

BOARD OF TRUSTEES Audit & Compliance Committee

**April 26, 2021
9:45 AM – 10:30 AM**

Florida Polytechnic University WEBEX TELECONFERENCE MEETING

Dial in: 1-415-655-0001 | Access code: 185 235 7607#

MEMBERS

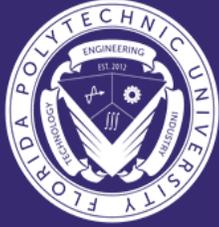
Bob Stork, Chair
Lyn Stanfield

Mark Bostick, Vice Chair

Dr. Laine Powell

AGENDA

- | | |
|---|------------------------|
| I. Call to Order | Bob Stork, Chair |
| II. Roll Call | Kim Abels |
| III. Public Comment | Bob Stork, Chair |
| IV. Approval of the February 10, 2021 Minutes
Action Required | Bob Stork, Chair |
| V. 2021-22 Audit & Compliance Committee Work Plan | David Blanton, CAE/CCO |
| VI. Audit & Compliance Update | David Blanton, CAE/CCO |
| VII. Foundation 990 – FYE 6/30/20 | David Blanton, CAE/CCO |
| VIII. University Financial Audit – FYE 6/30/20 | David Blanton, CAE/CCO |
| IX. Compliance Program Review – Approval of Independent Validators *Action Required* | David Blanton, CAE/CCO |
| X. Textbook Adoption Monitoring Review – Spring 2021 | David Blanton, CAE/CCO |
| XI. BOG Regulation 3.003, Fraud Prevention and Detection | David Blanton, CAE/CCO |
| XII. Closing Remarks and Adjournment | Bob Stork, Chair |



Audit & Compliance Committee Meeting

DRAFT MEETING MINUTES

Wednesday February 10, 2020
9:00 AM – 10:00 AM

Florida Polytechnic University WEBEX TELE-CONFERENCE MEETING

I. Call to Order

Committee Chair Bob Stork called the meeting to order at 9:01 a.m.

II. Roll Call

Kim Abels called the roll: Committee Chair Bob Stork, Committee Vice Chair Mark Bostick, Trustee Laine Powell, and Trustee Lyn Stanfield were present (Quorum).

Other Trustees present: Board Chair Cliff Otto and Trustee Connor Coddington were present.

Staff present: President Randy Avent, Provost Terry Parker, Ms. Gina DeIulio, Mrs. Kathy Bowman, Mrs. Kris Wharton, Mr. David Blanton, Mrs. Kim Abels, Ms. Michele Rush, Mr. Rick Maxey, Mr. John Causey, Mr. David Brunell, Ms. Lydia Guzman, Mrs. Maggie Mariucci, Mrs. Laura Neff-Henderson, Mr. Alex Landback, Ms. Melaine Schmiz, and Mr. Larry Locke were present.

III. Public Comment

There were no requests received for public comment.

IV. Approval of the November 10, 2020 Minutes

Trustee Mark Bostick made a motion to approve the Audit & Compliance Committee meeting minutes of November 10, 2020. Trustee Lyn Stanfield seconded the motion; a vote was taken, and the motion passed unanimously.

V. 2021-2022 Audit & Compliance Committee Work Plan

Mr. David Blanton, Chief Compliance Officer and Chief Audit Executive, presented the 2021-2022 University Audit and Compliance (UAC) Committee Work Plan. There was no discussion and no changes made to the Work Plan.

VI. Audit and Compliance Update

Mr. Blanton provided the Committee with an update of audit and compliance activities. The updates included the following:

A. External Audits: Currently, Florida Poly is undergoing the following audits:

- Statewide Federal Awards Audit – conducted by the Auditor General/report expected to be released in March 2021
- Program Review of Title IV Programs – conducted by the US Department of Education
- Financial Audit – conducted by the Auditor General, fieldwork is in progress and the report is to be issued by 3/31/21
- Foundation Financial Audit - complete and presented for review today
- Florida Retirement System Compliance Audit - the fieldwork has just started; this is conducted by DMS OIG and will cover the University inception to the present

B. Internal Audit and Compliance Activities: Currently, UAC has the following projects completed or in progress:

- Compliance Program Review - (internal and external)
- PBF Integrity Audit - completed, required annually
- Textbook Adoptions Monitoring Review (Spring 2021)
- Conflicts/foreign influence compliance monitoring reviews
- Hotline Monitoring (monthly AACC reporting)

VII. PBF Data Integrity Audit

Mr. Blanton presented his Performance Based Funding (PBF) audit for the period ending September 30, 2020. The PBF audit is required to be performed annually by March 1 of each year and this is the first such audit for Florida Poly. The audit had an overall conclusion that controls over data submissions were effective; however, 3 observations were noted for correction.

This item is separately presented to the Board for approval since the Board Chair will need to attest to the BOG that the audit and related certification have been approved by the Board.

Trustee Laine Powell made a motion to recommend approval to the Board of Trustees of the Performance Based Funding Data Integrity Audit performed by University Audit for the period ending September 30, 2020. Trustee Mark Bostick seconded the motion; a vote was taken, and the motion passed unanimously.

VIII. Data Integrity Certification

Mr. Blanton presented the certification that is required to be submitted to the BOG by March 1, 2021. Thirteen representations in the certification were subjected to audit and the certification was modified accordingly for audit results.

This item is separately presented to the Board for approval since the Board Chair will need to attest to the BOG that the audit and related certification have been approved by the Board.

Trustee Lyn Stanfield made a motion to recommend approval of the of the Data Integrity Certification for 2021 (as modified for audit results) to the Board of Trustees. Trustee Mark Bostick seconded the motion; a vote was taken, and the motion passed unanimously.

IX. Foundation Financial Audit - FYE 6/30/20

Larry Locke, Director, Finance & Development Operations introduced Karen Hauk and Tatiana Carvajalino of the CPA firm of Carr, Riggs, and Ingram. Ms. Hauk presented the results of the Foundation's recent financial audit. The committee was only required to review the results of the audit and therefore approval is not necessary.

X. Closing Remarks and Adjournment

With no further business to discuss, the meeting adjourned at 9:41 a.m.



Committee Work Plan

Audit and Compliance Committee Work Plan 2020-2022

SEPTEMBER

- University Audit & Compliance (UAC) Update
- UAC Annual Report ~ prior FY
- University Audit Risk Assessment & Audit Plan ~ current FY
- University Compliance & Ethics Program Plan ~ current FY
- 5-Year Compliance Program Review (Self-Assessment and External Validation)
- Other Completed Compliance Reviews

NOVEMBER

- University Audit & Compliance (UAC) Update
- Bright Futures Audit (2020 & 2021 FY)
- Performance Based Funding Audit Scope Approval
- Other Completed Compliance Reviews
- Quality Assurance Review – Approval of Review Team

FEBRUARY

- University Audit & Compliance (UAC) Update
- Performance Based Funding Audit and Data Integrity Certification
- Foundation Financial Report ~ prior year

APRIL

- University Audit & Compliance (UAC) Update
- University Financial Audit ~ prior FY
- Foundation 990
- Textbook Affordability Compliance Monitoring Report (Spring semester)
- Compliance Program Review – Approval of Review Method/Team Selection

**Florida Polytechnic University
Audit & Compliance Committee
Board of Trustees
April 26, 2021**

Subject: Foundation Form 990 (June 30, 2020 Fiscal Year Ending)

Proposed Committee Action

Information only.

Background Information

FPU Policy 10.002(17) requires that each DSO shall submit its federal Internal Revenue Service Return of Organization Exempt from Income Tax form (Form 990) to the President. BOG Regulation 9.011(6), requires that Form 990 be submitted to the university board of trustees or designee at the times required by the applicable regulation or policy of the board of trustees. Copies of such forms shall also be provided by each university to the Board of Governors. The Foundation's form 990 for the fiscal year ended June 30, 2020, was recently completed by independent certified public accountants.

As part of its oversight responsibility of the Foundation, the Committee should review the Foundation's Form 990 and consider whether the information reported to the IRS is consistent with Foundation responsibilities in support of the university.

Supporting Documentation:

Foundation Form 990 prepared by Carr, Riggs & Ingram

Prepared by: David A. Blanton, CAE/CCO



April 6, 2021

Florida Polytechnic University
Foundation, Inc
4700 Research Way
Lakeland, FL 33805

Florida Polytechnic University Foundation, Inc:

Enclosed is the organization's 2019 Exempt Organization return.

Specific filing instructions are as follows.

FORM 990 RETURN:

This return has qualified for electronic filing. After you have reviewed the return for completeness and accuracy, please sign, date and return Form 8879-EO to our office. We will transmit the return electronically to the IRS and no further action is required. Return Form 8879-EO to us by May 17, 2021.

A copy of the return is enclosed for your files. We suggest that you retain this copy indefinitely.

Very truly yours,

Catherine Haug

TAX RETURN FILING INSTRUCTIONS

FORM 990

FOR THE YEAR ENDING

June 30, 2020

Prepared For:

Florida Polytechnic University
Foundation, Inc
4700 Research Way
Lakeland, FL 33805

Prepared By:

Carr, Riggs & Ingram, LLC
600 Cleveland Street, Suite 1000
Clearwater, FL 33755

Amount Due or Refund:

Not applicable

Make Check Payable To:

Not applicable

Mail Tax Return and Check (if applicable) To:

Not applicable

Return Must be Mailed On or Before:

Not applicable

Special Instructions:

This return has qualified for electronic filing. After you have reviewed the return for completeness and accuracy, please sign, date and return Form 8879-EO to our office using our secure file transfer website – <https://cricpa.sharefile.com/share/filedrop> . We will transmit the return electronically to the IRS and no further action is required. Return Form 8879-EO to us by May 17, 2021

Form **8879-EO**

IRS e-file Signature Authorization for an Exempt Organization

OMB No. 1545-1878

For calendar year 2019, or fiscal year beginning JUL 1, 2019, and ending JUN 30, 2020

2019

Department of the Treasury
Internal Revenue Service

▶ **Do not send to the IRS. Keep for your records.**
▶ **Go to www.irs.gov/Form8879EO for the latest information.**

Name of exempt organization

**FLORIDA POLYTECHNIC UNIVERSITY
FOUNDATION, INC**

Employer identification number

46-1426289

Name and title of officer

**KATHY BOWMAN
CEO**

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line **1a, 2a, 3a, 4a, or 5a**, below, and the amount on that line for the return being filed with this form was blank, then leave line **1b, 2b, 3b, 4b, or 5b**, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than one line in Part I.

1a Form 990 check here ▶ <input checked="" type="checkbox"/>	b Total revenue , if any (Form 990, Part VIII, column (A), line 12)	1b <u>775,918.</u>
2a Form 990-EZ check here ▶ <input type="checkbox"/>	b Total revenue , if any (Form 990-EZ, line 9)	2b _____
3a Form 1120-POL check here ▶ <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b _____
4a Form 990-PF check here ▶ <input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4b _____
5a Form 8868 check here ▶ <input type="checkbox"/>	b Balance Due (Form 8868, line 3c)	5b _____

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2019 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize CARR, RIGGS & INGRAM, LLC to enter my PIN
ERO firm name Enter five numbers, but do not enter all zeros

as my signature on the organization's tax year 2019 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2019 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ _____ Date ▶ _____

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

Do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2019 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ CARR, RIGGS & INGRAM, LLC Date ▶ 04/06/21

**ERO Must Retain This Form - See Instructions
Do Not Submit This Form to the IRS Unless Requested To Do So**

LHA For Paperwork Reduction Act Notice, see instructions.

Form **8879-EO** (2019)

923051 10-03-19

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)
▶ Do not enter social security numbers on this form as it may be made public.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

A For the 2019 calendar year, or tax year beginning **JUL 1, 2019** and ending **JUN 30, 2020**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION, INC Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite 4700 RESEARCH WAY City or town, state or province, country, and ZIP or foreign postal code LAKELAND, FL 33805 F Name and address of principal officer: KATHY BOWMAN SAME AS C ABOVE	D Employer identification number 46-1426289 E Telephone number (863) 874-8416 G Gross receipts \$ 775,918. H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
J Website: ▶ WWW.FLORIDAPOLYTECHNIC.ORG		
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation: 2012
M State of legal domicile: FL		

Part I Summary

	1	Briefly describe the organization's mission or most significant activities: ESTABLISHED TO HELP SUSTAIN THE MISSION OF FLORIDA POLYTECHNIC UNIVERSITY.	
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.	
Activities & Governance	3	Number of voting members of the governing body (Part VI, line 1a)	22
	4	Number of independent voting members of the governing body (Part VI, line 1b)	21
	5	Total number of individuals employed in calendar year 2019 (Part V, line 2a)	0
	6	Total number of volunteers (estimate if necessary)	23
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	0.
	7b	Net unrelated business taxable income from Form 990-T, line 39	0.
	Revenue	8	Contributions and grants (Part VIII, line 1h)
9		Program service revenue (Part VIII, line 2g)	0.
10		Investment income (Part VIII, column (A), lines 3, 4, and 7d)	303,757.
11		Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-21,400.
12		Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	841,356.
Expenses		13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0.
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	43,147.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 310,340.	
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	399,425.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	1,131,151.
	19	Revenue less expenses. Subtract line 18 from line 12	-289,795.
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	6,869,877.
	21	Total liabilities (Part X, line 26)	2,783,589.
	22	Net assets or fund balances. Subtract line 21 from line 20	4,086,288.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer KATHY BOWMAN, CEO Type or print name and title	Date
Paid Preparer Use Only	Print/Type preparer's name CATHERINE HAUG	Preparer's signature Date Check if self-employed <input type="checkbox"/> PTIN P01395474
	Firm's name ▶ CARR, RIGGS & INGRAM, LLC Firm's address ▶ 600 CLEVELAND STREET, SUITE 1000 CLEARWATER, FL 33755	Firm's EIN ▶ [REDACTED] Phone no. 727.446.0504

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

1 Briefly describe the organization's mission:
ESTABLISHED TO HELP SUSTAIN THE MISSION OF FLORIDA POLYTECHNIC UNIVERSITY TO EDUCATE STUDENTS EMPHASIZING SCIENCE, TECHNOLOGY, ENGINEERING AND MATHEMATICS (STEM) IN AN INNOVATIVE, TECHNOLOGY-RICH, AND INTERDISCIPLINARY LEARNING ENVIRONMENT.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No
If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: _____) (Expenses \$ 699,797. including grants of \$ 531,797.) (Revenue \$ _____)
FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION FOSTERS THE MISSION OF THE UNIVERSITY AND HAS PROVIDED SCHOLARSHIP SUPPORT TO THE UNIVERSITY EACH YEAR SINCE IT'S INAUGURAL CLASS IN 14-15.

4b (Code: _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4c (Code: _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4d Other program services (Describe on Schedule O.)
(Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4e Total program service expenses **▶ 699,797.**

**FLORIDA POLYTECHNIC UNIVERSITY
FOUNDATION, INC**

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	X	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>		X
b Did the organization report an amount for investments - other securities in Part X, line 12, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		X
c Did the organization report an amount for investments - program related in Part X, line 13, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d Did the organization report an amount for other assets in Part X, line 15, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	X	

**FLORIDA POLYTECHNIC UNIVERSITY
FOUNDATION, INC**

Form 990 (2019)

46-1426289 Page 4

Part IV Checklist of Required Schedules *(continued)*

	Yes	No
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22	X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	24a	X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a	X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b	X
26 Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part II</i>	26	X
27 Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27	X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions, for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? <i>If "Yes," complete Schedule L, Part IV</i>	28a	X
b A family member of any individual described in line 28a? <i>If "Yes," complete Schedule L, Part IV</i>	28b	X
c A 35% controlled entity of one or more individuals and/or organizations described in lines 28a or 28b? <i>If "Yes," complete Schedule L, Part IV</i>	28c	X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30	X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31	X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32	X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33	X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34	X
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	X
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36	X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37	X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?	38	X

Note: All Form 990 filers are required to complete Schedule O

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

	Yes	No
1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	5
b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

		Yes	No
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return 2a 0		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? 2b		
Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)			
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year? 3a		X
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation on Schedule O 3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? 4a		X
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? 5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? 5b		X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T? 5c		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? 6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? 7a	X	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	X	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
d	If "Yes," indicate the number of Forms 8282 filed during the year 7d		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? ...		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the sponsoring organization make any taxable distributions under section 4966?		
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12 10a		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities 10b		
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders 11a		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) 11b		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? 12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year 12b		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state?		
Note: See the instructions for additional information the organization must report on Schedule O.			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans 13b		
c	Enter the amount of reserves on hand 13c		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation on Schedule O		
15	Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year?		X
If "Yes," see instructions and file Form 4720, Schedule N.			
16	Is the organization an educational institution subject to the section 4968 excise tax on net investment income?		X
If "Yes," complete Form 4720, Schedule O.			

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes on Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O.		
	1a		22
b	Enter the number of voting members included on line 1a, above, who are independent		
	1b		21
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?		X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		X
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	X	
b	Each committee with authority to act on behalf of the governing body?	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
10b			
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
12c			
13	Did the organization have a written whistleblower policy?		X
14	Did the organization have a written document retention and destruction policy?		X
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official		X
b	Other officers or key employees of the organization		X
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		
16b			

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **FL**
- 18** Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain on Schedule O)
- 19** Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records **KIM KENNEDY - (863)874-8416**
4700 RESEARCH WAY, LAKELAND, FL 33805

FLORIDA POLYTECHNIC UNIVERSITY
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Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations. See instructions for the order in which to list the persons above.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) ALICE HUNT CHAIR	1.25	X		X				0.	0.	0.
(2) JACK HARRELL III VICE-CHAIR	1.25	X		X				0.	0.	0.
(3) RANDY AVENT PRESIDENT	0.00 40.00	X		X				0.	513,203.	44,407.
(4) KATHY BOWMAN CEO	25.00 15.00	X		X				0.	73,165.	7,174.
(5) DEREK HORTON TREASURER	4.00 36.00	X		X				0.	128,676.	26,740.
(6) KATHRYN MIZERECK AVP, GOVERNMENT RELATIONS	1.25 38.75	X						0.	130,260.	17,951.
(7) CINDY ALEXANDER DIRECTOR	1.25	X						0.	0.	0.
(8) TODD BAYLIS DIRECTOR	1.25	X						0.	0.	0.
(9) PHILLIPA GREENBERG DIRECTOR	1.25	X						0.	0.	0.
(10) FORD HEACOCK DIRECTOR	1.25	X						0.	0.	0.
(11) TRAVIS HILLS DIRECTOR	1.25	X						0.	0.	0.
(12) ROB KINCART DIRECTOR	1.25	X						0.	0.	0.
(13) MICHAEL LAWLEY DIRECTOR	1.25	X						0.	0.	0.
(14) JOSHUA MCCOY DIRECTOR	1.25	X						0.	0.	0.
(15) IVETTE O'DOSKI DIRECTOR	1.25	X						0.	0.	0.
(16) MARLENE O'TOOLE DIRECTOR	1.25	X						0.	0.	0.
(17) BLAKE PAUL DIRECTOR	1.25	X						0.	0.	0.

**FLORIDA POLYTECHNIC UNIVERSITY
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Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) RYAN PEREZ DIRECTOR	1.25	X					0.	0.	0.	
(19) SHELLEY ROBINSON DIRECTOR	1.25	X					0.	0.	0.	
(20) LORETTA SANDERS DIRECTOR	1.25	X					0.	0.	0.	
(21) LAUREN SCHWENK DIRECTOR	1.25	X					0.	0.	0.	
(22) DONNA SLYSTER DIRECTOR	1.25	X					0.	0.	0.	
(23) VIC STORY DIRECTOR	1.25	X					0.	0.	0.	
(24) SERETHA TINSLEY DIRECTOR	1.25	X					0.	0.	0.	
1b Subtotal							0.	845,304.	96,272.	
c Total from continuation sheets to Part VII, Section A							0.	0.	0.	
d Total (add lines 1b and 1c)							0.	845,304.	96,272.	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **0**

	Yes	No
3 Did the organization list any former officer, director, trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
NONE		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **0**

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FOUNDATION, INC**

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Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above ...	1f	603,012.				
	g Noncash contributions included in lines 1a-1f	1g	\$				
	h Total. Add lines 1a-1f			603,012.			
Program Service Revenue	2 a _____	Business Code					
	b _____						
	c _____						
	d _____						
	e _____						
	f All other program service revenue						
	g Total. Add lines 2a-2f						
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		170,079.			170,079.	
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross rents	6a	(i) Real				
			(ii) Personal				
	b Less: rental expenses ...	6b					
	c Rental income or (loss)	6c					
	d Net rental income or (loss)						
	7 a Gross amount from sales of assets other than inventory	7a	(i) Securities				
			(ii) Other				
	b Less: cost or other basis and sales expenses	7b					
	c Gain or (loss)	7c					
	d Net gain or (loss)						
8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	8a						
b Less: direct expenses	8b						
c Net income or (loss) from fundraising events							
9 a Gross income from gaming activities. See Part IV, line 19	9a						
b Less: direct expenses	9b						
c Net income or (loss) from gaming activities							
10 a Gross sales of inventory, less returns and allowances	10a						
b Less: cost of goods sold	10b						
c Net income or (loss) from sales of inventory							
Miscellaneous Revenue	11 a MISC	Business Code	2,827.			2,827.	
	b _____	90099					
	c _____						
	d All other revenue						
	e Total. Add lines 11a-11d			2,827.			
12 Total revenue. See instructions			775,918.	0.	0.	172,906.	

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FOUNDATION, INC**

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Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX **X**

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ...	531,797.	531,797.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages				
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (nonemployees):				
a Management				
b Legal				
c Accounting				
d Lobbying	168,000.	168,000.		
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	252,894.			252,894.
12 Advertising and promotion	12,376.			12,376.
13 Office expenses	30,851.			30,851.
14 Information technology	1,193.			1,193.
15 Royalties				
16 Occupancy				
17 Travel	8,567.			8,567.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization				
23 Insurance				
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a FOOD & BEVERAGES	4,329.			4,329.
b DUES AND MEMBERSHIPS	90.			90.
c RENTAL EQUIPMENT	40.			40.
d _____				
e All other expenses _____				
25 Total functional expenses. Add lines 1 through 24e	1,010,137.	699,797.	0.	310,340.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here if following SOP 98-2 (ASC 958-720)

**FLORIDA POLYTECHNIC UNIVERSITY
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Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	534,401.	1	1,011,539.
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net	294,189.	3	466,964.
	4 Accounts receivable, net		4	
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges		9	
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a		
	b Less: accumulated depreciation	10b		10c
	11 Investments - publicly traded securities	6,032,750.	11	5,451,562.
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	8,537.	15	5,834.
16 Total assets. Add lines 1 through 15 (must equal line 33)	6,869,877.	16	6,935,899.	
Liabilities	17 Accounts payable and accrued expenses	7,149.	17	21,623.
	18 Grants payable		18	
	19 Deferred revenue	2,773,376.	19	2,967,700.
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	3,064.	25	116,308.
	26 Total liabilities. Add lines 17 through 25	2,783,589.	26	3,105,631.
Net Assets or Fund Balances	Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33.			
	27 Net assets without donor restrictions	1,448,123.	27	1,031,978.
	28 Net assets with donor restrictions	2,638,165.	28	2,798,290.
	Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33.			
	29 Capital stock or trust principal, or current funds		29	
	30 Paid-in or capital surplus, or land, building, or equipment fund		30	
	31 Retained earnings, endowment, accumulated income, or other funds		31	
	32 Total net assets or fund balances	4,086,288.	32	3,830,268.
33 Total liabilities and net assets/fund balances	6,869,877.	33	6,935,899.	

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Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1 Total revenue (must equal Part VIII, column (A), line 12)	1	775,918.
2 Total expenses (must equal Part IX, column (A), line 25)	2	1,010,137.
3 Revenue less expenses. Subtract line 2 from line 1	3	-234,219.
4 Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	4,086,288.
5 Net unrealized gains (losses) on investments	5	-14,654.
6 Donated services and use of facilities	6	
7 Investment expenses	7	
8 Prior period adjustments	8	
9 Other changes in net assets or fund balances (explain on Schedule O)	9	-7,147.
10 Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	3,830,268.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

		Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
b Were the organization's financial statements audited by an independent accountant?	2b	X	
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	X	
If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.			
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		X
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits	3b		

Form **990** (2019)

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	4289043.	1157618.	1486732.	558,999.	797,336.	8289728.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	4289043.	1157618.	1486732.	558,999.	797,336.	8289728.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						3338582.
6 Public support. Subtract line 5 from line 4.						4951146.

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
7 Amounts from line 4	4289043.	1157618.	1486732.	558,999.	797,336.	8289728.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources	71,610.	94,649.	217,361.	303,757.	170,079.	857,456.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)				385.	2,827.	3,212.
11 Total support. Add lines 7 through 10						9150396.
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2019 (line 6, column (f) divided by line 11, column (f))	14	54.11 %
15 Public support percentage from 2018 Schedule A, Part II, line 14	15	67.01 %
16a 33 1/3% support test - 2019. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input checked="" type="checkbox"/>
b 33 1/3% support test - 2018. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10% -facts-and-circumstances test - 2019. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10% -facts-and-circumstances test - 2018. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

15 Public support percentage for 2019 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2018 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2019 (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from 2018 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2019. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

b 33 1/3% support tests - 2018. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer 10b below.</i>		
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

Part IV Supporting Organizations (continued)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
b A family member of a person described in (a) above?		
c A 35% controlled entity of a person described in (a) or (b) above? <i>If "Yes" to a, b, or c, provide detail in Part VI.</i>		

Section B. Type I Supporting Organizations

	Yes	No
1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? <i>If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i>		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <i>If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.</i>		

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <i>If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i>		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>		
3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>		

Section E. Type III Functionally Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
2 Activities Test. Answer (a) and (b) below.		
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i>		
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i>		
3 Parent of Supported Organizations. Answer (a) and (b) below.		
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>Provide details in Part VI.</i>		
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI). **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3.	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6, and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d.	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035.	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1.	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3.	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI). See instructions.	
7 Total annual distributions. Add lines 1 through 6.	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	
9 Distributable amount for 2019 from Section C, line 6	
10 Line 8 amount divided by line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2019	(iii) Distributable Amount for 2019
1 Distributable amount for 2019 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2019 (reasonable cause required- explain in Part VI). See instructions.			
3 Excess distributions carryover, if any, to 2019			
a From 2014			
b From 2015			
c From 2016			
d From 2017			
e From 2018			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2019 distributable amount			
i Carryover from 2014 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2019 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2019 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2019, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI . See instructions.			
6 Remaining underdistributions for 2019. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI . See instructions.			
7 Excess distributions carryover to 2020. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2015			
b Excess from 2016			
c Excess from 2017			
d Excess from 2018			
e Excess from 2019			

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

Horizontal lines for supplemental information.

Schedule B

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2019

Name of the organization

FLORIDA POLYTECHNIC UNIVERSITY
FOUNDATION, INC

Employer identification number

46-1426289

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of **(1)** \$5,000; or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ▶ \$ _____

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION, INC	Employer identification number 46-1426289
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	<div style="background-color: black; width: 100%; height: 15px; margin-bottom: 5px;"></div> <div style="background-color: black; width: 100%; height: 15px; margin-bottom: 5px;"></div> <div style="background-color: black; width: 100%; height: 15px;"></div>	\$ <u>27,500.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	<div style="background-color: black; width: 100%; height: 15px; margin-bottom: 5px;"></div> <div style="background-color: black; width: 100%; height: 15px; margin-bottom: 5px;"></div> <div style="background-color: black; width: 100%; height: 15px;"></div>	\$ <u>50,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3	<div style="background-color: black; width: 100%; height: 15px; margin-bottom: 5px;"></div> <div style="background-color: black; width: 100%; height: 15px; margin-bottom: 5px;"></div> <div style="background-color: black; width: 100%; height: 15px;"></div>	\$ <u>250,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4	<div style="background-color: black; width: 100%; height: 15px; margin-bottom: 5px;"></div> <div style="background-color: black; width: 100%; height: 15px; margin-bottom: 5px;"></div> <div style="background-color: black; width: 100%; height: 15px;"></div>	\$ <u>100,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
5	<div style="background-color: black; width: 100%; height: 15px; margin-bottom: 5px;"></div> <div style="background-color: black; width: 100%; height: 15px; margin-bottom: 5px;"></div> <div style="background-color: black; width: 100%; height: 15px;"></div>	\$ <u>20,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
6	<div style="background-color: black; width: 100%; height: 15px; margin-bottom: 5px;"></div> <div style="background-color: black; width: 100%; height: 15px; margin-bottom: 5px;"></div> <div style="background-color: black; width: 100%; height: 15px;"></div>	\$ <u>25,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION, INC	Employer identification number 46-1426289
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7	<div style="background-color: black; width: 200px; height: 15px; margin-bottom: 5px;"></div> <div style="background-color: black; width: 200px; height: 15px; margin-bottom: 5px;"></div> <div style="background-color: black; width: 200px; height: 15px;"></div>	\$ <u>25,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
8	<div style="background-color: black; width: 250px; height: 15px; margin-bottom: 5px;"></div> <div style="background-color: black; width: 200px; height: 15px; margin-bottom: 5px;"></div> <div style="background-color: black; width: 200px; height: 15px;"></div>	\$ <u>23,323.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
9	<div style="background-color: black; width: 250px; height: 15px; margin-bottom: 5px;"></div> <div style="background-color: black; width: 350px; height: 15px; margin-bottom: 5px;"></div> <div style="background-color: black; width: 200px; height: 15px;"></div>	\$ <u>50,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
10	<div style="background-color: black; width: 350px; height: 15px; margin-bottom: 5px;"></div> <div style="background-color: black; width: 100px; height: 15px; margin-bottom: 5px;"></div> <div style="background-color: black; width: 200px; height: 15px;"></div>	\$ <u>24,400.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION, INC	Employer identification number 46-1426289
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Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____

Name of organization FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION, INC	Employer identification number 46-1426289
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Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this info. once.) ▶ \$ _____
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

SCHEDULE C
(Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No. 1545-0047

2019

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

For Organizations Exempt From Income Tax Under section 501(c) and section 527
▶ **Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.**
▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

If the organization answered "Yes," on Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," on Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," on Form 990, Part IV, line 5 (Proxy Tax) (see separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (see separate instructions), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION, INC	Employer identification number 46-1426289
---	---

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
- 2 Political campaign activity expenditures ▶ \$ _____
- 3 Volunteer hours for political campaign activities

Part I-B Complete if the organization is exempt under section 501(c)(3).

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$ _____
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$ _____
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? Yes No
- 4a Was a correction made? Yes No
- b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$ _____
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ \$ _____
- 3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ▶ \$ _____
- 4 Did the filing organization file **Form 1120-POL** for this year? Yes No
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. **Schedule C (Form 990 or 990-EZ) 2019**

Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A** Check if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).
- B** Check if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1a	Total lobbying expenditures to influence public opinion (grassroots lobbying)														
b	Total lobbying expenditures to influence a legislative body (direct lobbying)														
c	Total lobbying expenditures (add lines 1a and 1b)														
d	Other exempt purpose expenditures														
e	Total exempt purpose expenditures (add lines 1c and 1d)														
f	Lobbying nontaxable amount. Enter the amount from the following table in both columns.														
<table border="1"> <thead> <tr> <th>If the amount on line 1e, column (a) or (b) is:</th> <th>The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e.														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.														
Over \$17,000,000	\$1,000,000.														
g	Grassroots nontaxable amount (enter 25% of line 1f)														
h	Subtract line 1g from line 1a. If zero or less, enter -0-														
i	Subtract line 1f from line 1c. If zero or less, enter -0-														
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No												

4-Year Averaging Period Under Section 501(h)
 (Some organizations that made a section 501(h) election do not have to complete all of the five columns below.
 See the separate instructions for lines 2a through 2f.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2016	(b) 2017	(c) 2018	(d) 2019	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

For each "Yes" response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?	X		168,000.
j Total. Add lines 1c through 1i			168,000.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?	X		
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1	
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3 Did the organization agree to carry over lobbying and political campaign activity expenditures from the prior year?	3	

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV Supplemental Information

Provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, lines 1 and 2 (see instructions); and Part II-B, line 1. Also, complete this part for any additional information.

PART II-B, LINE 1, LOBBYING ACTIVITIES:

PAYMENT TO LOBBYIST FOR REPRESENTATION WITH LEGISLATORS.

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2019

Open to Public Inspection

Name of the organization FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION, INC Employer identification number 46-1426289

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include total number at end of year, aggregate value of contributions, grants, and end of year, and two yes/no questions about donor property and grant fund usage.

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include purpose of easements, lines 2a-2d for qualified contributions, and questions about monitoring, expenses, and reporting.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include questions about reporting art and historical treasures and amounts for revenue and assets.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3 Using the organization's acquisition, accession, and other records, check any of the following that make significant use of its collection items (check all that apply):
- a Public exhibition
 - b Scholarly research
 - c Preservation for future generations
 - d Loan or exchange program
 - e Other _____
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b If "Yes," explain the arrangement in Part XIII and complete the following table:
- | | Amount |
|---------------------------------|--------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

Part V Endowment Funds. Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment _____%
 - b Permanent endowment _____%
 - c Term endowment _____%
- The percentages on lines 2a, 2b, and 2c should equal 100%.
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|---|--------|----|
| (i) Unrelated organizations | 3a(i) | |
| (ii) Related organizations | 3a(ii) | |
| b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? <input type="checkbox"/> | 3b | |
- 4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				

Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.) 0.

**FLORIDA POLYTECHNIC UNIVERSITY
FOUNDATION, INC**

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) DUE TO FLORIDA POLYTECHNIC	
(3) UNIVERSITY	116,308.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	116,308.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII ...

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements	1	754,117.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	-14,654.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	-14,654.
3	Subtract line 2e from line 1	3	768,771.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	7,147.
c	Add lines 4a and 4b	4c	7,147.
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)	5	775,918.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements	1	1,010,137.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	1,010,137.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)	5	1,010,137.

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART X, LINE 2:

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.

PART XI, LINE 4B - OTHER ADJUSTMENTS:

ADJUSTMENT FOR BAD DEBT ALLOWANCE	7,143.
ROUNDING	4.
TOTAL TO SCHEDULE D, PART XI, LINE 4B	7,147.

**FLORIDA POLYTECHNIC UNIVERSITY
FOUNDATION, INC**

Part III Grants and Other Assistance to Domestic Individuals. Complete if the organization answered "Yes" on Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of noncash assistance

Part IV Supplemental Information. Provide the information required in Part I, line 2; Part III, column (b); and any other additional information.

PAR I, LINE 2:

THE FOUNDATION REQUIRES THE UNIVERSITY TO SUBMIT INVOICES TO SUPPORT
THE AMOUNTS NEEDED TO COVER SCHOLARSHIPS AND SALARIES. THE FOUNDATION
ALSO REQUIRES THE UNIVERSITY TO SUBMIT THE NAMES OF THE STUDENTS THAT
HAVE BEEN AWARDED THE SCHOLARSHIPS ALONG WITH THE INVOICES.

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No. 1545-0047

2019

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
 ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
 ▶ Attach to Form 990.
 ▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Department of the Treasury
Internal Revenue Service

Name of the organization **FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION, INC** Employer identification number **46-1426289**

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (such as maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

3 Indicate which, if any, of the following the organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- | | |
|--|--|
| <input type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment? **4a**
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? **4b**
- c** Participate in, or receive payment from, an equity-based compensation arrangement? **4c**
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization? **5a**
- b** Any related organization? **5b**
- If "Yes" on line 5a or 5b, describe in Part III.

6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization? **6a**
- b** Any related organization? **6b**
- If "Yes" on line 6a or 6b, describe in Part III.

7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b		
2		
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2019

**FLORIDA POLYTECHNIC UNIVERSITY
FOUNDATION, INC**

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) RANDY AVENT PRESIDENT	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	441,796.	53,016.	18,391.	24,353.	20,054.	557,610.	0.
(2) DEREK HORTON TREASURER	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	126,003.	0.	2,673.	11,012.	15,728.	155,416.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2019

Open to Public
Inspection

Name of the organization

FLORIDA POLYTECHNIC UNIVERSITY
FOUNDATION, INC

Employer identification number

46-1426289

FORM 990, PART VI, SECTION B, LINE 11B:

A COMPLETE COPY OF HTE 9990 IS PROVIDED TO EVERY MEMBER OF THE BOARD OF
DIRECTORS FOR REVIEW PRIOR TO BEING FILED WITH THE IRS.

FORM 990, PART VI, SECTION B, LINE 12C:

IN CONNECTION WITH ANY ACTUAL OR POSSIBLE CONFLICTS OF INTEREST, AN
INTERESTED PERSON MUST DISCLOSE THE EXISTENCE OF HIS OR HER FINANCIAL
INTEREST AND ALL MATERIAL FACTS TO THE DIRECTORS AND MEMBERS OF COMMITTEES
WITH BOARD-DELEGATED POWERS CONSIDERING THE PROPOSED TRANSACTIONS OR
ARRANGEMENT. THE REMAINING BOARD OR COMMITTEE MEMBERS SHALL DECIDE WHETHER
A CONFLICT OF INTEREST EXISTS. AN INTERESTED PERSON MAY MAKE A PRESENTATION
AT THE BOARD OR COMMITTEE MEETING, BUT AFTER SUCH PRESENTATION, HE OR SHE
SHALL BE INVITED AND ALLOWED (BUT NOT REQUIRED) TO LEAVE THE MEETING DURING
THE DISCUSSION OF, AND THE VOTE ON, THE TRANSACTION OR ARRANGEMENT THAT
RESULTS IN THE CONFLICT OF INTEREST. THE CHAIR OF THE BOARD OR THE
COMMITTEE SHALL, IF APPROPRIATE, APPOINT A DISINTERESTED PERSON OR
COMMITTEE TO INVESTIGATE ALTERNATIVES TO THE PROPOSED TRANSACTION OR
ARRANGEMENT. AFTER EXERCISING DUE DILIGENCE, THE BOARD OR COMMITTEE SHALL
DETERMINE WHETHER THE FOUNDATION CAN OBTAIN A MORE ADVANTAGEOUS TRANSACTION
OR ARRANGEMENT WITH REASONABLE EFFORTS FROM A PERSON OR ENTITY THAT WOULD
NOT GIVE RISE TO A CONFLICT OF INTEREST. IF A MORE ADVANTAGEOUS TRANSACTION
OR ARRANGEMENT IS NOT REASONABLY ATTAINABLE UNDER CIRCUMSTANCES THAT WOULD
NOT GIVE RISE TO A CONFLICT OF INTEREST, THE BOARD OR COMMITTEE SHALL
DETERMINE BY A MAJORITY VOTE OF THE DISINTERESTED DIRECTORS OR MEMBERS IN
ATTENDANCE WHETHER TO ENTER INTO THE TRANSACTION DESPITE THE CONFLICT OF
INTEREST.

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) (2019)

932211 09-06-19

Name of the organization	FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION, INC	Employer identification number	46-1426289
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FORM 990, PART VI, SECTION C, LINE 19:

THE ORGANIZATION MAKES ITS GOVERNMENT DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE UPON REQUEST.

FORM 990, PART IX, LINE 11G, OTHER FEES:

CONTRACTED SERVICES:

PROGRAM SERVICE EXPENSES	0.
MANAGEMENT AND GENERAL EXPENSES	0.
FUNDRAISING EXPENSES	66,855.
TOTAL EXPENSES	66,855.

CONSULTING SERVICES:

PROGRAM SERVICE EXPENSES	0.
MANAGEMENT AND GENERAL EXPENSES	0.
FUNDRAISING EXPENSES	36,000.
TOTAL EXPENSES	36,000.

SERVICES:

PROGRAM SERVICE EXPENSES	0.
MANAGEMENT AND GENERAL EXPENSES	0.
FUNDRAISING EXPENSES	150,039.
TOTAL EXPENSES	150,039.
TOTAL OTHER FEES ON FORM 990, PART IX, LINE 11G, COL A	252,894.

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

WRITE OFF OF UNCOLLECTIBLE PLEDGES	-7,143.
------------------------------------	---------

ROUNDING	-4.
----------	-----

Name of the organization **FLORIDA POLYTECHNIC UNIVERSITY
FOUNDATION, INC**

Employer identification number
46-1426289

TOTAL TO FORM 990, PART XI, LINE 9

-7,147.

Multiple horizontal lines for additional information or calculations.

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2019

Open to Public Inspection

Name of the organization **FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION, INC** Employer identification number **46-1426289**

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
FLORIDA POLYTECHNIC UNIVERSITY - 46-0764837 4700 RESEARCH WAY LAKELAND, FL 33805	UNIVERSITY	FLORIDA			N/A		X

**FLORIDA POLYTECHNIC UNIVERSITY
FOUNDATION, INC**

Part III Identification of Related Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV Identification of Related Organizations Taxable as a Corporation or Trust. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No

**FLORIDA POLYTECHNIC UNIVERSITY
FOUNDATION, INC**

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note: Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity		X
b Gift, grant, or capital contribution to related organization(s)	X	
c Gift, grant, or capital contribution from related organization(s)		X
d Loans or loan guarantees to or for related organization(s)		X
e Loans or loan guarantees by related organization(s)		X
f Dividends from related organization(s)		X
g Sale of assets to related organization(s)		X
h Purchase of assets from related organization(s)		X
i Exchange of assets with related organization(s)		X
j Lease of facilities, equipment, or other assets to related organization(s)		X
k Lease of facilities, equipment, or other assets from related organization(s)		X
l Performance of services or membership or fundraising solicitations for related organization(s)		X
m Performance of services or membership or fundraising solicitations by related organization(s)		X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		X
o Sharing of paid employees with related organization(s)		X
p Reimbursement paid to related organization(s) for expenses		X
q Reimbursement paid by related organization(s) for expenses		X
r Other transfer of cash or property to related organization(s)		X
s Other transfer of cash or property from related organization(s)		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) FLORIDA POLYTECHNIC UNIVERSITY	B	531,797.	CASH PAID
(2)			
(3)			
(4)			
(5)			
(6)			

Form **8879-EO**

IRS e-file Signature Authorization for an Exempt Organization

OMB No. 1545-1878

For calendar year 2019, or fiscal year beginning JUL 1, 2019, and ending JUN 30, 2020

2019

Department of the Treasury
Internal Revenue Service

▶ **Do not send to the IRS. Keep for your records.**
▶ **Go to www.irs.gov/Form8879EO for the latest information.**

Name of exempt organization FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION, INC	Employer identification number 46-1426289
--	---

Name and title of officer
**KATHY BOWMAN
CEO**

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line 1a, 2a, 3a, 4a, or 5a, below, and the amount on that line for the return being filed with this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than one line in Part I.

1a Form 990 check here ▶ <input checked="" type="checkbox"/>	b Total revenue, if any (Form 990, Part VIII, column (A), line 12)	1b <u>775,918.</u>
2a Form 990-EZ check here ▶ <input type="checkbox"/>	b Total revenue, if any (Form 990-EZ, line 9)	2b _____
3a Form 1120-POL check here ▶ <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b _____
4a Form 990-PF check here ▶ <input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4b _____
5a Form 8868 check here ▶ <input type="checkbox"/>	b Balance Due (Form 8868, line 3c)	5b _____

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2019 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize CARR, RIGGS & INGRAM, LLC to enter my PIN
ERO firm name Enter five numbers, but do not enter all zeros

as my signature on the organization's tax year 2019 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2019 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ *Kathy Bowman* Date ▶ 4/8/2021

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

Do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2019 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ CARR, RIGGS & INGRAM, LLC Date ▶ 04/06/21

**ERO Must Retain This Form - See Instructions
Do Not Submit This Form to the IRS Unless Requested To Do So**

LHA For Paperwork Reduction Act Notice, see instructions.

Form **8879-EO** (2019)

923051 10-03-19

AGENDA ITEM: VIII.

**Florida Polytechnic University
Audit & Compliance Committee
Board of Trustees
April 26, 2021**

Subject: University Financial Audit (June 30, 2020 Fiscal Year Ending)

Proposed Committee Action

Information only.

Background Information

In accordance with Section 11.45, Florida Statutes, a financial audit was performed on the University's basic financial statements for the fiscal year ended June 30, 2020 by the Florida Auditor General. David Blanton, Chief Audit Executive/Chief Compliance Officer (CAE/CCO) will present the results of the financial audit to the Committee for their review and consideration.

With respect to university financial audits, the Audit and Compliance Committee (AACC) Charter requires that the AACC shall receive and review Auditor General financial statement audits related to the University and conducted for the purpose of determining whether the University:

- a. Presented the basic financial statements in accordance with generally accepted accounting principles;
- b. Established and implemented internal controls over financial reporting and compliance with requirements that could have a direct and material effect on the financial statements; and
- c. Complied with the various provisions of laws, rules, regulations, contracts, and grant agreements that are material to the financial statements.

This includes receiving and reviewing any disclosure of:

- i) Significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the System's ability to record, process, summarize, and report financial data; (none noted); and
- ii) Any fraud, whether material or not, that involves management or other employees who have a significant role in the System's internal controls. (none noted)

Supporting Documentation:

Florida Polytechnic University Financial audit report for the fiscal year ended June 30, 2020. (Auditor General Report No. 2021-144)
Summary of audit in Audit & Compliance Update (PowerPoint)

Prepared by: David A. Blanton, CAE/CCO

Report No. 2021-144
March 2021

STATE OF FLORIDA AUDITOR GENERAL

Financial Audit

FLORIDA POLYTECHNIC UNIVERSITY

For the Fiscal Year Ended
June 30, 2020



Sherrill F. Norman, CPA
Auditor General

Board of Trustees and President

During the 2019-20 fiscal year, Dr. Randy K. Avent served as President of Florida Polytechnic University and the following individuals served as Members of the Board of Trustees:

Donald H. Wilson, Chair	Henry McCance
Clifford "Cliff" K. Otto, Vice Chair	Ryan Perez to 4-21-20 ^b
Dr. Victoria Astley ^a	Dr. Adrienne Perry through 5-4-20 ^c
R. Mark Bostick	Dr. Louis S. Saco
Connor Coddington from 4-22-20 ^b	Dr. W. Earl Sasser from 10-30-19
Rear Admiral Philip A. Dur, USN (Ret.)	Robert W. Stork
Dr. Richard P. Hallion through 10-29-19	Gary C. Wendt
Frank T. Martin	

^a Faculty Senate Chair.

^b Student Body President.

^c Trustee position vacant 5-5-20, through 6-30-20.

The Auditor General conducts audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

The team leader was Gregory J. Lemieux, CPA, and the audit was supervised by Mark A. Arroyo, CPA.

Please address inquiries regarding this report to Jaime N. Hoelscher, CPA, Audit Manager, by e-mail at jaimehoelscher@aud.state.fl.us or by telephone at (850) 412-2868.

This report and other reports prepared by the Auditor General are available at:

FLAuditor.gov

Printed copies of our reports may be requested by contacting us at:

State of Florida Auditor General

Claude Pepper Building, Suite G74 · 111 West Madison Street · Tallahassee, FL 32399-1450 · (850) 412-2722

FLORIDA POLYTECHNIC UNIVERSITY
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SUMMARY

SUMMARY OF REPORT ON FINANCIAL STATEMENTS

Our audit disclosed that the basic financial statements of Florida Polytechnic University (a component unit of the State of Florida) were presented fairly, in all material respects, in accordance with prescribed financial reporting standards.

SUMMARY OF REPORT ON INTERNAL CONTROL AND COMPLIANCE

Our audit did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, issued by the Comptroller General of the United States.

AUDIT OBJECTIVES AND SCOPE

Our audit objectives were to determine whether Florida Polytechnic University and its officers with administrative and stewardship responsibilities for University operations had:

- Presented the University's basic financial statements in accordance with generally accepted accounting principles;
- Established and implemented internal control over financial reporting and compliance with requirements that could have a direct and material effect on the financial statements; and
- Complied with the various provisions of laws, rules, regulations, contracts, and grant agreements that are material to the financial statements.

The scope of this audit included an examination of the University's basic financial statements as of and for the fiscal year ended June 30, 2020. We obtained an understanding of the University's environment, including its internal control, and assessed the risk of material misstatement necessary to plan the audit of the basic financial statements. We also examined various transactions to determine whether they were executed, in both manner and substance, in accordance with governing provisions of laws, rules, regulations, contracts, and grant agreements.

An examination of Federal awards administered by the University is included within the scope of our Statewide audit of Federal awards administered by the State of Florida.

AUDIT METHODOLOGY

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74
111 West Madison Street
Tallahassee, Florida 32399-1450



Phone: (850) 412-2722
Fax: (850) 488-6975

The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Florida Polytechnic University, a component unit of the State of Florida, and its discretely presented component unit as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the University'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 did not audit the financial statements of the discretely presented component unit, which represent 100 percent of the transactions and account balances of the discretely presented component unit columns. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of Florida Polytechnic University and of its discretely presented component unit as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that **MANAGEMENT'S DISCUSSION AND ANALYSIS, the Schedule of the University's Proportionate Share of the Total Other Postemployment Benefits Liability, Schedule of the University's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan, Schedule of University Contributions – Florida Retirement System Pension Plan, Schedule of the University's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan, Schedule of University Contributions – Health Insurance Subsidy Pension Plan, and Notes to Required Supplementary Information**, as listed in the table of contents, 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 March 5, 2021, on our consideration of the Florida Polytechnic University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading **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. 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 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 Florida Polytechnic University's internal control over financial reporting and compliance.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
March 5, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis (MD&A) provides an overview of the financial position and activities of the University for the fiscal year ended June 30, 2020, and should be read in conjunction with the financial statements and notes thereto. The MD&A, and financial statements and notes thereto, are the responsibility of University management. The MD&A contains financial activity of the University for the fiscal years ended June 30, 2020, and June 30, 2019.

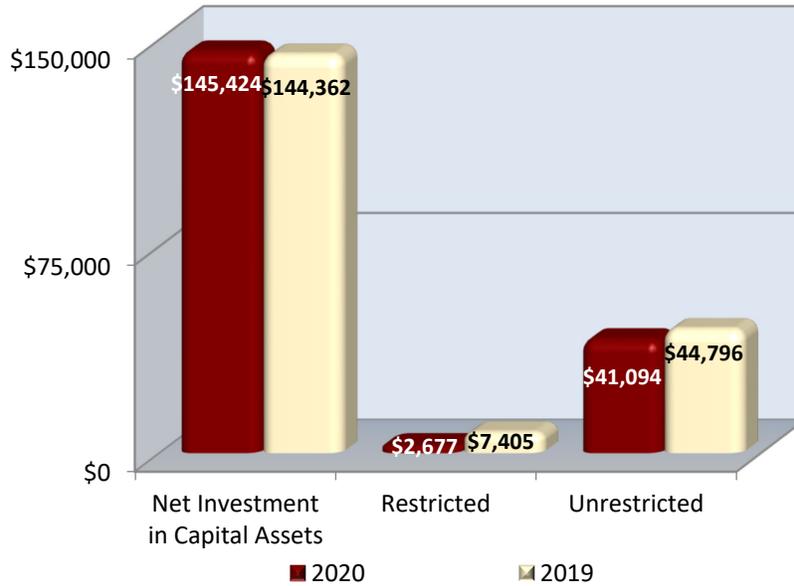
FINANCIAL HIGHLIGHTS

The University's assets and deferred outflows of resources totaled \$223.4 million at June 30, 2020. This balance reflects a \$2.1 million, or 1 percent, increase as compared to the 2018-19 fiscal year, resulting from increases in construction in progress and deferred outflows of resources. While assets and deferred outflows of resources grew, liabilities and deferred inflows of resources also increased by \$9.5 million, or 38.3 percent, totaling \$34.3 million at June 30, 2020, resulting from increases in other postemployment benefits liability, deferred inflows of resources related to other postemployment benefits, net pension liability, and construction contracts payable. As a result, the University's net position decreased by \$7.4 million, resulting in a year-end balance of \$189.2 million.

The University's operating revenues totaled \$6.6 million for the 2019-20 fiscal year, representing a 20.1 percent decrease compared to the 2018-19 fiscal year due mainly to a decrease in student tuition and fees, State and local grants and contracts, and sales and services of Auxiliary Enterprises. Operating expenses totaled \$65 million for the 2019-20 fiscal year, representing an increase of 7.4 percent as compared to the 2018-19 fiscal year due mainly to increased compensation and employee benefits.

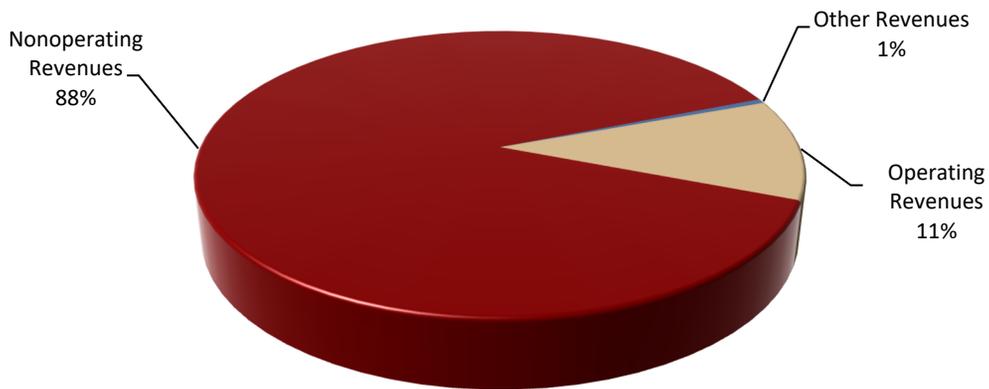
Net position represents the residual interest in the University's assets and deferred outflows of resources after deducting liabilities and deferred inflows of resources. The University's comparative total net position by category for the fiscal years ended June 30, 2020, and June 30, 2019, is shown in the following graph:

**Net Position
(In Thousands)**



The following chart provides a graphical presentation of University revenues by category for the 2019-20 fiscal year:

**Total Revenues
2019-20 Fiscal Year**



OVERVIEW OF FINANCIAL STATEMENTS

Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 35, the University’s financial report consists of three basic financial statements: the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows. The financial statements, and notes thereto, encompass the University and its component unit. Based on the application of the criteria for determining component units, the Florida Polytechnic University

Foundation, Inc., (Foundation) is included within the University reporting entity as a discretely presented component unit.

Information regarding the component unit's separately issued financial statements, is presented in the notes to financial statements. This MD&A focuses on the University, excluding the discretely presented component unit.

The Statement of Net Position

The statement of net position reflects the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the University, using the accrual basis of accounting, and presents the financial position of the University at a specified time. Assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equals net position, which is one indicator of the University's current financial condition. The changes in net position that occur over time indicate improvement or deterioration in the University's financial condition.

The following summarizes the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at June 30:

Condensed Statement of Net Position at June 30

(In Thousands)

	<u>2020</u>	<u>2019</u>
Assets		
Current Assets	\$ 34,281	\$ 47,990
Capital Assets, Net	150,320	145,043
Other Noncurrent Assets	<u>28,136</u>	<u>19,571</u>
Total Assets	<u>212,737</u>	<u>212,604</u>
Deferred Outflows of Resources	<u>10,711</u>	<u>8,733</u>
Liabilities		
Current Liabilities	7,334	5,269
Noncurrent Liabilities	<u>24,353</u>	<u>17,989</u>
Total Liabilities	<u>31,687</u>	<u>23,258</u>
Deferred Inflows of Resources	<u>2,566</u>	<u>1,516</u>
Net Position		
Net Investment in Capital Assets	145,424	144,362
Restricted	2,677	7,405
Unrestricted	<u>41,094</u>	<u>44,796</u>
Total Net Position	<u>\$ 189,195</u>	<u>\$ 196,563</u>

The University's Statement of Net Position changes were the result of the following factors:

- The net decrease in current and noncurrent assets was due to the net decrease in investments that were used to fund the construction of the Applied Research Center (ARC) building and a decrease in the Public Education Capital Outlay (PECO) receivable for reimbursements of the ARC building.

- Capital Assets increased \$5.3 million due to the increase of construction in progress for the ARC building offset by additions to accumulated depreciation.
- Deferred outflows increased \$2 million primarily due to the updated actuarial assumptions used in calculating other postemployment benefits (OPEB).
- Liabilities increased \$8.4 million due to construction contracts payables for the ARC building, and updated actuarial assumptions used in calculating pension and OPEB liabilities.

The Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position presents the University's revenue and expense activity, categorized as operating and nonoperating. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid.

The following summarizes the University's activity for the 2019-20 and 2018-19 fiscal years:

Condensed Statement of Revenues, Expenses, and Changes in Net Position For the Fiscal Years

(In Thousands)

	2019-20	2018-19
Operating Revenues	\$ 6,614	\$ 8,281
Less, Operating Expenses	64,978	60,501
Operating Loss	(58,364)	(52,220)
Net Nonoperating Revenues	50,788	58,336
Income (Loss) Before Other Revenues and Loss	(7,576)	6,116
Other Revenues and Loss	208	(5,422)
Net Increase (Decrease) In Net Position	(7,368)	694
Net Position, Beginning of Year	196,563	195,869
Net Position, End of Year	\$ 189,195	\$ 196,563

Operating Revenues

GASB Statement No. 35 categorizes revenues as either operating or nonoperating. Operating revenues generally result from exchange transactions where each of the parties to the transaction either gives or receives something of equal or similar value.

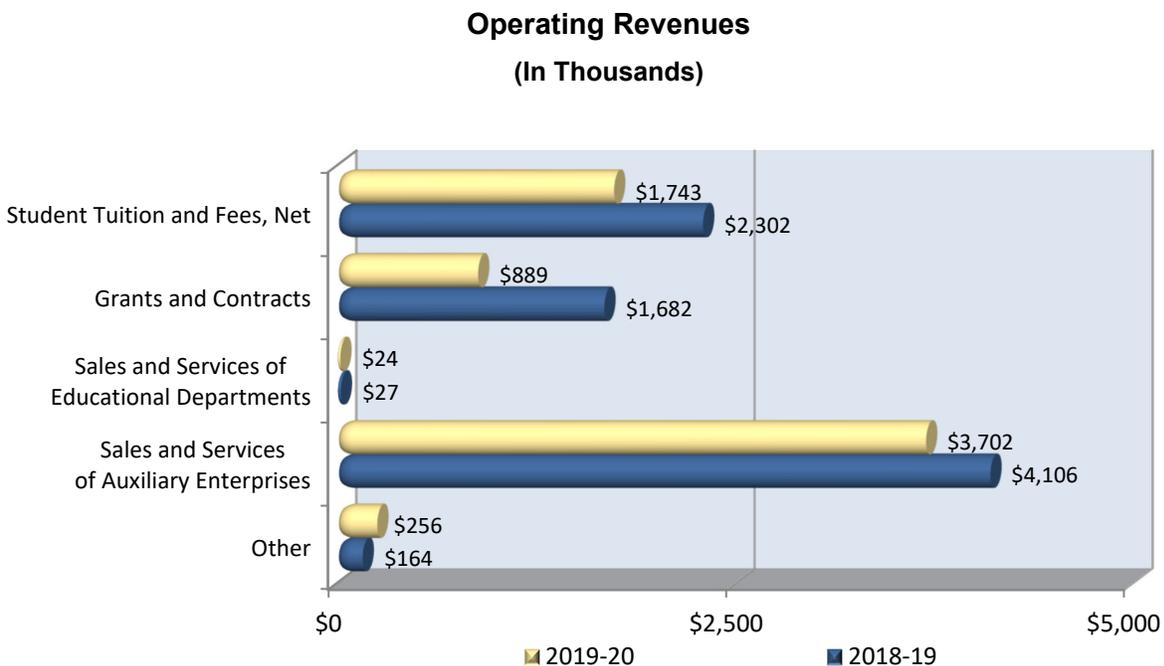
The following summarizes the operating revenues by source that were used to fund operating activities for the 2019-20 and 2018-19 fiscal years:

Operating Revenues For the Fiscal Years

(In Thousands)

	2019-20	2018-19
Student Tuition and Fees, Net	\$ 1,743	\$ 2,302
Grants and Contracts	889	1,682
Sales and Services of Educational Departments	24	27
Sales and Services of Auxiliary Enterprises	3,702	4,106
Other	256	164
Total Operating Revenues	\$ 6,614	\$ 8,281

The following chart presents the University's operating revenues for the 2019-20 and 2018-19 fiscal years:



University operating revenues decreased \$1.7 million due to fewer grants received and an overall decline in sales and services of auxiliary enterprises because of COVID-19.

Operating Expenses

Expenses are categorized as operating or nonoperating. The majority of the University's expenses are operating expenses as defined by GASB Statement No. 35. GASB gives financial reporting entities the choice of reporting operating expenses in the functional or natural classifications. The University has chosen to report the expenses in their natural classification on the statement of revenues, expenses, and changes in net position and has displayed the functional classification in the notes to financial statements.

The following summarizes operating expenses by natural classification for the 2019-20 and 2018-19 fiscal years:

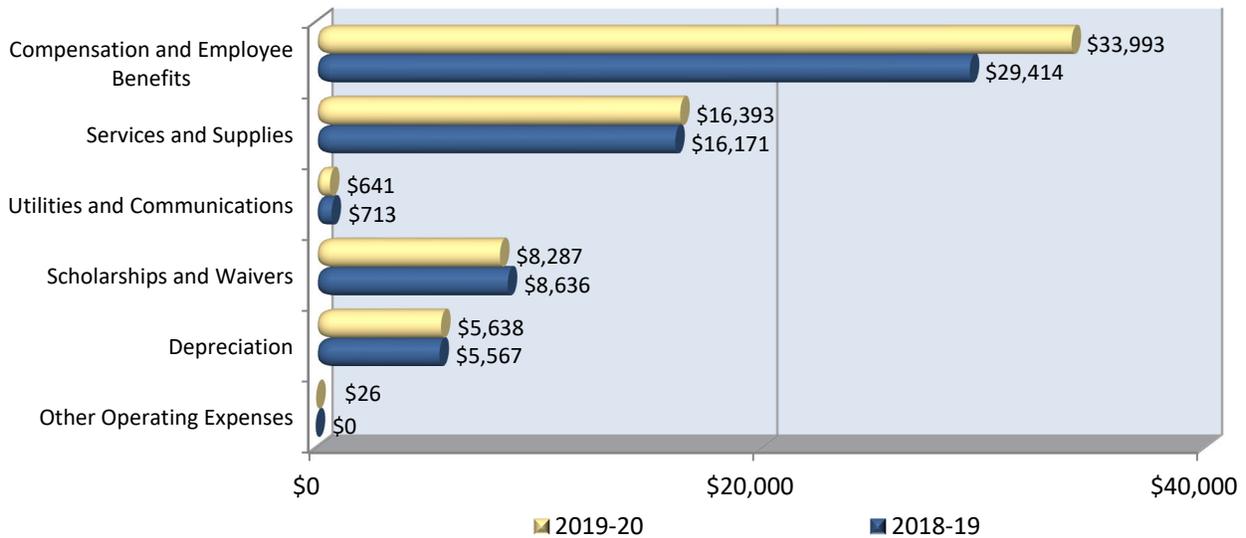
**Operating Expenses
For the Fiscal Years**

(In Thousands)

	<u>2019-20</u>	<u>2018-19</u>
Compensation and Employee Benefits	\$ 33,993	\$ 29,414
Services and Supplies	16,393	16,171
Utilities and Communications	641	713
Scholarships and Waivers	8,287	8,636
Depreciation	5,638	5,567
Other Operating Expenses	26	-
Total Operating Expenses	\$ 64,978	\$ 60,501

The following chart presents the University’s operating expenses for the 2019-20 and 2018-19 fiscal years:

**Operating Expenses
(In Thousands)**



Changes in operating expenses were the result of the increase in compensation and employee benefits mainly due to pension and OPEB expenses.

Nonoperating Revenues and Expenses

Certain revenue sources that the University relies on to provide funding for operations, including State noncapital appropriations, Federal and State student financial aid, and investment income are defined by GASB as nonoperating. Nonoperating expenses include capital financing costs and other costs related to capital assets. The following summarizes the University’s nonoperating revenues and expenses for the 2019-20 and 2018-19 fiscal years:

**Nonoperating Revenues (Expenses)
For the Fiscal Years
(In Thousands)**

	2019-20	2018-19
State Noncapital Appropriations	\$ 38,744	\$ 39,207
Federal and State Student Financial Aid	9,076	8,485
Investment Income	1,650	1,278
Other Nonoperating Revenues	413	8,170
Unrealized Gain on Investments	1,188	1,253
Loss on Disposal of Capital Assets	(4)	-
Interest on Capital Asset-Related Debt	(19)	(38)
Other Nonoperating Expenses	(260)	(19)
Net Nonoperating Revenues	\$ 50,788	\$ 58,336

Net nonoperating revenues decreased primarily because the prior fiscal year included a significant insurance recovery for damage to the Innovation, Science and Technology building from Hurricane Irma.

Other Revenues and Loss

This category is composed of State capital appropriations and capital grants, contracts, donations, fees, and prior loss. The following summarizes the University's other revenues and loss for the 2019-20 and 2018-19 fiscal years:

**Other Revenues and Loss
For the Fiscal Years
(In Thousands)**

	2019-20	2018-19
State Capital Appropriations	\$ 208	\$ 157
Capital Grants, Contracts, Donations, and Fees	-	140
Special Item - Loss on Forgiveness of Scholarship Pledge	-	(5,719)
Total	\$ 208	\$ (5,422)

Other revenues and loss increased because there was no loss related to the forgiveness of scholarship pledge as recognized in the 2018-19 fiscal year.

The Statement of Cash Flows

The statement of cash flows provides information about the University's financial results by reporting the major sources and uses of cash and cash equivalents. This statement will assist in evaluating the University's ability to generate net cash flows, its ability to meet its financial obligations as they come due, and its need for external financing. Cash flows from operating activities show the net cash used by the operating activities of the University. Cash flows from capital financing activities include all plant funds and related long-term debt activities. Cash flows from investing activities show the net source and use of cash related to purchasing or selling investments, and earning income on those investments. Cash flows from noncapital financing activities include those activities not covered in other sections.

The following summarizes cash flows for the 2019-20 and 2018-19 fiscal years:

**Condensed Statement of Cash Flows
For the Fiscal Years
(In Thousands)**

	2019-20	2018-19
Cash Provided (Used) by:		
Operating Activities	\$ (45,598)	\$ (44,191)
Noncapital Financing Activities	47,972	47,689
Capital and Related Financing Activities	(4,658)	3,805
Investing Activities	2,297	(7,590)
Net Increase (Decrease) in Cash and Cash Equivalents	13	(287)
Cash and Cash Equivalents, Beginning of Year	205	492
Cash and Cash Equivalents, End of Year	\$ 218	\$ 205

Major sources of funds came from State noncapital appropriations (\$38.7 million), Federal and State Student Financial Aid (\$9.1 million), sales and services of auxiliary enterprises (\$3.7 million), Federal Direct Loan program receipts (\$2.3 million), State Capital Appropriations (\$2.1 million), investment income (\$1.7 million), and net student tuition and fees (\$1.7 million). Major uses of funds were for payments made to and on behalf of employees (\$28.3 million), payments to suppliers (\$15.7 million), payments to and on behalf of students for scholarships (\$8.4 million), purchases or construction of capital assets (\$6.3 million), and Federal Direct Loan program disbursements (\$2.3 million).

**CAPITAL ASSETS, CAPITAL EXPENSES AND COMMITMENTS,
AND DEBT ADMINISTRATION**

Capital Assets

At June 30, 2020, the University had \$181 million in capital assets, less accumulated depreciation of \$30.7 million, for net capital assets of \$150.3 million. Depreciation charges for the current fiscal year totaled \$5.6 million. The following table summarizes the University's capital assets, net of accumulated depreciation, at June 30:

**Capital Assets, Net at June 30
(In Thousands)**

	2020	2019
Land	\$ 18,156	\$ 18,156
Construction in Progress	11,913	1,211
Buildings	85,180	87,315
Infrastructure and Other Improvements	29,008	32,765
Furniture and Equipment	2,719	3,786
Library Resources	-	1
Other Capital Assets	3,344	1,809
Capital Assets, Net	\$ 150,320	\$ 145,043

Additional information about the University's capital assets is presented in the notes to financial statements.

Capital Expenses and Commitments

Major capital expenses through June 30, 2020, were incurred on the ARC building and the Reclaimed Water Project. The University's construction commitments at June 30, 2020, are as follows:

	Amount (In Thousands)
Total Committed	\$ 32,619
Completed to Date	<u>11,914</u>
Balance Committed	<u>\$ 20,705</u>

Additional information about the University's construction commitments is presented in the notes to financial statements.

Debt Administration

As of June 30, 2020, the University had \$306,000 in outstanding installment purchases payable and capital leases payable, representing a decrease of \$363,000, or 54.3 percent, from the prior fiscal year. The following table summarizes the outstanding long-term debt by type for the fiscal years ended June 30:

Long-Term Debt at June 30

(In Thousands)

	2020	2019
Installment Purchases	\$ 249	\$ 615
Capital Leases	<u>57</u>	<u>54</u>
Total	<u>\$ 306</u>	<u>\$ 669</u>

Additional information about the University's long-term debt is presented in the notes to financial statements.

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

The University's economic condition is closely tied to that of the State of Florida. The State of Florida Legislature appropriated 3.7 percent less general revenue than the 2019-20 fiscal year for the upcoming 2020-21 fiscal year. Additionally, the State is "holding back" 6 percent of the \$36.4 million general revenue appropriated; the permanency of this hold back has not yet been determined. The University expects student generated revenues to increase as we have the largest incoming class of our short history in the upcoming fiscal year; however, we remain cautiously optimistic as we continue to navigate through the pandemic. Auxiliary revenues may continue to decline because of sustained closures in auxiliary venues due to COVID-19. Additionally, the costs of social distancing and keeping our students, faculty and staff in a sheltered environment will impact net revenues.

REQUESTS FOR INFORMATION

Questions concerning information provided in the MD&A or other required supplemental information, and financial statements and notes thereto, or requests for additional financial information should be addressed to Penelope Farley, Assistant Vice President for Finance and Administration, and University Controller, Florida Polytechnic University, 4700 Research Way, Lakeland, Florida 33805-8531.

BASIC FINANCIAL STATEMENTS

FLORIDA POLYTECHNIC UNIVERSITY A Component Unit of the State of Florida Statement of Net Position

June 30, 2020

	<u>University</u>	<u>Component Unit</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 217,504	\$ 1,011,539
Investments	27,439,342	340,532
Accounts Receivable, Net	322,556	-
Contributions Receivable, Net	-	249,264
Interest Receivable	153,317	5,034
Due from State	5,288,292	-
Due from Component Unit	116,308	-
Contracts and Grants Receivable	211,359	-
Other Current Assets	532,833	800
Total Current Assets	34,281,511	1,607,169
Noncurrent Assets:		
Restricted Investments	28,135,513	5,111,030
Contributions Receivable, Net	-	217,700
Depreciable Capital Assets, Net	120,250,562	-
Nondepreciable Capital Assets	30,069,425	-
Total Noncurrent Assets	178,455,500	5,328,730
Total Assets	212,737,011	6,935,899
DEFERRED OUTFLOWS OF RESOURCES		
Other Postemployment Benefits	3,353,647	-
Pensions	7,356,965	-
Total Deferred Outflows of Resources	10,710,612	-
LIABILITIES		
Current Liabilities:		
Accounts Payable	403,596	21,623
Construction Contracts Payable	4,590,548	-
Salary and Wages Payable	1,025,413	-
Deposits Payable	78,753	-
Due to Primary Government	112	-
Due to University	-	116,308
Unearned Revenue	678,942	-
Other Current Liabilities	-	2,750,000
Long-Term Liabilities - Current Portion:		
Installment Purchases Payable	205,774	-
Capital Leases Payable	19,056	-
Compensated Absences Payable	157,812	-
Other Postemployment Benefits Liability	114,859	-
Net Pension Liability	59,468	-
Total Current Liabilities	7,334,333	2,887,931

	<u>University</u>	<u>Component Unit</u>
LIABILITIES (Continued)		
Noncurrent Liabilities:		
Installment Purchases Payable	43,224	-
Capital Leases Payable	37,631	-
Compensated Absences Payable	1,420,306	-
Other Postemployment Benefits Liability	8,767,017	-
Net Pension Liability	14,084,733	-
Total Noncurrent Liabilities	<u>24,352,911</u>	<u>-</u>
Total Liabilities	<u>31,687,244</u>	<u>2,887,931</u>
DEFERRED INFLOWS OF RESOURCES		
Other Postemployment Benefits	1,662,411	-
Pensions	903,350	-
Total Deferred Inflows of Resources	<u>2,565,761</u>	<u>-</u>
NET POSITION		
Net Investment in Capital Assets	145,423,754	-
Restricted for Nonexpendable:		
Endowment	-	2,176,573
Restricted for Expendable:		
Capital Projects	2,466,983	-
Grants and Loans	210,283	-
Other	-	839,417
Unrestricted	41,093,598	1,031,978
TOTAL NET POSITION	<u>\$ 189,194,618</u>	<u>\$ 4,047,968</u>

The accompanying notes to financial statements are an integral part of this statement.

FLORIDA POLYTECHNIC UNIVERSITY
A Component Unit of the State of Florida
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2020

	<u>University</u>	<u>Component Unit</u>
REVENUES		
Operating Revenues:		
Student Tuition and Fees, Net of Scholarship Allowances of \$5,477,466	\$ 1,743,267	\$ -
Federal Grants and Contracts	162,027	-
State and Local Grants and Contracts	147,220	-
Nongovernmental Grants and Contracts	578,761	-
Sales and Services of Educational Departments	24,224	-
Sales and Services of Auxiliary Enterprises	3,702,115	-
Contributions, Net	-	790,189
Other Operating Revenues	255,996	-
Total Operating Revenues	<u>6,613,610</u>	<u>790,189</u>
EXPENSES		
Operating Expenses:		
Compensation and Employee Benefits	33,993,535	-
Services and Supplies	16,392,910	241,797
Utilities and Communications	640,631	-
Scholarships, Fellowships, and Waivers	8,286,602	290,000
Depreciation	5,638,495	-
Other Operating Expenses	26,278	478,340
Total Operating Expenses	<u>64,978,451</u>	<u>1,010,137</u>
Operating Loss	<u>(58,364,841)</u>	<u>(219,948)</u>
NONOPERATING REVENUES (EXPENSES)		
State Noncapital Appropriations	38,743,706	-
Federal and State Student Financial Aid	9,075,597	-
Unrealized Gain on Investment	1,188,448	-
Investment Income	1,650,144	155,425
Loss on Sale of Capital Assets	(4,699)	-
Other Nonoperating Revenues	413,498	2,827
Interest on Capital Asset-Related Debt	(18,737)	-
Other Nonoperating Expenses	(260,303)	-
Net Nonoperating Revenues	<u>50,787,654</u>	<u>158,252</u>
Loss Before Other Revenues	<u>(7,577,187)</u>	<u>(61,696)</u>
State Capital Appropriations	208,433	-
Decrease in Net Position	<u>(7,368,754)</u>	<u>(61,696)</u>
Net Position, Beginning of Year	<u>196,563,372</u>	<u>4,109,664</u>
Net Position, End of Year	<u>\$ 189,194,618</u>	<u>\$ 4,047,968</u>

The accompanying notes to financial statements are an integral part of this statement.

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FLORIDA POLYTECHNIC UNIVERSITY
A Component Unit of the State of Florida
Statement of Cash Flows

For the Fiscal Year Ended June 30, 2020

	University
CASH FLOWS FROM OPERATING ACTIVITIES	
Student Tuition and Fees, Net	\$ 1,655,145
Grants and Contracts	676,649
Sales and Services of Educational Departments	24,224
Sales and Services of Auxiliary Enterprises	3,702,115
Payments to Employees	(28,313,251)
Payments to Suppliers for Goods and Services	(15,723,549)
Payments to Students for Scholarships and Fellowships	(8,399,846)
Other Operating Receipts	780,130
Net Cash Used by Operating Activities	(45,598,383)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Noncapital Appropriations	38,743,706
Federal and State Student Financial Aid	9,075,597
Federal Direct Loan Program Receipts	2,302,527
Federal Direct Loan Program Disbursements	(2,302,527)
Other Nonoperating Receipts	413,498
Other Nonoperating Disbursements	(260,303)
Net Cash Provided by Noncapital Financing Activities	47,972,498
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
State Capital Appropriations	2,077,167
Purchase or Construction of Capital Assets	(6,330,865)
Principal Paid on Capital Debt and Leases	(385,691)
Interest Paid on Capital Debt and Leases	(18,737)
Net Cash Used by Capital and Related Financing Activities	(4,658,126)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	59,786,372
Purchases of Investments	(59,136,107)
Investment Income	1,646,552
Net Cash Provided by Investing Activities	2,296,817
Net Increase in Cash and Cash Equivalents	12,806
Cash and Cash Equivalents, Beginning of Year	204,698
Cash and Cash Equivalents, End of Year	\$ 217,504

	<u>University</u>
RECONCILIATION OF OPERATING LOSS	
TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	\$ (58,364,841)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation Expense	5,638,495
Changes in Assets, Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources:	
Receivables, Net	(299,481)
Due from Component Unit	(113,244)
Other Assets	1,848,423
Accounts Payable	(538,319)
Salaries and Wages Payable	149,316
Deposits Payable	48,454
Compensated Absences Payable	85,761
Unearned Revenue	501,846
Other Postemployment Benefits Payable	4,660,876
Net Pension Liability	1,712,376
Deferred Outflows of Resources Related to Other Postemployment Benefits	(3,336,647)
Deferred Inflows of Resources Related to Other Postemployment Benefits	1,235,411
Deferred Outflows of Resources Related to Pensions	1,359,180
Deferred Inflows of Resources Related to Pensions	(185,989)
NET CASH USED BY OPERATING ACTIVITIES	<u>\$ (45,598,383)</u>

**SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND
CAPITAL FINANCING ACTIVITIES**

Unrealized gains on investments were recognized on the statement of revenues, expenses, and changes in net position, but are not cash transactions for the statement of cash flows. \$ 1,188,448

The University entered into a capital lease, which was recognized on the statement of net position, but is not a cash transaction for the statement of cash flows. \$ 22,177

The accompanying notes to financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Reporting Entity. The University is a separate public instrumentality that is part of the State university system of public universities, which is under the general direction and control of the Florida Board of Governors. The University is directly governed by a Board of Trustees (Trustees) consisting of 13 members. The Governor appoints 6 citizen members and the Board of Governors appoints 5 citizen members. These members are confirmed by the Florida Senate and serve staggered terms of 5 years. The chair of the faculty senate and the president of the student body of the University are also members. The Board of Governors establishes the powers and duties of the Trustees. The Trustees are responsible for setting policies for the University, which provide governance in accordance with State law and Board of Governors' Regulations, and selecting the University President. The University President serves as the executive officer and the corporate secretary of the Trustees and is responsible for administering the policies prescribed by the Trustees.

Criteria for defining the reporting entity are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. These criteria were used to evaluate potential component units for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the primary government's financial statements to be misleading. Based on the application of these criteria, the University is a component unit of the State of Florida, and its financial balances and activities are reported in the State's Comprehensive Annual Financial Report by discrete presentation.

Discretely Presented Component Unit. Based on the application of the criteria for determining component units, the Florida Polytechnic University Foundation, Inc. (Foundation), a legally separate entity, is included within the University's reporting entity as a discretely presented component unit and is governed by a separate board. Florida Statutes authorize these organizations to receive, hold, invest, and administer property and to make expenditures to or for the benefit of the University. The Foundation solicits, collects, manages, and directs contributions to various academic departments and programs of the University, and assists the University in fundraising, and public relations.

An annual audit of each organization's financial statements is conducted by independent certified public accountants. Additional information on the University's component unit, including copies of audit reports, is available by contacting the University Controller.

Basis of Presentation. The University's accounting policies conform with accounting principles generally accepted in the United States of America applicable to public colleges and universities as prescribed by GASB. The National Association of College and University Business Officers (NACUBO) also provides the University with recommendations prescribed in accordance with generally accepted accounting principles promulgated by GASB and the Financial Accounting Standards Board (FASB). GASB allows public universities various reporting options. The University has elected to report as an entity engaged in only business-type activities. This election requires the adoption of the accrual basis of accounting and entitywide reporting including the following components:

- Management's Discussion and Analysis
- Basic Financial Statements:
 - Statement of Net Position
 - Statement of Revenues, Expenses, and Changes in Net Position
 - Statement of Cash Flows
 - Notes to Financial Statements
- Other Required Supplementary Information

Measurement Focus and Basis of Accounting. Basis of accounting refers to when revenues, expenses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources, are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. The University's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange activities are generally recognized when all applicable eligibility requirements, including time requirements, are met. The University follows GASB standards of accounting and financial reporting.

The University's discretely presented component unit uses the economic resources measurement focus and the accrual basis of accounting, and follows GASB standards of accounting and financial reporting.

Significant interdepartmental sales between auxiliary service departments and other institutional departments have been eliminated from revenues and expenses for reporting purposes.

The University's principal operating activities consist of instruction, research, and public service. Operating revenues and expenses generally include all fiscal transactions directly related to these activities as well as administration, operation and maintenance of capital assets, and depreciation of capital assets. Nonoperating revenues include State noncapital appropriations, Federal and State student financial aid, and investment income. Interest on capital asset-related debt is a nonoperating expense. Other revenues generally include revenues for capital construction projects.

The statement of net position is presented in a classified format to distinguish between current and noncurrent assets and liabilities. When both restricted and unrestricted resources are available to fund certain programs, it is the University's policy to first apply the restricted resources to such programs, followed by the use of the unrestricted resources.

The statement of revenues, expenses, and changes in net position is presented by major sources and is reported net of tuition scholarship allowances. Tuition scholarship allowances are the difference between the stated charge for goods and services provided by the University and the amount that is actually paid by the student or the third party making payment on behalf of the student. The University applied the "Alternate Method" as prescribed in NACUBO Advisory Report 2000-05 to determine the reported net tuition scholarship allowances. Under this method, the University computes these amounts by allocating

the cash payments to students, excluding payments for services, using a ratio of total aid to aid not considered third-party aid.

The statement of cash flows is presented using the direct method in compliance with GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*.

Cash and Cash Equivalents. Cash and cash equivalents consist of cash on hand and cash in demand accounts. University cash deposits are held in banks qualified as public depositories under Florida law. All such deposits are insured by Federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool required by Chapter 280, Florida Statutes.

Capital Assets. University capital assets consist of land, construction in progress, buildings, infrastructure and other improvements, furniture and equipment, library resources, and other capital assets. These assets are capitalized and recorded at cost at the date of acquisition or at acquisition value at the date received in the case of gifts and purchases of State surplus property. Additions, improvements, and other outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The University has a capitalization threshold of \$5,000 for tangible personal property, \$100,000 for infrastructure and other improvements, and \$250,000 for building renovations, except that all new buildings and projects adding new square footage are capitalized. Depreciation is computed on the straight-line basis over the following estimated useful lives:

- Buildings – 20 to 50 years
- Infrastructure and Other Improvements – 15 to 30 years
- Furniture and Equipment – 3 to 15 years
- Library Resources – 10 years
- Other Capital Assets – 10 years

Noncurrent Liabilities. Noncurrent liabilities include installment purchases payable, capital leases payable, compensated absences payable, other postemployment benefits payable, and net pension liabilities that are not scheduled to be paid within the next fiscal year.

Pensions. For purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from the FRS and HIS fiduciary net positions have been determined on the same basis as they are reported by the FRS and the HIS plans. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

2. Investments

Section 1011.42(5), Florida Statutes, authorizes universities to invest funds with the State Treasury and State Board of Administration (SBA) and requires that universities comply with the statutory requirements

governing investment of public funds by local governments. Accordingly, universities are subject to the requirements of Chapter 218, Part IV, Florida Statutes. The Board of Trustees has adopted a written investment policy providing that surplus funds of the University shall be invested in those institutions and instruments permitted under the provisions of Florida Statutes. Pursuant to Section 218.415(16), Florida Statutes, the University is authorized to invest in the Florida PRIME investment pool administered by the SBA; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits and savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; direct obligations of the United States Treasury; obligations of Federal agencies and instrumentalities; securities of, or interests in, certain open end or closed end management type investment companies; and other investments approved by the Board of Trustees as authorized by law.

Investments set aside to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital assets are classified as restricted.

The University categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

All of the University's recurring fair value measurements as of June 30, 2020, are valued using quoted market prices (Level 1 inputs), with the exception of obligations of United States government agencies and instrumentalities, and corporate equity securities which are valued using a matrix pricing model (Level 2 inputs) and investments with the State Treasury which are valued based on the University's share of the pool (Level 3 inputs).

The University's investments at June 30, 2020, are reported as follows:

Investments by fair value level	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
External Investment Pool:				
State Treasury Special Purpose Investment Account	\$ 39,331,869	\$ -	\$ -	\$ 39,331,869
United States Treasury Securities	6,774,967	6,774,967	-	-
Obligations of United States Government Agencies and Instrumentalities	4,490,438	-	4,490,438	-
Corporate Equity Securities	4,722,073	-	4,722,073	-
Money Market Funds	255,508	255,508	-	-
Total investments by fair value level	\$ 55,574,855	\$ 7,030,475	\$ 9,212,511	\$ 39,331,869

External Investment Pools.

The University reported investments at fair value totaling \$39,331,869 at June 30, 2020, in the State Treasury Special Purpose Investment Account (SPIA) investment pool, representing ownership of a share of the pool, not the underlying securities.

Pooled investments with the State Treasury are not registered with the Securities and Exchange Commission. Oversight of the pooled investments with the State Treasury is provided by the Treasury Investment Committee per Section 17.575, Florida Statutes. The authorized investment types are set forth in Section 17.57, Florida Statutes. The State Treasury SPIA investment pool carried a credit rating of AA-f by Standard & Poor's, had an effective duration of 0.43 years, and fair value factor of 1.0291 at June 30, 2020. Participants contribute to the State Treasury SPIA investment pool on a dollar basis. These funds are commingled and a fair value of the pool is determined from the individual values of the securities. The fair value of the securities is summed and a total pool fair value is determined. A fair value factor is calculated by dividing the pool's total fair value by the pool participant's total cash balances. The fair value factor is the ratio used to determine the fair value of an individual participant's pool balance. The University relies on policies developed by the State Treasury for managing interest rate risk or credit risk for this investment pool. Disclosures for the State Treasury investment pool are included in the notes to financial statements of the State's Comprehensive Annual Financial Report.

Other Investments.

The University's other investment consisted of various debt securities and money market funds totaling \$16,242,986 at June 30, 2020. The following risks apply to those investments.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The University's investment policy generally requires that the investment portfolio be maintained in such a manner as to provide sufficient liquidity to pay obligations as they become due. Recognizing that market value volatility is a function of maturity, a segment of the portfolio shall be maintained in a short-term maturity portfolio. Funds in excess of those required to meet current expenses may be invested in longer-term portfolios. Investment maturities at June 30, 2020 were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>		
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>
Obligations of United States Government				
Agencies and Instrumentalities	\$ 4,490,438	\$ 1,175,135	\$ 3,315,303	\$ -
United States Treasury Securities	6,774,967	1,083,140	3,873,035	1,818,792
Corporate Equity Securities	4,722,073	959,287	2,523,243	1,239,543
Money Market Funds	255,508	255,508	-	-
Total investments by investment maturities	\$ 16,242,986	\$ 3,473,070	\$ 9,711,581	\$ 3,058,335

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. United States Treasury Securities or obligations explicitly guaranteed by the United States Government are not considered to have credit risk and do not require disclosure of credit quality. At June 30, 2020, the University had \$6,774,967 of these investments. The University's investment policy requires the portfolio provide specific types of investments that may be purchased, including credit quality guidelines, where applicable, maintain a total average quality minimum of BBB. The policy states that securities in the BBB rating category can make up no more than 25 percent of the portfolio. At June 30, 2020, the University had obligations of United States Government agencies and

instrumentalities and equity securities with quality ratings by nationally recognized rating agencies, as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Quality Rating (1)</u>			
		<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BBB</u>
Obligations of United States Government Agencies and Instrumentalities	\$ 4,490,438	\$ 263,827	\$ 4,062,273	\$ 164,338	\$ -
Corporate Equity Securities	4,722,073	-	739,844	2,562,044	1,420,185
Total investments by credit quality rating	\$ 9,212,511	\$ 263,827	\$ 4,802,117	\$ 2,726,382	\$ 1,420,185

(1) The credit quality ratings are from Standard & Poor's and Moody's.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of the failure of the counterparty, the value of the investments or collateral securities in the possession of an outside party will not be recoverable. Exposure to custodial credit risk relates to investment securities that are held by someone other than the entity and are not registered in the entities name. All University investments are held in safekeeping by a third-party custodian. There were no losses during the period due to default by counterparties to investment transactions.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The University policy states that a maximum of 5 percent of the funds be invested in securities of a single issuer, except that obligations of the United States Government agencies and instrumentalities are not subject to the limitations.

Component Unit Investments.

The University discretely presented component unit's investments at June 30, 2020 are reported at fair value as follows:

<u>Investments by fair value level</u>	<u>Amount</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Corporate Bonds	\$ 658,946	\$ 658,946	\$ -	\$ -
International Bonds	92,667	92,667	-	-
U.S. Government Bonds	536,000	536,000	-	-
Mutual Funds:				
Bonds	3,650,949	3,650,949	-	-
Equity	513,000	513,000	-	-
Total investments by fair value level	\$ 5,451,562	\$ 5,451,562	\$ -	\$ -

3. Receivables

Accounts, Interest, and Contracts and Grants Receivables. Accounts, interest, and contracts and grants receivable represent amounts for student tuition and fees, contracts and grants reimbursements due from third parties, various sales and services provided to students and third parties, and interest

accrued on investments. As of June 30, 2020, the University reported the following amounts as accounts, interest, and contracts and grants receivable:

<u>Description</u>	<u>Amount</u>
Student Tuition and Fees, Net	\$ 322,556
Investment Interest	153,317
Contracts and Grants	211,359
Total Receivables, Net	\$ 687,232

Allowance for Doubtful Receivables. Allowances for doubtful accounts is reported based on management's best estimate as of fiscal year end considering type, age, collection history, and other factors considered appropriate. Accounts receivable are reported net of allowances of \$43,585 at June 30, 2020.

No allowance has been accrued for investment interest, and contracts and grants receivable. University management considers these to be fully collectible.

4. Due From State

The amount due from State consists of \$5,288,292 of Public Education Capital Outlay (PECO) due from the State to the University for construction of University facilities.

5. Due From Component Unit

The \$116,308 amount due from component unit consists of amounts owed to the University by the Foundation for expense reimbursements.

6. Capital Assets

Capital assets activity for the fiscal year ended June 30, 2020, is shown in the following table:

<u>Description</u>	<u>Beginning Balance</u>	<u>Adjustments (1)</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Nondepreciable Capital Assets:					
Land	\$ 18,156,039	\$ -	\$ -	\$ -	\$ 18,156,039
Construction in Progress	1,211,449	-	10,701,937	-	11,913,386
Total Nondepreciable Capital Assets	\$ 19,367,488	\$ -	\$ 10,701,937	\$ -	\$ 30,069,425
Depreciable Capital Assets:					
Buildings	\$ 97,268,009	\$ -	\$ -	\$ -	\$ 97,268,009
Infrastructure and Other Improvements	41,035,547	(2,389,441)	-	-	38,646,106
Furniture and Equipment	8,338,555	-	217,658	12,870	8,543,343
Library Resources	16,358	-	-	-	16,358
Other Capital Assets	4,038,722	2,389,441	-	-	6,428,163
Total Depreciable Capital Assets	150,697,191	-	217,658	12,870	150,901,979
Less, Accumulated Depreciation:					
Buildings	9,952,660	-	2,136,560	-	12,089,220
Infrastructure and Other Improvements	8,270,328	(238,945)	1,606,743	-	9,638,126
Furniture and Equipment	4,552,282	-	1,279,660	8,171	5,823,771
Library Resources	15,930	-	152	-	16,082
Other Capital Assets	2,229,893	238,945	615,380	-	3,084,218
Total Accumulated Depreciation	25,021,093	-	5,638,495	8,171	30,651,417
Total Depreciable Capital Assets, Net	\$ 125,676,098	\$ -	\$ (5,420,837)	\$ 4,699	\$ 120,250,562

(1) Adjustments were made to reclassify assets from Infrastructure and Other Improvements to Other Capital Assets.

7. Unearned Revenue

Unearned revenue at June 30, 2020, includes student tuition and fees received prior to fiscal year end related subsequent accounting periods. As of June 30, 2020, the University reported \$678,942 as unearned revenue.

8. Long-Term Liabilities

Long-term liabilities of the University at June 30, 2020, include installment purchases payable, capital leases payable, compensated absences payable, other postemployment benefits payable, and net pension liability. Long-term liabilities activity for the fiscal year ended June 30, 2020, is shown in the following table:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Installment Purchases Payable	\$ 615,283	\$ -	\$ 366,285	\$ 248,998	\$ 205,774
Capital Leases Payable	53,916	22,177	19,406	56,687	19,056
Compensated Absences Payable	1,492,357	871,468	785,707	1,578,118	157,812
Other Postemployment					
Benefits Payable	4,221,000	6,340,287	1,679,411	8,881,876	114,859
Net Pension Liability	12,431,825	11,331,870	9,619,494	14,144,201	59,468
Total Long-Term Liabilities	\$ 18,814,381	\$ 18,565,802	\$ 12,470,303	\$ 24,909,880	\$ 556,969

Installment Purchases Payable. The University has entered into several installment purchase agreements for the purchase of equipment reported at \$1,306,311. The stated interest rates ranged

from 1.21 to 4.75 percent. Future minimum payments remaining under installment purchase agreements and the present value of the minimum payments as of June 30, 2020, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2021	\$ 212,602
2022	45,704
Total Minimum Payments	258,306
Less, Amount Representing Interest	9,308
Present Value of Minimum Payments	<u>\$ 248,998</u>

Capital Leases Payable. Vehicles in the amount of \$97,260 are being acquired under capital lease agreements. The stated interest rates range from 5.45 to 6.70 percent. Future minimum payments under the capital lease agreements and the present value of the minimum payments as of June 30, 2020, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2021	\$ 22,053
2022	22,053
2023	13,541
2024	5,028
Total Minimum Payments	62,675
Less, Amount Representing Interest	5,988
Present Value of Minimum Payments	<u>\$ 56,687</u>

Compensated Absences Payable. Employees earn the right to be compensated during absences for annual leave (vacation) and sick leave earned pursuant to Board of Governors' Regulations, University regulations, and bargaining agreements. Leave earned is accrued to the credit of the employee and records are kept on each employee's unpaid (unused) leave balance. The University reports a liability for the accrued leave; however, State noncapital appropriations fund only the portion of accrued leave that is used or paid in the current fiscal year. Although the University expects the liability to be funded primarily from future appropriations, generally accepted accounting principles do not permit the recording of a receivable in anticipation of future appropriations. At June 30, 2020, the estimated liability for compensated absences, which includes the University's share of the Florida Retirement System and FICA contributions, totaled \$1,578,118. The current portion of the compensated absences liability, \$157,812, is the amount expected to be paid in the coming fiscal year and represents a historical percentage of leave used applied to total accrued leave liability.

Other Postemployment Benefits Payable. The University follows GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for certain postemployment healthcare benefits administered by the State Group Health Insurance Program.

General Information about the OPEB Plan

Plan Description. The Division of State Group Insurance's Other Postemployment Benefits Plan (OPEB Plan) is a multiple-employer defined benefit plan administered by the State of Florida. Pursuant

to the provisions of Section 112.0801, Florida Statutes, all employees who retire from the University are eligible to participate in the State Group Health Insurance Program. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. A retiree means any officer or employee who retires under a State retirement system or State optional annuity or retirement program or is placed on disability retirement and who begins receiving retirement benefits immediately after retirement from employment. In addition, any officer or employee who retires under the Florida Retirement System Investment Plan is considered a “retiree” if he or she meets the age and service requirements to qualify for normal retirement or has attained the age of 59.5 years and has the years of service required for vesting. The University subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because retiree healthcare costs are generally greater than active employee healthcare costs. No assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75. The OPEB Plan contribution requirements and benefit terms necessary for funding the OPEB Plan each year is on a pay-as-you-go basis as established by the Governor’s recommended budget and the General Appropriations Act. Retirees are required to enroll in the Federal Medicare (Medicare) program for their primary coverage as soon as they are eligible.

Benefits Provided. The OPEB Plan provides healthcare benefits for retirees and their dependents. The OPEB Plan only provides an implicit subsidy as described above.

Proportionate Share of the Total OPEB Liability

The University’s proportionate share of the total OPEB liability of \$8,881,876 was measured as of June 30, 2019, and was determined by an actuarial valuation as of July 1, 2019. At June 30, 2019, the University’s proportionate share, determined by its proportion of total benefit payments made, was 0.07 percent, which was an increase of 0.03 from its proportionate share measured as of June 30, 2018.

Actuarial Assumptions and Other Inputs. The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.6 percent
Salary increases	Varies by FRS class
Discount rate	2.79 percent
Healthcare cost trend rates	
PPO Plan	6.7 percent for 2020, decreasing to an ultimate rate of 5.4 percent for 2071 and later years
HMO Plan	5.2 percent for 2020, to an ultimate rate of 5.4 percent for 2071 and later years
Retirees’ share of benefit-related costs	100 percent of projected health insurance premiums for retirees

The discount rate was based on the Standard & Poor’s (S&P) Municipal 20-year High Grade Rate Index.

Mortality rates were based on the Generational RP-2000 with Projection Scale BB.

The demographic actuarial assumptions for retirement, withdrawal, disability, and salary merit scales used in the July 1, 2019 valuation are consistent with the assumptions used in the July 1, 2018 valuation of the FRS plan.

The following changes have been made since the prior valuation:

- The census data reflects changes in status for the 24-month period since July 1, 2019.
- The discount rate was updated to utilize the mandated discount rate based on a 20-year S&P Municipal Bond Rate Index as of the measurement date, as required under GASB Statement No. 75. Due to the change in the benchmark used as well as the market environment changes between June 30, 2018 and June 30, 2019, the discount rate decreased from 3.87 percent to 2.79 percent, resulting in higher liabilities to be reported for the period ending June 30, 2020.
- In addition, the liability was increased by approximately 12 percent due to the full impact of the Excise Tax that will come into effect in 2022. There is a reasonable chance that this tax will be repealed before it actually takes effect.
- The assumed claims and premiums reflect the actual claims information as well as the premiums that are actually being charged to participants. These updates resulted in lower liabilities as of June 30, 2019.
- The medical trend assumption each year is updated based on the Getzen Model. The medical trend rates used are consistent with the August 2019 Report on the Financial Outlook of the Plan along with information from the Getzen Model and actuarial judgement. The impact of the trend rate changes is a decrease in the liability, due primarily to lower trend rates in the first several years.
- The mortality rates were updated to those required by Chapter 2015-157, Florida Statutes for pension plans. This law mandates the use of the assumptions used in either of the two most recent valuations of the FRS. The rates are those outlined in Milliman's July 1, 2018 FRS valuation report. The impact of this change was very small and does not materially impact the results.

Sensitivity of the University's Proportionate Share of the Total OPEB Liability to Changes in the Discount Rate. The following table presents the University's proportionate share of the total OPEB liability, as well as what the University's proportionate share of the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.79 percent) or 1 percentage point higher (3.79 percent) than the current rate:

	1% Decrease (1.79%)	Current Discount Rate (2.79%)	1% Increase (3.79%)
University's proportionate share of the total OPEB liability	\$11,684,697	\$8,881,876	\$6,818,070

Sensitivity of the University's Proportionate Share of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following table presents the University's proportionate share of the total OPEB liability, as well as what the University's proportionate share of the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
University's proportionate share of the total OPEB liability	\$6,468,404	\$8,881,876	\$12,420,954

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

For the fiscal year ended June 30, 2020, the University recognized OPEB expense of \$2,559,640. At June 30, 2020, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 228,670
Change of assumptions or other inputs	1,113,621	1,255,999
Changes in proportion and differences between University benefit payments and proportionate share of benefit payments	2,122,399	177,742
Transactions subsequent to the measurement date	117,627	-
Total	<u>\$ 3,353,647</u>	<u>\$ 1,662,411</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$117,627 resulting from transactions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability and included in OPEB expense in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2021	\$ 460,309
2022	460,309
2023	460,309
2024	460,309
2025	460,221
Thereafter	(727,848)
Total	<u>\$ 1,573,609</u>

Net Pension Liability. As a participating employer in the Florida Retirement System (FRS), the University recognizes its proportionate share of the collective net pension liabilities of the FRS cost-sharing multiple-employer defined benefit plans. As of June 30, 2020, the University's proportionate share of the net pension liabilities totaled \$14,144,201. Note 9. includes a complete discussion of defined benefit pension plans.

9. Retirement Plans – Defined Benefit Pension Plans

General Information about the Florida Retirement System (FRS).

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 121, Florida Statutes, also provides for nonintegrated, optional retirement programs in lieu of the FRS to certain members of the Senior Management Service Class employed by the State and faculty and specified employees in the State university system. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the University are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services Web site (www.dms.myflorida.com).

The University's FRS and HIS pension expense totaled \$4,161,902 for the fiscal year ended June 30, 2020.

FRS Pension Plan

Plan Description. The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a DROP for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of creditable service except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of creditable service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service except for members classified as special risk who are eligible for

normal retirement benefits at age 60 or at any age after 30 years of creditable service. Employees enrolled in the Plan may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

The DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS-participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided. Benefits under the Plan are computed on the basis of age, and/or years of service, average final compensation, and credit service. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on retirement plan and/or the class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following table shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>% Value</u>
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
Senior Management Service Class	2.00
Special Risk Class	3.00

As provided in Section 121.101, Florida Statutes, if the member was initially enrolled in the Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member was initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit

by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2019-20 fiscal year were:

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (1)</u>
FRS, Regular	3.00	8.47
FRS, Senior Management Service	3.00	25.41
FRS, Special Risk	3.00	25.48
Deferred Retirement Option Program (applicable to members from all of the above classes)	0.00	14.60
FRS, Reemployed Retiree	(2)	(2)

(1) Employer rates include 1.66 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.

(2) Contribution rates are dependent upon retirement class in which reemployed.

The University's contributions to the Plan totaled \$968,383 for the fiscal year ended June 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2020, the University reported a liability of \$10,639,336 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The University's proportionate share of the net pension liability was based on the University's 2018-19 fiscal year contributions relative to the total 2018-19 fiscal year contributions of all participating members. At June 30, 2019, the University's proportionate share was 0.030893631 percent, which was an increase of 0.000685816 from its proportionate share measured as of June 30, 2018.

For the year ended June 30, 2020, the University recognized pension expense of \$3,504,865. In addition, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 631,049	\$ 6,603
Change of assumptions	2,732,639	-
Net difference between projected and actual earnings on FRS Plan investments	-	588,624
Changes in proportion and differences between University contributions and proportionate share of contributions	1,348,091	-
University FRS contributions subsequent to the measurement date	968,383	-
Total	\$ 5,680,162	\$ 595,227

The deferred outflows of resources totaling \$968,383, resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2021	\$ 1,601,543
2022	648,577
2023	963,158
2024	676,196
2025	183,052
Thereafter	<u>44,026</u>
Total	<u>\$ 4,116,552</u>

Actuarial Assumptions. The total pension liability in the July 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary increases	3.25 percent, average, including inflation
Investment rate of return	6.90 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018. This is a change from the prior year mortality assumption which was based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1%	3.3%	3.3%	1.2%
Fixed Income	18%	4.1%	4.1%	3.5%
Global Equity	54%	8.0%	6.8%	16.5%
Real Estate (Property)	10%	6.7%	6.1%	11.7%
Private Equity	11%	11.2%	8.4%	25.8%
Strategic Investments	6%	5.9%	5.7%	6.7%
Total	100%			
Assumed inflation - Mean			2.6%	1.7%

(1) As outlined in the Plan's investment policy.

Discount Rate. The discount rate used to measure the total pension liability was 6.90 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate used in the 2019 valuation was updated from 7.00 percent to 6.90 percent.

Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.90 percent) or 1 percentage point higher (7.90 percent) than the current rate:

	<u>1% Decrease (5.90%)</u>	<u>Current Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
University's proportionate share of the net pension liability	\$18,391,870	\$10,639,336	\$4,164,660

Pension Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

HIS Pension Plan

Plan Description. The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided. For the fiscal year ended June 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a

State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2020, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The University contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The University's contributions to the HIS Plan totaled \$177,244 for the fiscal year ended June 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2020, the University reported a liability of \$3,504,865 for its proportionate share of the net pension liability. The current portion of the net pension liability is the University's proportionate share of benefit payments expected to be paid within 1 year, net of the University's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018, and update procedures were used to determine liabilities as of June 30, 2019. The University's proportionate share of the net pension liability was based on the University's 2018-19 fiscal year contributions relative to the total 2018-19 fiscal year contributions of all participating members. At June 30, 2019, the University's proportionate share was 0.031324207 percent, which was a decrease of 0.000194432 from its proportionate share measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the University recognized pension expense of \$657,037. In addition, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 42,571	\$ 4,292
Change of assumptions	405,830	286,459
Net difference between projected and actual earnings on HIS Plan investments	2,262	-
Changes in proportion and differences between University HIS contributions and proportionate share of HIS contributions	1,048,896	17,372
University HIS contributions subsequent to the measurement date	177,244	-
Total	<u>\$ 1,676,803</u>	<u>\$ 308,123</u>

The deferred outflows of resources totaling \$177,244, resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year

ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2021	\$ 456,373
2022	359,553
2023	224,518
2024	91,014
2025	34,835
Thereafter	25,143
Total	\$ 1,191,436

Actuarial Assumptions. The total pension liability at July 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Municipal bond rate	3.50 percent

Mortality rates were based on the Generational RP-2000 with Projection Scale BB.

While an experience study had not been completed for the HIS Plan, the actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the FRS Plan.

Discount Rate. The discount rate used to measure the total pension liability was 3.50 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate used in the 2019 valuation was updated from 3.87 percent to 3.50 percent.

Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 3.50 percent, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.50 percent) or 1 percentage point higher (4.50 percent) than the current rate:

	<u>1% Decrease (2.50%)</u>	<u>Current Discount Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
University's proportionate share of the net pension liability	\$4,000,983	\$3,504,865	\$3,091,655

Pension Plan Fiduciary Net Position. Detailed information about the HIS Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Comprehensive Annual Financial Report.

10. Retirement Plans – Defined Contribution Pension Plans

FRS Investment Plan. The SBA administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA’s annual financial statements and in the State’s Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. University employees already participating in the State University System Optional Retirement Program or DROP are not eligible to participate in the Investment Plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Service retirement benefits are based upon the value of the member’s account upon retirement. Benefit terms, including contribution requirements, are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contributions, that are based on salary and membership class (Regular Class, Senior Management Service Class, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. Allocations to the Investment Plan member accounts during the 2019-20 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Compensation</u>
FRS, Regular	6.30
FRS, Senior Management Service	7.67
FRS, Special Risk Regular	14.00

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the FRS Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the University.

After termination and applying to receive benefits, the member may roll over vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution,

leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided in which the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The University's Investment Plan pension expense totaled \$333,356 for the fiscal year ended June 30, 2020.

State University System Optional Retirement Program. Section 121.35, Florida Statutes, provides for an Optional Retirement Program (Program) for eligible university instructors and administrators. The Program is designed to aid State universities in recruiting employees by offering more portability to employees not expected to remain in the FRS for 8 or more years.

The Program is a defined contribution plan, which provides full and immediate vesting of all contributions submitted to the participating companies on behalf of the participant. Employees in eligible positions can make an irrevocable election to participate in the Program, rather than the FRS, and purchase retirement and death benefits through contracts provided by certain insurance carriers. The employing university contributes 5.14 percent of the participant's salary to the participant's account, 3.56 percent to cover the unfunded actuarial liability of the FRS pension plan, and 0.01 percent to cover administrative costs, for a total of 8.71 percent, and employees contribute 3 percent of the employee's salary. Additionally, the employee may contribute, by payroll deduction, an amount not to exceed the percentage contributed by the University to the participant's annuity account. The contributions are invested in the company or companies selected by the participant to create a fund for the purchase of annuities at retirement.

The University's contributions to the Program totaled \$660,646, and employee contributions totaled \$430,873 for the 2019-20 fiscal year.

11. Construction Commitments

The University's construction commitments at June 30, 2020, were as follows:

<u>Project Description</u>	<u>Total Commitment</u>	<u>Completed to Date</u>	<u>Balance Committed</u>
Applied Research Center	\$ 31,688,605	\$ 11,602,126	\$ 20,086,479
Reclaimed Water Project	929,995	311,260	618,735
Total	\$ 32,618,600	\$ 11,913,386	\$ 20,705,214

12. Risk Management Programs

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Pursuant to Section 1001.72(2), Florida Statutes, the University participates in State self-insurance programs providing insurance for property and casualty, workers' compensation, general liability, fleet automotive liability, Federal Civil Rights, and employment discrimination liability. During the 2019-20 fiscal year, for property losses, the State retained the first \$2 million per occurrence for all perils except named windstorm and flood. The State retained the first \$2 million per occurrence with an annual aggregate retention of \$40 million for named windstorm and flood losses. After the annual aggregate retention,

losses in excess of \$2 million per occurrence were commercially insured up to \$68.5 million for named windstorm and flood through February 14, 2020, and decreased to \$62.75 million starting February 15, 2020. For perils other than named windstorm and flood, losses in excess of \$2 million per occurrence were commercially insured up to \$225 million; and losses exceeding those amounts were retained by the State. No excess insurance coverage is provided for workers' compensation, general and automotive liability, Federal Civil Rights and employment action coverage; all losses in these categories are completely self-insured by the State through the State Risk Management Trust Fund established pursuant to Chapter 284, Florida Statutes. Payments on tort claims are limited to \$200,000 per person and \$300,000 per occurrence as set by Section 768.28(5), Florida Statutes. Calculation of premiums considers the cash needs of the program and the amount of risk exposure for each participant. Settlements have not exceeded insurance coverage during the past 3 fiscal years.

Pursuant to Section 110.123, Florida Statutes, University employees may obtain healthcare services through participation in the State group health insurance plan or through membership in a health maintenance organization plan under contract with the State. The State's risk financing activities associated with State group health insurance, such as risk of loss related to medical and prescription drug claims, are administered through the State Employees Group Health Insurance Trust Fund. It is the practice of the State not to purchase commercial coverage for the risk of loss covered by this Fund. Additional information on the State's group health insurance plan, including the actuarial report, is available from the Florida Department of Management Services, Division of State Group Insurance.

13. Litigation

The University is involved in several pending and threatened legal actions. The range of potential loss from all such claims and actions, as estimated by the University's legal counsel and management, should not materially affect the University's financial position.

14. Functional Distribution of Operating Expenses

The functional classification of an operating expense (instruction, research, etc.) is assigned to a department based on the nature of the activity, which represents the material portion of the activity attributable to the department. For example, activities of an academic department for which the primary departmental function is instruction may include some activities other than direct instruction such as research and public service. However, when the primary mission of the department consists of instructional program elements, all expenses of the department are reported under the instruction classification. The operating expenses on the statement of revenues, expenses, and changes in net position are presented by natural classifications. The following are those same expenses presented in functional classifications as recommended by NACUBO:

<u>Functional Classification</u>	<u>Amount</u>
Instruction	\$ 9,423,525
Research	3,304,760
Public Services	145,424
Academic Support	10,330,316
Student Services	4,609,829
Institutional Support	12,731,210
Operation and Maintenance of Plant	6,828,813
Scholarships and Waivers	8,286,602
Depreciation	5,638,495
Auxiliary Enterprises	3,679,477
Total Operating Expenses	<u><u>\$ 64,978,451</u></u>

15. Subsequent Events

The COVID-19 pandemic continues to impact learning and the modalities of teaching as well as how we run our institution with social distancing and safety concerns for our students, faculty and staff. The additional costs of keeping our institution sheltered will impact net revenues for the 2020-21 fiscal year and erode future years the longer the pandemic lingers.

To date, we have no positive indication we will receive the 6 percent hold back of funds the State is reserving for the 2020-21 fiscal year.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the University's Proportionate Share of the Total Other Postemployment Benefits Liability

	<u>2019</u>	<u>2018</u>	<u>2017</u>
University's proportion of the total other postemployment benefits liability	0.07%	0.04%	0.04%
University's proportionate share of the total other postemployment benefits liability	\$ 8,881,876	\$ 4,221,000	\$ 4,483,000
University's covered-employee payroll	\$ 17,932,326	\$ 16,978,875	\$ 15,360,481
University's proportionate share of the total other postemployment benefits liability as a percentage of its covered-employee payroll	49.53%	24.86%	29.19%

**Schedule of the University's Proportionate Share of the Net Pension Liability –
Florida Retirement System Pension Plan**

	<u>2019 (1)</u>	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>
University's proportion of the FRS net pension liability	0.030893631%	0.030207815%	0.028494244%	0.022832875%
University's proportionate share of the FRS net pension liability	\$ 10,639,336	\$ 9,095,857	\$ 8,428,407	\$ 5,765,319
University's covered payroll (2)	\$ 17,932,326	\$ 16,978,875	\$ 15,360,481	\$ 11,660,838
University's proportionate share of the FRS net pension liability as a percentage of its covered payroll	59.33%	53.57%	54.87%	49.44%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	82.61%	84.26%	83.89%	84.88%

(1) The amounts presented for each fiscal year were determined as of June 30.

(2) Covered payroll includes defined benefit plan actives, investment plan members, State university system optional retirement program members, and members in DROP because total employer contributions are determined on a uniform basis (blended rate) as required by Part III of Chapter 121, Florida Statutes.

Schedule of University Contributions – Florida Retirement System Pension Plan

	<u>2020 (1)</u>	<u>2019 (1)</u>	<u>2018 (1)</u>	<u>2017 (1)</u>
Contractually required FRS contribution	\$ 968,383	\$ 957,925	\$ 860,898	\$ 741,775
FRS contributions in relation to the contractually required contribution	<u>(968,383)</u>	<u>(957,925)</u>	<u>(860,898)</u>	<u>(741,775)</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's covered payroll (2)	\$ 18,132,610	\$ 17,932,326	\$ 16,978,875	\$ 15,360,481
FRS contributions as a percentage of covered payroll	5.34%	5.34%	5.07%	4.83%

(1) The amounts presented for each fiscal year were determined as of June 30.

(2) Covered payroll includes defined benefit plan actives, investment plan members, State university system optional retirement plan members, and members in DROP because total employer contributions are determined on a uniform basis (blended rate) as required by Part III of Chapter 121, Florida Statutes.

<u>2015 (1)</u>	<u>2014 (1)</u>	<u>2013 (1)</u>
0.019998331%	0.009648015%	0.000813120%
\$ 2,583,054	\$ 588,671	\$ 139,974
\$ 8,912,958	\$ 4,212,980	\$ 348,928
28.98%	13.97%	40.12%
92.00%	96.09%	88.54%

<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
\$ 563,074	\$ 487,576	\$ 211,332
<u>(563,074)</u>	<u>(487,576)</u>	<u>(211,332)</u>
\$ -	\$ -	\$ -
\$ 11,660,838	\$ 8,912,958	\$ 4,212,980
4.83%	5.47%	5.02%

**Schedule of the University's Proportionate Share of the Net Pension Liability –
Health Insurance Subsidy Pension Plan**

	<u>2019 (1)</u>	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>
University's proportion of the HIS net pension liability	0.031324207%	0.031518639%	0.030312239%	0.024197096%
University's proportionate share of the HIS net pension liability	\$ 3,504,865	\$ 3,335,968	\$ 3,241,124	\$ 2,820,072
University's covered payroll (2)	\$ 10,262,946	\$ 9,805,704	\$ 9,232,755	\$ 7,298,830
University's proportionate share of the HIS net pension liability as a percentage of its covered payroll	34.15%	34.02%	35.10%	38.64%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	2.63%	2.15%	1.64%	0.97%

(1) The amounts presented for each fiscal year were determined as of June 30.

(2) Covered payroll includes defined benefit plan actives, investment plan members, and members in DROP.

Schedule of University Contributions – Health Insurance Subsidy Pension Plan

	<u>2020 (1)</u>	<u>2019 (1)</u>	<u>2018 (1)</u>	<u>2017 (1)</u>
Contractually required HIS contribution	\$ 177,244	\$ 173,940	\$ 170,926	\$ 160,241
HIS contributions in relation to the contractually required HIS contribution	<u>(177,244)</u>	<u>(173,940)</u>	<u>(170,926)</u>	<u>(160,241)</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's covered payroll (2)	\$ 10,317,930	\$ 10,262,946	\$ 9,805,704	\$ 9,232,755
HIS contributions as a percentage of covered payroll	1.72%	1.69%	1.74%	1.74%

(1) The amounts presented for each fiscal year were determined as of June 30.

(2) Covered payroll includes defined benefit plan actives, investment plan members, and members in DROP.

<u>2015 (1)</u>	<u>2014 (1)</u>	<u>2013 (1)</u>
0.018486835%	0.009545059%	0.000943115%
\$ 1,885,366	\$ 892,486	\$ 82,111
\$ 5,391,296	\$ 2,508,042	\$ 55,192
34.97%	35.58%	148.77%
0.50%	0.99%	1.78%

<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
\$ 121,161	\$ 70,668	\$ 32,698
<u>(121,161)</u>	<u>(70,668)</u>	<u>(32,698)</u>
\$ -	\$ -	\$ -
\$ 7,298,830	\$ 5,391,296	\$ 2,508,042
1.66%	1.31%	1.30%

1. Schedule of the University's Proportionate Share of the Total Other Postemployment Benefits Liability

No assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Changes of Assumptions. In 2020, amount reported as changes of assumptions resulted from changes to the census data, a change to the discount rate, the excise tax that will come into effect in 2022, the use of actual claims information, an update in the trend rate, and an update to the mortality rate.

2. Schedule of Net Pension Liability and Schedule of Contributions – Florida Retirement System Pension Plan

Changes of Assumptions. The long-term expected rate of return was decreased from 7.00 percent to 6.90 percent, and the active member mortality assumption was changed from the Generational RP-2000 with Projection Scale BB tables to the PUB-2010 base table, projected generationally with scale MP-2018.

3. Schedule of Net Pension Liability and Schedule of Contributions – Health Insurance Subsidy Pension Plan

Changes of Assumptions. The municipal rate used to determine total pension liability decreased from 3.87 percent to 3.50 percent.



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74
111 West Madison Street
Tallahassee, Florida 32399-1450



Phone: (850) 412-2722
Fax: (850) 488-6975

The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

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

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 Florida Polytechnic University, a component unit of the State of Florida, and its discretely presented component unit as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated March 5, 2021, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component unit, as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University'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 University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University'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 University'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 University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, rules, 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 University'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 University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is fluid and cursive, with a large initial 'S' and 'N'.

Sherrill F. Norman, CPA
Tallahassee, Florida
March 5, 2021

**Florida Polytechnic University
Audit & Compliance Committee
Board of Trustees
April 26, 2021**

Subject: 5-Year Compliance Program Review – Approval of Independent Validators

Proposed Committee Action

Recommend approval to the Board of Trustees of the selection of Independent Validators, as presented, to perform the required review of the University's Compliance and Ethics Program (Program).

Background Information

Board of Governors (BOG) Regulations require that at least once every five (5) years, the president and board of trustees shall be provided with an external review of the Program's design and effectiveness and any recommendations for improvement, as appropriate. The first external review shall be initiated within five (5) years from the effective date of this regulation. (November 2021) The assessment shall be approved by the board of trustees and a copy provided to the Board of Governors.

Guidance provided by the BOG (included as support) authorizes such a review to be conducted by either a contracted service provider or alternatively by a peer compliance professional independent of the university. Accordingly, a group of 6 SUS institutions have formed an independent "peer review" methodology for such reviews and Independent validators were selected from these participating institutions to ensure an appropriate level of independence. Essentially, a self-assessment will be performed by each institution and that self-assessment will be subjected to independent validation by the selected peer review team. The effectiveness of the Program will be measured against the criteria developed by all 12 SUS institutions and their CCO's.

In accordance with the AACC Charter, the Committee is required to be knowledgeable of the Program's implementation and effectiveness. Additionally, the AACC is authorized to review the selection of external auditors (independent validators/reviewers) and engage others as it deems necessary to discharge its duties. The Committee should consider the cost/benefit of performing the Program review via the peer review process or alternately by contracted service provider.

Supporting Documentation:

Memo from Tim Cerio, Chair of the BOG AACC (March 2019)
Proposed Independent Validation Team Biographies
Proposed Agreement for Professional Services
Other related information in the Audit & Compliance Update (PowerPoint)

Prepared by: David A. Blanton, CAE/CCO



March 19, 2019

MEMORANDUM

To: Chairs, University Boards of Trustees
University Presidents

From: Tim Cerio, Chair, Audit and Compliance Committee

Subject: Five-year Review Requirement for State University System of Florida
Compliance Programs

The Board of Governors emphasized the importance of compliance by requiring the development, formalization, and implementation of a compliance and ethics program at each state university. Since November 2016, when the Board of Governors approved Regulation 4.003 *State University System Compliance and Ethics Programs*, all 12 state universities have implemented 18 of the 19 required elements of the regulation. This accomplishment was reported at the January 31, 2019, Board of Governors, Audit and Compliance Committee meeting.

Now that each university has implemented a centralized and independent compliance program, our next step is to address what a five-year program review would encompass and what the Board of Governors would expect regarding the reporting of that review. Specifically, Board of Governors Regulation 4.003 Section 7c states:

At least once every five (5) years, the president and board of trustees shall be provided with an external review of the Program's design and effectiveness and any recommendations for improvement, as appropriate. The first external review shall be initiated within five (5) years from the effective date of this regulation. The assessment shall be approved by the board of trustees and a copy provided to the Board of Governors.

The complexity and size of the compliance programs vary across the state university system, and I recognize that an external review of your respective programs must be scalable to reflect that variability. Your program review could be performed by either a

March 19, 2019

Page 2

contracted service provider or alternatively by a peer compliance professional independent of your university. This is a model that is successful within the internal audit activity and formalized in the *Quality Assessment Manual* issued by the Institute of Internal Auditors Research Foundation.

The most important aspect of a program review would be to ensure that your compliance programs are a viable functioning program within your institution that is operating within the guidelines and spirit of Board of Governors Regulation 4.003. The expected timeframe of an external review would be five years from the date of the Board of Governors approval of Regulation 4.003, which is November 2021.

Attached is a sample external program review report template that may be helpful in summarizing and reporting the program reviews of your university compliance programs. This is, again, merely a sample template; far more important to this report is meaningful content and analysis, rather than strict adherence to form.

If you have any questions, please do not hesitate to contact the Board of Governors Inspector General and Director of Compliance at BOGInspectorGeneral@flbog.edu or 850-245-0466.

TMC/jml

Attachment: Report Template (Example of)

C: Ned Lautenbach, Chair
Marshall Criser III, Chancellor
Vikki Shirley, General Counsel
Julie Leftheris, Inspector General and Director of Compliance
University Chief Compliance Officers

COMPLIANCE PROGRAM PEER REVIEW

INDEPENDENT VALIDATOR BIOGRAPHIES

LEAD VALIDATOR: ROBYN BLANK, CHIEF COMPLIANCE OFFICER - FSU

Robyn is the Chief Compliance and Ethics Officer at Florida State University. She was hired in 2018 as a result of BOG Regulation 4.003, and has built FSU's centralized compliance office. Her duties include university-wide oversight of all compliance and ethics-related programs at international, federal, state, and local levels. Robyn previously served for six years as Associate General Counsel at FSU, focusing on open government and student affairs issues, and is an active member of the Florida Bar, the Society of Corporate Compliance and Ethics, and the National Association of College and University Attorneys. She is an adjunct lecturer with the College of Education, teaching a graduate degree course on legal aspects of higher education, and a member of the City of Tallahassee's Independent Ethics Board.

ASSISTING VALIDATOR: ALEX TZOUMAS, CIA, CISA, CFE, CRMA, CDPSE - CHIEF COMPLIANCE OFFICER/CHIEF AUDIT EXECUTIVE - NCF

Alex currently serves as the Chief Compliance Officer (CCO) and Chief Audit Executive (CAE) at New College of Florida. Prior to Alex's employment with New College, he was the Vice President of Internal Audit, Risk Management & Compliance for Inogen Inc., a public medical device corporation. Prior to joining Inogen Inc., Alex was the Chief Audit Executive for Deckers Outdoor Corporation, Santa Barbara California. Alex has also served as the Director of Internal Audit for California State University, Fullerton California and as the Senior Audit Manager for the University of Colorado System, Boulder Colorado. During the course of his career, Alex has served as a Compliance Officer and Data Protection Officer. Alex has performed peer reviews for several universities including the University of San Francisco and Creighton University. Alex is a Certified Internal Auditor, Certified Information Systems Auditor, Certified Fraud Examiner, Certified Data Protection Solutions Engineer and has a Certification in Risk Management Assessment from the Institute of Internal Auditors. Alex brings over 25 years of compliance, internal audit and risk management experience with over ten years of higher education experience.



DRAFT – NOT APPROVED

AGREEMENT FOR PROFESSIONAL SERVICES
FIVE-YEAR REVIEW FOR STATE UNIVERSITY SYSTEM (SUS) OF FLORIDA COMPLIANCE PROGRAMS
COMPLIANCE PROGRAM REVIEW: INDEPENDENT VALIDATION AGREEMENT

This Agreement is between ___other SUS CCO___ and Florida Polytechnic University (Florida Poly) for the purpose of providing an Independent Validation for the Five-Year Compliance Program Review of Florida Poly’s Compliance Program, as required by Board of Governors Regulation 4.003. The participants and timelines relative to this Agreement are described in Exhibit A, which is incorporated by reference into this agreement. Questions regarding this agreement should be directed to David A. Blanton, Chief Compliance Officer (CCO), at (863) 874-8441 or by email at dblanton@floridapoly.edu.

Terms

Responsibilities of University Compliance at Florida Poly:

- Complete an internal self-assessment by May 14, 2021, as a basis for the Independent Validation using the “Effectiveness Questions – Supporting Documents, Supporting Statements, and Other Evidence” worksheet developed by the SUS Workgroup and relating to BOG Regulation 4.003 and Federal Sentencing Guidelines.
- Provide adequate working space (if necessary) to the Independent Validators while fieldwork is being performed. However, it is expected that services will be predominantly provided virtually.
- Assist the validators with scheduling meetings or interviews, as needed.
- Fully cooperate with the Independent Validators and provide any documentation, as requested.
- Provide complete and timely responses to the Validators inquiries.
- Reimburse all reasonable travel expenses incurred by the Independent Validators in performing their official responsibilities for the Independent Validation, including transportation, lodging, and per-diem in accordance with Florida Poly travel policies and Section 112.061, F.S. No other financial compensation will be provided. However, it is expected that services will be predominantly provided virtually.

Responsibilities of the Independent Validators:

- Attest/certify that he or she is in fact independent and otherwise qualified to perform as an Independent Validator for the Compliance Program Review.
- Perform the Validation review in accordance with BOG Regulation 4.003.
- Use the “Effectiveness Questions – Supporting Documents, Supporting Statements, and Other Evidence” worksheet developed by the SUS Workgroup and relating to BOG Regulation 4.003 and Federal Sentencing Guidelines as the basis for the review. (List A)

- Maintain confidentiality of information obtained during this process or conclusions drawn from the Validation. Discuss any information only with the Florida Poly CCO, management, and/or Board of Trustees, as needed.
- Hold an exit conference with Florida Poly’s CCO to discuss observations and report conclusions.
- Return all original documents to Florida Poly University Compliance at the conclusion of the review, as applicable.
- Provide a written report of the results of the Independent Validation to Florida Poly’s CCO, the Chair of the Audit & Compliance Committee of the Board of Trustees, and the University President, including the following:
 - Determination as to the effectiveness of the Program and whether the results of the Independent Validation for Florida Poly’s Compliance Program conforms to BOG Regulation 4.003 and Federal Sentencing Guidelines.
 - Recommendations for improvement(s), and
 - Identification of potential “best practice” applications to improve efficiency and effectiveness of the compliance program.
- Provide a file copy and an electronic copy of the written report to the CCO at Florida Poly.

Compensation

The Independent Validators agree to perform this review (validation) at no direct cost to Florida Poly other than travel costs, if applicable. If applicable, travel expenses shall be limited to those authorized pursuant to State law and Florida Poly guidelines.

Authorized Signatures

By signature below, I agree to comply with the guidelines and requirements as specified in this Agreement. This Agreement becomes effective when fully executed below and remains in effect until the review (validation) is conducted and the final report is issued.

Florida Poly:

Randy Avent, President

Date

David Blanton, CCO

Date

Independent Validator:

Robyn Blank, CCO Florida State University/
Alex Tzoumas, CCO New College

Date

Exhibit A

Validation Participants and Timelines

PARTICIPANTS	
Florida Poly	David Blanton, Chief Audit Executive and Chief Compliance Officer
Independent Validators	<u>Lead Validator:</u> Robyn Blank, CCO, Florida State University <u>Team Member:</u> Alex Tzoumas, CAE/CCO, New College of Florida

TIMELINE	
DATE**	TASK
May 14, 2021	Florida Poly CCO provides independent validators with 2021 self-assessment report and supporting documentation.
May 14 – May 30, 2021	Validators request preliminary assessment and other planning documentation. (e.g. org charts for interview selections, samples of work from compliance monitoring, etc.)
June 1 – July 16, 2021	Validators schedule interviews and collect additional documentation.
July 19 – 23, 2021	Validators hold exit conference with Florida Poly CCO.
August 6, 2021	Final report due to Florida Poly CCO by Lead Validator.

**NOTE: Actual dates TBD based on availability of Independent Validators.

**COMPLIANCE AND ETHICS PROGRAM
5-YEAR REVIEW - EVALUATION**

	#	QUESTIONS	Y/N	GC, PC, or DNC*
GOVERNANCE AND HIGH LEVEL OVERSIGHT				
Board of Trustees	1	Are the President and the Board of Trustees members knowledgeable about the Compliance and Ethics Program (Program)? How is it demonstrated?		
	2	Do the President and BOT exercise oversight with respect to the Program's implementation and effectiveness?		
	3	Are any Program plan revisions, based on the Chief Compliance Officer's report approved by the Board of Trustees?		
Audit and Compliance Committee	4	Does the Audit and Compliance Committee Charter address governance oversight for the Program?		
Chief Compliance Officer/Compliance Office	5	Is the Office of the Chief Compliance Officer governed by a charter approved by the Board of Trustees and reviewed at least every three (3) years for the consistency with applicable Board of Governors and university regulations, professional standards, and best practices?		
	6	Does the Chief Compliance Officer report functionally to the Board of Trustees and administratively to the president?		
	7	Is the Chief Compliance Officer the same individual as the Chief Audit Executive or the General Counsel (with the exception of New College of Florida and Florida Polytechnic University)?		
	8	Does the Chief Compliance Officer have the independence and objectivity to perform the responsibilities of the Chief Compliance Officer function?		
	9	In circumstances where either a restriction or barrier was imposed by an individual on the scope of an inquiry, or the access to the necessary information for the purposes of such inquiry was denied, is the Chief Compliance Officer able to remedy the situation by talking to the President?		
	10	Does the Chief Compliance Officer have decision-making independence, including the ability to elevate compliance and ethics concerns directly to the BOT without executive leadership pre-approval?		
	11	Does the Chief Compliance Officer have timely access to any records, data, and other information in possession or control of the university, including information reported to the university's hotline/helpline?		
	12	Does the Chief Compliance Officer conduct and report on compliance and ethics activities and inquiries free of actual or perceived impairment to the independence of the Chief Compliance Officer?		

* GC = Generally Conforms - PC = Partially Conforms - DNC = Does Not Conform

**COMPLIANCE AND ETHICS PROGRAM
5-YEAR REVIEW - EVALUATION**

	#	QUESTIONS	Y/N	GC, PC, or DNC*
C	13	Does the Chief Compliance Officer coordinate or request compliance activity information or assistance as may be necessary from any university, federal, state, or local government entity?		
	14	Does the Chief Compliance Officer routinely communicate to the President, the Board of Trustees, and the Audit and Compliance Committee regarding Program activities?		
	15	Does the Chief Compliance Officer have adequate resources and appropriate authority?		
	16	Do the Program's functions conflict with the responsibility of the general counsel to provide legal advice on ethics laws?		
Senior Leadership Compliance Partners	17	Does the Program include compliance officers ("Compliance Partners") for various program areas throughout the university?		
Compliance Program and Effectiveness	18	Is the Program a point for coordination of and responsibility for activities that promote ethical conduct and maximize compliance with applicable laws, regulations, rules, policies, and procedures?		
	19	Is the program reasonably designed to optimize its effectiveness in preventing or detecting non-compliance, unethical behavior, and criminal conduct, as appropriate to the institution's mission, size, activities, and unique risk profile?		
	20	Does the Chief Compliance Officer report at least annual on the effectiveness of the Program to the Board of Trustees?		
	21	Are the President and Board of Trustees provided for review and approval at least once every five (5) years with an external review of the Program's design and effectiveness and any recommendation for improvement? (A copy of the review must be provided to the Board of Governors.)		
POLICIES AND STANDARDS OF CONDUCT				

* GC = Generally Conforms - PC = Partially Conforms - DNC = Does Not Conform

**COMPLIANCE AND ETHICS PROGRAM
5-YEAR REVIEW - EVALUATION**

	#	QUESTIONS	Y/N	GC, PC, or DNC*
Codes of Conduct (Employees and Students)	22	Is the Program developed consistent with the Code of Ethics for Public Officers and Employees contained in Part III, Chapter 122, Florida Statutes; and the Federal Sentencing Guidelines Manual, Chapter 8, Part B, Section 2.1 (b)?		
Policies, Regulations, Laws	23	Has the University established standards and procedures to prevent and detect misconduct, including criminal conduct?		
	24	Do the compliance activities performed by the Program promote ethical conduct and maximize compliance with applicable laws, regulations, rules, policies, and procedures?		
OPEN COMMUNICATION AND REPORTING				
Open Lines of Communication	25	Does the organization take reasonable steps to communicate periodically and in a practical manner its standards and procedures, and other aspects of the compliance and ethics program, to members of the BOT, leadership, employees, and university agents as appropriate to such individuals' respective roles and responsibilities?		
Reporting Expectations, Hotline, Non-Retaliation Policy	26	Does the Program require the university, in a manner, which promotes visibility, to publicize a mechanism/hotline for individuals to report potential or actual misconduct and violations of university policy, regulations, or law, and to ensure that no individual faces retaliation for reporting a potential or actual violation when such report is made in good faith?		
TRAINING AND EDUCATION				
Board of Trustees	27	Do Board of Trustees member receive training regarding their responsibility and accountability for ethical conduct and compliance with applicable laws, regulations, rules, policies and procedures?		
Compliance Training/New Employee	28	Do university employees receive training regarding their responsibility and accountability for ethical conduct and compliance with applicable laws, regulations, rules, policies, and procedures?		
	29	Does the Program specify when and how often this training shall occur?		
AUDITING AND MONITORING				

* GC = Generally Conforms - PC = Partially Conforms - DNC = Does Not Conform

**COMPLIANCE AND ETHICS PROGRAM
5-YEAR REVIEW - EVALUATION**

	#	QUESTIONS	Y/N	GC, PC, or DNC*
Audits	30	Has the University taken reasonable steps to ensure that its compliance and ethics program is followed, including monitoring and auditing to detect criminal conduct?		
	31	Does the compliance and ethics program exercise due diligence to prevent and detect criminal conduct?		
ADRESSING KNOWN OR POTENTIAL ISSUES				
Issue Investigation	32	Does the Chief Compliance Officer initiate, conduct, supervise, coordinate, or refer to other appropriate offices (such as human resources, audit, Title IX, or general counsel) such inquiries, investigations, or reviews as deemed appropriate and in accordance with university regulations and policies?		
Remediation Corrective Action	33	When noncompliance, unethical behavior, or criminal conduct has been detected, does the University take reasonable steps to prevent further similar behavior, including making any necessary modification to the Programs?		
ENFORCING STANDARDS				
Enforcement	34	Does the Program articulate the steps for reporting and escalating matters of alleged misconduct, including criminal conduct, when there are reasonable grounds to believe such conduct has occurred?		
Enforcement	35	After criminal conduct has been detected, does the University take reasonable steps to respond appropriately to the criminal conduct and to prevent further similar criminal conduct, including making any necessary modifications to the University's Programs?		
	36	Does the University periodically assess the risk of criminal conduct and take appropriate steps to design, implement, or modify the Program to reduce of criminal conduct identified through this process?		
Incentives and Disciplinary Measures	37	Does the Chief Compliance Officer promote and enforce the Program, in consultation with the President and Board of Trustees, consistently through appropriate incentives and disciplinary measures to encourages a cultures of compliance and ethics?		
	38	Are failure in compliance or ethics addressed through appropriate measures, including education or disciplinary action?		

* GC = Generally Conforms - PC = Partially Conforms - DNC = Does Not Conform

**COMPLIANCE AND ETHICS PROGRAM
5-YEAR REVIEW - EVALUATION**

	#	QUESTIONS	Y/N	GC, PC, or DNC*
Background Checks/Exclusion Screening	39	Does the university use reasonable efforts to exclude individuals from the university and its affiliates organizations whom it knows or reasonable should have known (through the exercise of due diligence), engaged in conduct no consistent with an effective Program?		

* GC = Generally Conforms - PC = Partially Conforms - DNC = Does Not Conform

**Florida Polytechnic University
Audit and Compliance Committee
Board of Trustees
April 26, 2021**

Subject: Textbook Adoption Monitoring Review – Spring 2021

Proposed Committee Action

Information only.

Background Information

University Compliance conducted a monitoring review over textbook adoptions, to determine compliance with State law. State law requires each university to post prominently in the course registration system and on its website, as early as feasible, but at least 45 days before the first day of class for each term, a hyperlink to lists of required and recommended textbooks and instructional materials for at least 95 percent of all courses and course selections offered at the university during the upcoming term.

The university contracts with a bookstore vendor (vendor) to manage and operate the bookstore. The university notifies the vendor of adoptions and the vendor is responsible for subsequently posting the adopted textbooks and instructional materials on the vendor website. At the request of the university, the vendor provided a course file report evidencing the dates that (1) university staff communicated the adoption and (2) the subsequent posting of such information by the vendor to their website.

In conducting this interim monitoring review, University Compliance included a review of the vendor course file, university records, analytical review procedures, and inquiries to arrive at the conclusions reached and summarized in the monitoring review report. This monitoring report assists the Committee in their oversight responsibility and consideration of this matter which has been cited as audit findings in several recent operational audits.

The AACC Charter charges the Committee with ensuring that significant findings and recommendations are received, discussed, and appropriately resolved.

Supporting Documentation:

UAC Report No. 2021-07, Textbook Adoptions Compliance Monitoring Review
Applicable slides in the Audit & Compliance Update (PowerPoint)

Prepared by: David A. Blanton, CAE/CCO



FLORIDA POLYTECHNIC
UNIVERSITY

Report No: FPU 2021-07

March 2021

**University Audit & Compliance
Textbook Adoptions Compliance
Monitoring Review
Spring 2021**

David A. Blanton, CPA, CCEP
Chief Audit Executive and Chief Compliance Officer

University Audit & Compliance Textbook Adoptions Compliance Monitoring Review

Index

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University Audit and Compliance (UAC) is employed by the University. UAC's mission is to serve the University by recommending actions to assist in achieving its strategic and operational objectives. This assistance includes evaluating and providing assurance of activities designed and implemented by management to strengthen internal controls, reduce risk to and waste of resources, and improve operations to enhance the performance and reputation of the University. Accordingly, this report is intended solely for the use of University management and its various oversight authorities and is not intended for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

I. Background and Monitoring Approach

Pursuant to the Audit Work Plan¹ approved by the Audit & Compliance Committee, University Audit and Compliance (UAC) conducted a monitoring review over compliance with textbook affordability laws² for the Spring 2021 semester. This monitoring review was performed as a result of the risk assessment prepared by UAC for the 2020-21 fiscal year and as a result of recurring findings in the State Auditor General's operational audits³.

State law² requires each university to post prominently in the course registration system and on its website, as early as feasible, but at least 45 days before the first day of class for each term, a hyperlink to lists of required and recommended textbooks and instructional materials for at least 95 percent of all courses and course selections offered at the university during the upcoming term.

The university contracts with a bookstore vendor (vendor) to manage and operate the bookstore. The university notifies the vendor of adoptions and the vendor is responsible for subsequently posting the adopted textbooks and instructional materials on the vendor website. At the request of the university, the vendor provided a course file report evidencing the dates that (1) university staff communicated the adoption and (2) the subsequent posting of such information by the vendor to their website.

Procedures performed by UAC in conducting this monitoring review included review of the vendor course file and university records, analytical review procedures, and inquiries to arrive at the conclusions reached in **Section III** of this report. This monitoring review and the related report was not conducted pursuant to *Institute of Internal Auditing Standards*.

II. Entrance/Exit Conference

Entrance Conference: At the inception of the monitoring review, UAC communicated with university academic and institutional research staff to explain the purpose and the scope of the monitoring review and to establish a timeline for completion.

Exit Conference: At the conclusion of the monitoring review, UAC communicated with university academic and institutional research staff to discuss the results of the review. A summary of the findings/observations was provided, and corrective action was discussed.

¹ UAC Compliance and Ethics Program Plan for the Fiscal Year Ended June 30, 2021.

² Section 1004.085(5), Florida Statutes

³ Auditor General operational audit report Nos. 2016-067, 2018-214, and 2021-008.

III. Monitoring Results

UAC performed monitoring procedures over textbook adoptions and compliance with applicable laws for the Spring 2021 semester. UAC found that textbook adoptions were timely posted in accordance with State law; however, as noted in **Finding 1**, certain control enhancements were necessary to properly document excluded course sections.

Table 1 below outlines various compliance requirements applicable to this review and provides an indication as to whether appropriate controls have been designed and implemented to ensure compliance for each requirement. Detailed findings or observations for any noncompliance referenced in the tables below are included in **Section IV** of this report.

Table 1 Textbook Affordability			Finding #
1.	The university complied with the requirement that a hyperlink to lists of required and recommended textbooks and instructional materials for at least 95 percent of all courses and course selections offered at the University for the Spring 2021 term was prominently posted in the course registration system and on its website at least 45 days prior to the first day of class.	<input checked="" type="checkbox"/>	-
2.	Exceptions to the compliance deadline were properly submitted in writing to the designated university official and outlined reasonable justification for the exception in accordance with Board of Governors (BOG) Regulation 8.003(1)(h).	<input type="checkbox"/>	1
3.	The University timely reported textbook adoptions to the Chancellor of the State University System by September 30, 2020, as required ⁴ .	<input checked="" type="checkbox"/>	-

LEGEND:

- Appropriate controls in place to provide for compliance for this requirement.
- Processes need to be enhanced to ensure compliance for this requirement.

⁴ This was previously determined in UAC Report 2021-05.

IV. Findings/Instances of Non-compliance

As noted in **Table 2** below, the university complied with the requirement that a hyperlink to lists of required and recommended textbooks and instructional materials for at least 95 percent of all courses and course selections offered at the University for the Spring 2021 term was prominently posted in the course registration system and on its website at least 45 days prior to the first day of class.

Table 2 Textbook and Instructional Materials Textbook Posting Dates⁵ Spring 2021 Term	
Timely Course Sections	200
Late Course Sections	7
Total Course Sections	207
Percent Timely	96.6%

UAC was able to conclude that the University had established controls to ensure material compliance with the textbook affordability laws except as noted below:

Finding 1: Documentation of Excluded Course Sections

Finding: Board of Governors (BOG) Regulations⁶ require that “any request for an exception to the compliance deadline shall be submitted in writing to the designated university official and shall provide a reasonable justification for an exception”. The Regulation further provides that a course or section added after the notification deadline is exempt from this notification requirement.

During the Spring 2021 semester, the university approved a change in the adoption of a required textbook for 6 course sections to reduce the price of the instructional materials to students attending the class. This approved change resulted in textbook postings past the required deadline for these 6 course sections. Although this would appear to represent valid justification for an exception to the compliance deadline, the university had not established controls to adequately document these exceptions pursuant to BOG Regulations. UAC requested, but was not provided, a written request to the Vice Provost for Academic Affairs (designated official) requesting the exception and outlining the appropriate justification. Based on responses to inquiry alone, UAC accepted the exclusion of these course sections. However, if they were factored in **Table 2** above as late

⁵ Date that university staff communicated the textbook adoption to the vendor, as reflected in vendor’s course file or other supporting documentation.

⁶ Board of Governors Regulation 8.003, Textbook and Instructional Materials Affordability, para. (1)(h)

postings, the compliance rate for timely postings would decline to 93.9%, resulting in noncompliance with applicable law.

Recommendation: University staff should enhance controls to properly document requests for exceptions to the compliance deadline in writing and ensure that such requests provide for adequate justification in accordance with BOG Regulations.

University Response and Corrective Action Plan: University staff agree with the observation. Documentation for exceptions to the compliance deadline will be maintained, in writing, and provide for adequate justification in accordance with BOG Regulations.

V. Other Observations

UAC performed a similar compliance monitoring report for the Fall 2020 semester. The results of that monitoring effort can be found in **Report FPU 2021-05**. In summary, this previous compliance monitoring review reported that the bookstore vendor's course file failed to provide sufficient documentation necessary to demonstrate compliance with textbook affordability laws. This was primarily because the vendor's course file did not always accurately reflect the actual date of adoption or posting. Based on compliance monitoring performed for Spring 2021, this matter appears to be corrected (and consequently, late textbook adoptions reflected in the vendor's course file were reduced significantly from the Fall 2020 semester to the Spring 2021 semester).

BOG Regulations⁶ over textbook adoptions were amended in September 2020 to require innovative pricing techniques and payment options for course materials include an opt-out provision in addition to the opt-in provision for students. University staff are currently exploring these pricing options with the bookstore vendor. UAC will report on the progress of these potential cost reduction options in future monitoring efforts.

UAC would like to extend gratitude to Zaira Medina for her assistance with these monitoring efforts.

VI. References and Technical Assistance

Listed below are the applicable guidelines and other information related to textbook adoption compliance that were used by UAC to set the scope of this monitoring review:

- Florida Poly Regulation FPU-5.003, Textbook and Instructional Materials Selection and Affordability
- Section 1004.085(5), Florida Statutes
- Section 1004.085(7), Florida Statutes
- BOG Regulation 8.003, Textbook and Instructional Materials Affordability

**Florida Polytechnic University
Audit and Compliance Committee
Board of Trustees
April 26, 2021**

Subject: Board of Governors (BOG) Regulation 3.003, Fraud Prevention & Detection

Proposed Committee Action

For information only.

Background Information

This regulation was developed by the BOG, and recently adopted on March 23, 2021, to strengthen the State University System's stance on and fight against fraud. It provides a definition for fraud and requires each board of trustees to adopt a regulation establishing criteria related to institutional controls and a risk management framework to provide reasonable assurance that fraudulent activities will be prevented, detected, reported, and investigated. Additionally, the regulation contains a provision to have it reviewed at least every five years to ensure it is kept current and consistent with other Board of Governors and university regulations.

Provided that the new BOG regulation requires periodic evaluation and reporting to the University's Board of Trustees relative to institutional controls and a risk management framework that provides reasonable assurance that fraudulent activities are prevented and detected, the CAE/CCO will outline steps to be taken going forward necessary to implement this requirement.

Supporting Documentation:

BOG Regulation 3.003 Fraud Prevention & Detection
COSO Internal Controls – Integrated Framework Principles
Applicable slides in the Audit & Compliance Update (PowerPoint)

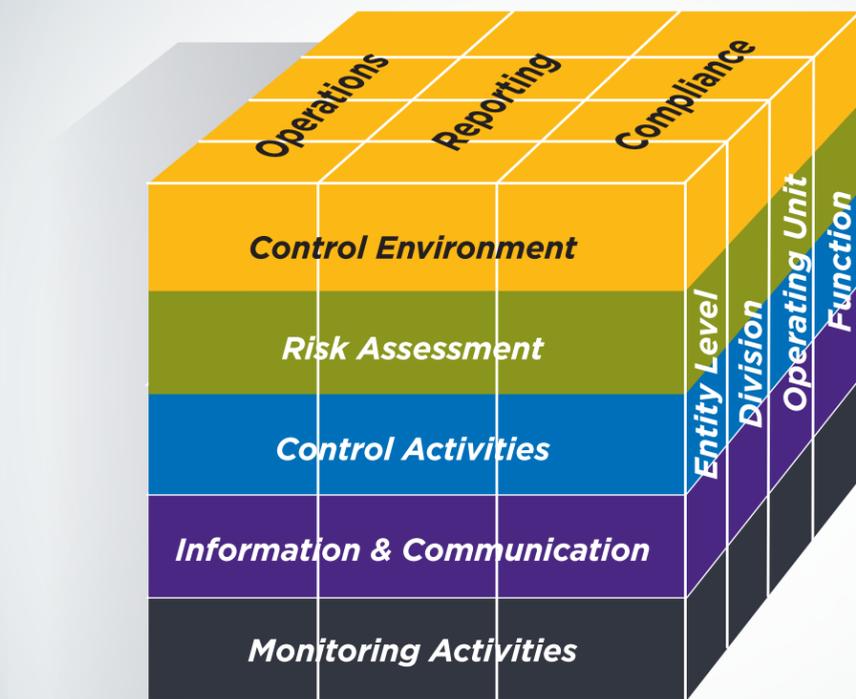
Prepared by: David A. Blanton, CAE/CCO

3.003 Fraud Prevention and Detection

- (1) The Board of Governors is committed to creating an organizational culture where risk management structures are established to prevent and detect fraud within each state university.
- (2) Fraud is defined as an intentional misrepresentation or concealment of a material fact for the purpose of obtaining a benefit that would not otherwise be received, or inducement of another to act upon the intentional misrepresentation or concealment to his or her detriment.
- (3) Each university board of trustees shall adopt a regulation establishing criteria related to appropriate institutional controls and risk management framework that provide reasonable assurance that fraudulent activities within the university's areas of responsibility are prevented, detected, reported, and investigated. The regulation should include at a minimum:
- (a) A zero-tolerance statement concerning fraudulent activity;
 - (b) A definition of fraud and a description of what constitutes fraudulent activities;
 - (c) A statement regarding the applicability of the regulation to all members of the university community, including board of trustees members, university employees, entities contracting with or doing business with the university, vendors, volunteers, and students;
 - (d) The identification of a member or unit within management responsible for designing and overseeing the university's antifraud framework/strategies;
 - (e) A delineation of responsibilities for the prevention, detection, reporting, investigation, and remediation of fraud;
 - (f) A mechanism for reporting suspected fraud and a description of the protections afforded to those who make a report in good faith;
 - (g) Actions to be taken when fraud is identified or substantiated, which may include:
 - 1. Appropriate disciplinary action in accordance with any collective bargaining agreements and/or in consultation with appropriate institutional offices;
 - 2. Recovery of assets/losses;
 - 3. Referral to and/or coordination with law enforcement; and
 - 4. Review and remediation of internal control deficiencies.
 - (h) A process for alerting, as appropriate, senior management, the board of trustees, and the Board of Governors about instances of fraud or investigative outcomes concerning fraud; and
 - (i) Periodic evaluation and reporting to the board of trustees, at least annually, of the status of the antifraud framework used and any necessary revisions to improve the framework.
- (4) The regulation shall be reviewed at least every five (5) years for currency and consistency with applicable Board of Governors and university regulations.

Authority: Section 7(d), Art. IX, Fla. Const., History – New 3-23-2021.

COSO Internal Control — Integrated Framework Principles



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Control Environment

- 1 The organization demonstrates a commitment to integrity and ethical values.
- 2 The board of directors demonstrates independence from management and exercises oversight of the development and performance of internal control.
- 3 Management establishes, with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.
- 4 The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.
- 5 The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives.

Risk Assessment

- 6 The organization specifies objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives.
- 7 The organization identifies risks to the achievement of its objectives across the entity and analyzes risks as a basis for determining how the risks should be managed.
- 8 The organization considers the potential for fraud in assessing risks to the achievement of objectives.
- 9 The organization identifies and assesses changes that could significantly affect the system of internal control.

Control Activities

- 10 The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.
- 11 The organization selects and develops general control activities over technology to support the achievement of objectives.
- 12 The organization deploys control activities through policies that establish what is expected and procedures that put policies into action.

Information & Communication

- 13 The organization obtains or generates and uses relevant, quality information to support the functioning of internal control.
- 14 The organization internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control.
- 15 The organization communicates with external parties regarding matters affecting the functioning of internal control.

Monitoring Activities

- 16 The organization selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning.
- 17 The organization evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the board of directors, as appropriate.