1, 2015, the anonymous donor may at any time thereafter, upon its written request remove the remainder of the donation. If this event occurs, the Foundation is required to return the \$2,750,000 to the anonymous donor within 30 days of the anonymous donor's written request. As of the issuance of the June 30, 2020 financial statements, an agreement has not been reached with the anonymous donor, although on-going discussions have/are taking place between the University and the anonymous donor in regards to status of designated benchmarks. To date, the anonymous donor has not requested the funds be returned.

Florida Polytechnic University Foundation, Inc.
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Endowment Composition

The Foundation's endowment balance is comprised of funds established for the purposes of scholarships. As of June 30, 2020 the balance was \$2,176,573.

The Foundation authorizes expenditures for the uses and purposes for which endowment funds were established.

The Foundation is allowed to spend a portion of the total return on endowment funds for current year needs. Any remainder of the total return is to be reinvested to keep pace with and exceed inflations. Dividends earned on endowment funds are to be spent on a percentage of the average prior five calendar years' market value when available.

Note 3: RELATED PARTY TRANSACTIONS AND SPECIAL ITEM

The Foundation contributed \$531,797 to the University for the year ended June 30, 2020. The Foundation has a remaining liability due to the University in the amount of \$116,308.

At June 30, 2020, there was \$265,000 of gross contribution receivables due from Foundation Board of Directors and University Board of Trustees. For the year ended June 30, 2020, contribution revenue from the Foundation Board of Directors and University Board of Trustees totaled \$673,662.

Note 4: SUBSEQUENT EVENTS

Management evaluated all events or transactions that occurred after June 30, 2020 through February 4, 2021, the date the current year's financial statements were available to be issued.

On March 11, 2020, the World Health Organization ("WHO") recognized COVID-19 as a global pandemic, prompting many national, regional, and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary store closures, and wide-sweeping quarantines and stay-at-home orders. As a result, COVID-19 and the related restrictive measures have had a significant adverse impact upon many sectors of the economy, including the industries in which the Company operates.

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

Board of Directors

Florida Polytechnic University Foundation, Inc.

Lakeland, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the General fund, of the Florida Polytechnic University Foundation, Inc. (Foundation), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements and have issued our report thereon dated February 4, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

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

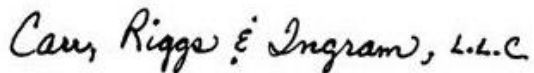
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

CARR, RIGGS & INGRAM, LLC

Tampa, Florida
February 4, 2021