



AGENDA

Board of Governors Foundation, Inc.

Graham Center Ballroom

Florida International University

Miami, Florida

November 21, 2013

11:45 a.m.

or Upon Adjournment of the Board of Governors Meeting

- | | |
|--|--------------------------|
| 1. Call to Order | Chair Dean Colson |
| 2. Approval of Foundation Meeting Minutes
Minutes: November 8, 2012 | Chair Colson |
| 3. Election of 2014 Officers | Chair Colson |
| 4. Consideration of 2014 Operating Budget | Chair Colson |
| 5. Concluding Remarks and Adjournment | Chair Colson |

**STATE UNIVERSITY SYSTEM OF FLORIDA
FLORIDA BOARD OF GOVERNORS FOUNDATION, INC.**

November 21, 2013

SUBJECT: Approval of Minutes of Meeting held on November 8, 2012

PROPOSED FOUNDATION ACTION

Approval of Minutes of Meeting held on November 8, 2012

AUTHORITY FOR BOARD OF GOVERNORS FOUNDATION, INC. ACTION

Florida Board of Governors Foundation, Inc. by-laws

BACKGROUND INFORMATION

Foundation members will review and approve the minutes of the meeting held on November 8, 2012 at New College of Florida.

Supporting Documentation Included: Minutes: November 8, 2012

Facilitators/Presenters: Dean Colson

MINUTES
FLORIDA BOARD OF GOVERNORS FOUNDATION, INC.
NEW COLLEGE OF FLORIDA
SARASOTA, FLORIDA
NOVEMBER 8, 2012

*Video or audio archives of the meetings of the Board of Governors
are accessible at <http://www.flbog.edu/>.*

Mr. Dean Colson, Chair, convened the meeting of the Foundation at 11:46 a.m. Members present were Dean Colson, Mori Hosseini, Dick Beard, Matt Carter, Manoj Chopra, Patricia Frost, Tom Kuntz, Tico Perez, Gus Stavros, Pam Stewart, John Temple, Norman Tripp, Elizabeth Webster, and Cortez Whatley

1. Call to Order

Mr. Colson welcomed members to the annual Board Foundation meeting.

Mr. Colson reminded the members, that the Foundation supports three primary functions:

- a. Manages the Helios and Johnson Scholarship programs. During 2012 the Foundation will have distributed over \$650,000 in scholarships to support about 500 students.
- b. Supports the Chancellor, pursuant to his contract, through supplemental payments.
- c. Supports some of the Board meeting activities and other system meetings.

Mr. Colson expressed appreciation for the support the foundation receives from all of its donors and we wouldn't be able to function without their support.

Mr. Colson directed members to page 451 of the Foundation information. This is the budget that was adopted last year, and you can see the expenditures through September 30 and the projected expenditures through the end of the year. At this point in time, it looks like our total expenditures will be slightly above the adopted budget due to additional scholarships provided to students.

Mr. Colson also asked members to look at page 453 of the packet which shows the 2011 financial statement prepared by our auditor. There were no findings identified by our auditor.

2. Election of 2013 Officers

Mr. Colson moved to the first order of business, the election of officers. The chair and vice chair of the foundation has historically been the chair and vice-chair of this board. Monoka has served as secretary and Tim as treasurer.

Mr. Kuntz moved that the following serve as officers for 2013: Dean Colson as chair, Mori Hosseini as vice chair, Monoka Venters as corporate secretary and Tim Jones as treasurer. Dr. Carter seconded the motion and members of the Foundation concurred

3. Consideration of 2013 Operating Budget

Mr. Colson indicated that the final action was the adoption of the 2013 operating budget. This can be found on page 452 of your agenda material. The proposed budget will be similar to past budgets.

Mr. Kuntz moved the adoption of the 2013 budget as presented. Dr. Carter seconded the motion and members of the Foundation concurred

4. Concluding Remarks and Adjournment

Chair Colson

Having finished all business, the meeting adjourned at 11:46 a.m.

STATE UNIVERSITY SYSTEM OF FLORIDA
FLORIDA BOARD OF GOVERNORS FOUNDATION, INC.

November 21, 2013

SUBJECT: Election of 2014 Foundation Officers

PROPOSED FOUNDATION ACTION

Election of 2014 Officers: Chairperson; Vice Chairperson; Secretary; Treasurer

AUTHORITY FOR BOARD OF GOVERNORS FOUNDATION, INC. ACTION

Florida Board of Governors Foundation, Inc. by-laws

BACKGROUND INFORMATION

The foundation operates on a calendar year basis and elects officers each year to serve for a one year term. This election takes place at the last meeting of the calendar year for the officers that will serve for the next calendar year.

The foundation by-laws outline the following qualifications for membership:

The members of the Florida Board of Governors shall be members of the Foundation Board. In addition, other persons shall be eligible for active membership in this corporation who have been duly elected by a majority of all the members of the Corporation at any annual or special meeting of the members.

In the past the Chair, Vice Chair and the Corporate Secretary for the Florida Board of Governors have been elected to the Chairperson, Vice Chairperson and Secretary, respectively, of the foundation. Additionally, the Treasurer has been elected by a majority of the foundation's board members.

2013 Officers were:

Chairperson – Dean Colson
Secretary – Monoka Venters

Vice Chairperson – Mori Hosseini
Treasurer – Tim Jones

Supporting Documentation Included: 1. Foundation Articles of Incorporation
2. Foundation By-laws

Facilitators/Presenters: Dean Colson

AMENDED AND RESTATED

ARTICLES OF INCORPORATION

OF

**FLORIDA BOARD OF GOVERNORS FOUNDATION, INC.
(formerly known as FLORIDA BOARD OF REGENTS FOUNDATION, INC.)
A FLORIDA CORPORATION NOT FOR PROFIT**

These Amended and Restated Articles of Incorporation, which did not require member approval pursuant to Article IX of the Corporation's original Articles of Incorporation and Florida law, were approved by a majority of the Board of Directors on April 30, 2003.

ARTICLE I

NAME AND ADDRESS

The name of this Corporation shall be: **FLORIDA BOARD OF GOVERNORS FOUNDATION, INC.** The principal office of the Corporation is located at 325 West Gaines Street, Tallahassee, Florida 32399, and the mailing address is 325 West Gaines Street, Tallahassee, Florida 32399.

ARTICLE II

CORPORATE EXISTENCE

The Corporation shall have perpetual existence.

ARTICLE III

CORPORATE PURPOSES

The Corporation shall be a nonprofit, nonsectarian organization formed and operated exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, which purposes shall be to encourage, solicit, receive and administer gifts

and bequests of property and funds for scientific, educational and charitable purposes, all for the advancement of the State University System of Florida and its objectives; and to that end to take and hold, for any of said purposes, funds and property of all kinds, subject only to any limitations or conditions imposed by law or in the instrument under which received; to buy, sell, lease, convey and dispose of any such property and to invest and reinvest any proceeds and other funds, and to deal with and expend the principal and income for any of said purposes; and, in general, to exercise any, and all powers which a corporation not for profit organized under the laws of Florida for the foregoing purposes can be authorized to exercise. The Corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code and to which deductible contributions may be made under Sections 170, 2055, or 2522 of the Internal Revenue Code, as applicable. No part of the assets or the net earnings of the Corporation shall inure to the benefit of any officer, director, member, or any other person. No substantial part of the activities of the Corporation shall be dedicated to attempting to influence legislation by propaganda or otherwise. The Corporation shall not participate or intervene in any political campaign on behalf of any candidate for public office.

During any period that the Corporation may be found to be a private foundation, as defined by Section 509(a) of the Internal Revenue Code, the Corporation shall: (1) distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942(a); (2) not engage or be involved in any act of self-dealing, as defined in Section 4941(d), so as to give rise to any liability for the tax imposed by Section 4941(a); (3) not retain any excess business holdings as defined in Section 4943(c), so as to give rise to any liability for the tax imposed by Section 4943(a); (4) not make any investments which

would jeopardize the carrying out of any of its exempt purposes, within the meaning of Section 4944, so as to give rise to any liability for the tax imposed by Section 4944(a); and (5) not make any taxable expenditures, as defined in Section 4945(d), so as to give rise to any liability imposed by Section 4945(a). Unless otherwise indicated, as used in this Article III and hereinafter, all section references are to the Internal Revenue Code of 1986, as amended, including any corresponding provisions of any subsequently enacted federal tax laws.

ARTICLE IV

CORPORATE POWERS

The Corporation shall have and exercise all powers accorded corporations not for profit under the laws of the State of Florida which are not in conflict with the Corporation's exempt purposes as provided in Article III above.

ARTICLE V

CAPITAL STOCK

The Corporation shall not have capital stock.

ARTICLE VI

MEMBERS

The Corporation shall have no voting members. The Board of Directors may authorize the establishment of nonvoting membership from time to time. The designation of one or more classes of membership, the qualifications and rights of the members of each class, and the manner of their admission to membership shall be regulated by the Bylaws of the Corporation.

ARTICLE VII

BOARD OF DIRECTORS

The powers of the Corporation shall be exercised by or under the authority of, and the affairs of the Corporation shall be managed under the direction of, a Board of Directors, the number of which may be either increased or decreased from time to time as regulated by the Bylaws but shall consist of not fewer than nine. The manner and method of election of the Board of Directors shall be as stated in the Bylaws of the Corporation. Where not inconsistent with Chapter 617, Florida Statutes, and the express provisions of these Articles of Incorporation, the Board of Directors shall have all the rights, powers, and privileges prescribed by law of directors of corporations for profit.

The Board of Directors of the Corporation shall consist of the seventeen (17) members of the Florida Board of Governors, as set forth below, who shall hold office for such terms as provided in the Bylaws of the Corporation and until their successors have been elected and qualified or until their earlier resignation, removal from office, inability to act, or death:

<u>Director</u>	<u>Address</u>
Pamela "Pam" Bilbrey	325 West Gaines Street Tallahassee, FL 32399
Dr. Castell V. Bryant	325 West Gaines Street Tallahassee, FL 32399
John Dasburg	325 West Gaines Street Tallahassee, Florida 32399
Miguel De Grandy	325 West Gaines Street Tallahassee, Florida 32399
Rolland Heiser	325 West Gaines Street Tallahassee, Florida 32399
Gerri Moll	325 West Gaines Street Tallahassee, Florida 32399

Joan Wellhouse Newton	325 West Gaines Street Tallahassee, Florida 32399
Ava L. Parker	325 West Gaines Street Tallahassee, Florida 32399
Thomas F. Petway, III Chairman	325 West Gaines Street Tallahassee, Florida 32399
Carolyn K. Roberts Vice Chairman	325 West Gaines Street Tallahassee, Florida 32399
Chris Sullivan	325 West Gaines Street Tallahassee, Florida 32399
John W. Temple	325 West Gaines Street Tallahassee, Florida 32399
Steven Uhlfelder	325 West Gaines Street Tallahassee, Florida 32399
Zachariah P. Zachariah	325 West Gaines Street Tallahassee, Florida 32399
Jim Horne	325 West Gaines Street Tallahassee, Florida 32399
Dr. Richard W. Briggs	325 West Gaines Street Tallahassee, Florida 32399
Pablo E. Paez	325 West Gaines Street Tallahassee, Florida 32399

ARTICLE VIII

AMENDMENTS

These Articles of Incorporation may be amended by the affirmative vote of at least three-fifths of the members of the Board of Directors present at any regular or special meeting provided proper notice of the changes to be made has been given and a quorum is present, or without a meeting if a consent in writing, signed by the number of Directors whose votes would be necessary to authorize such amendment at a meeting, is filed in the minutes of the Corporation. Within ten days after obtaining such authorization by written consent, notice summarizing the action shall be given to those Directors who have not consented in writing.

ARTICLE IX

DISSOLUTION

Upon dissolution, all of the Corporation's assets remaining after payment of all costs and expenses of such dissolution shall be distributed to the Florida Board of Governors or its successor in interest, to be used exclusively for the purposes set forth in Article III above. None of the assets shall be distributed to any officer, director, or member of the Corporation, or any other person or organization not described in the preceding sentence.

ARTICLE X

REGISTERED OFFICE AND REGISTERED AGENT

The street address of the Registered Office of the Corporation is 325 West Gaines Street, Tallahassee, Florida 32399, and the name of the Registered Agent at such address is **THOMAS F. PETWAY, III.**

IN WITNESS WHEREOF, I have executed these Articles of Incorporation of **FLORIDA BOARD OF GOVERNORS FOUNDATION, INC.**, on this 30th day of April, 2003.

THOMAS F. PETWAY, III
Chairman

STATE OF FLORIDA
COUNTY OF LEON

The foregoing instrument was acknowledged before me this ___ day of _____, 2003, by **THOMAS F. PETWAY, III**, as Chairman of **FLORIDA BOARD OF GOVERNORS FOUNDATION, INC.**, a Florida corporation not-for-profit, ()who is personally known to me, or ()who has produced _____ [type of identification] as identification.

Signature of Notary Public
Notary Stamp/Seal:



**Florida Board of Governors Foundation, Inc.
By-Laws**

Location of Offices

The principal office of the Board of Governors Foundation, Inc. shall be maintained in Tallahassee, Florida.

Annual Meeting

The annual meeting of the active members of this Corporation shall be held on the call of the Chairperson.

This meeting shall be presided over by the Chairperson of the Directors, and in case of the absence of the Chairperson by the Vice-chair of the Board of Directors.

The principal item of business at this meeting shall be the election of the officers of the Corporation and the adoption of the annual budget.

Following the election of officers and the adoption of the budget, other business as may come before the body may be transacted.

At the meeting, a majority of the active members shall constitute a quorum and a majority of those present may transact any business before the body.

Qualifications for Membership

The members of the Florida Board of Governors shall be members of the Foundation Board. In addition, other persons shall be eligible for active membership in this corporation who have been duly elected by a majority of all the members of the Corporation at any annual or special meeting of the members.

Board of Directors

The duties of the Board of Directors shall be as follows:

1. To discharge faithfully all the duties imposed upon it by the Charter of this Corporation and to see that all other provision of said charter are properly executed.
2. To meet upon the call of (1) the Chairperson of the Board, or (2) any three members of the Board.
3. To select a bank or banks or other depositories for the deposit of the funds and securities in the banks or other depositories designated, and to cause said bank or banks or other depositories to pay out said funds and deliver said securities only upon checks, vouchers, or other orders signed either by the Chairperson, the Treasurer, Vice-Chair or the Secretary of this Corporation.



4. If specifically approved by the Board, require the Treasurer and such other persons as receive, collect, or otherwise handle funds of this Corporation a good and sufficient bond for the faithful performance of their duties in connection therewith.
5. To cause an audit of the books of the Treasurer to be made as soon as practicable after the close of the fiscal year of the Corporation and to have it reported to the Chairperson of this Corporation at once and to the Board of Directors at their next meeting thereafter; provided that in case of vacancy in the office of the Treasurer, such audit shall be made and reported immediately.
6. To appoint and employ such individuals as may be necessary to carry on the activities of this Foundation.

Duties of Officers

Chairperson – The duties of the Chairperson shall be as follows:

1. To preside at all meetings of the Board of Directors.
2. To join with the Secretary in signing the name of this Corporation to all papers, documents and writings requiring the signature of this Corporation, except as herein otherwise provided.
3. To see that the orders of the Board of Directors are carried out promptly or to advise said Board if its orders are not carried out.
4. To hold office until a successor is appointed and enters upon the discharge of the duties of the office.

Vice-Chairperson – The duties of the Vice-Chair shall be as follows:

1. To perform the duties of the Chair during the absence or incapacity of that officer.
2. To hold office until a successor is appointed and enters upon the discharge of the duties of the office.

Secretary – The duties of the Secretary shall be as follows:

1. To attend meetings of the Corporation and all meeting of the Board of Directors.
2. To keep accurate minutes of the proceedings of all afore-said meetings and preserve same in a book of such nature as to serve as a permanent record.
3. To keep on record a copy of the Charter of this Corporation and a copy of the By-Laws.
4. To join with the Chair in signing the name of this Corporation to all papers, documents and writing requiring the signature of this Corporation, except as herein otherwise provided.
5. To keep the seal of this Corporation and affix same to such official documents, records and papers as may be required.
6. To carry on such of the general correspondence of this Corporation as may be assigned by the Chairman of the Board of Directors.
7. To keep an accurate list of all active, associate, sustaining and honorary members of this Corporation.
8. To hold office until a successor is appointed and enters upon the discharge of the duties of the office.
9. To present written reports as necessary.



Treasurer – The duties of the Treasurer shall be as follows:

1. To receive and have the care and custody of all the funds and securities of this Corporation and to deposit same in the name of this Corporation and to deposit same in the name of this Corporation in such bank, or banks, or other depositories as may be selected by the Board of Directors.
2. To sign all checks, vouchers, or other orders drawn upon the bank or banks or other depositories in which the funds and securities of this Corporation are deposited, except that other officers as specified elsewhere in these by-laws may sign such checks, vouchers or other orders in the stead of the Treasurer.
3. If specifically required by the Board, give such bond for the faithful performance of the duties of the office may require.
4. To account to the successor in office for all funds and securities which were listed on the books at the time of the last audit and all funds and securities which have come to the Treasurer since the last audit of the books of the office and deliver over to the successor such funds and securities which remain on hand upon the appointment and qualification of said successor.

Compensation of Officials

The directors and officers of this Corporation shall not receive any compensation from this Corporation for their services as director or officer; provided, however, that they may, upon order by the Board of Directors, be reimbursed from the funds of the Corporation for any traveling expenses or other expenditures incurred by them in the proper performance of their duties.

Filling Vacancies

Whenever a vacancy occurs in any office or on the Board of Directors of this Corporation, it shall be filled by appointment made by the Chairperson of the Board of Directors immediately upon notice of such vacancy.

The newly appointed member or officer shall act during the remainder of the unexpired term of the predecessor.

Seal

The seal of this Corporation shall be in the form of a circle and shall bear, among other things, the name of the Corporation and the date of its incorporation.

Amending By-Laws

These By-Laws may be amended only at a regular or special meeting for this purpose, written notice shall be given to each active member of this Corporation at least five days before the date set for the meeting, and such notice shall indicate the provision sought to be amended and the nature of the amendment proposed to be adopted.

**STATE UNIVERSITY SYSTEM OF FLORIDA
FLORIDA BOARD OF GOVERNORS FOUNDATION, INC.**

November 21, 2013

SUBJECT: 2014 Operating Budget

PROPOSED FOUNDATION ACTION

Approve the 2014 operating budget for the Board Foundation.

AUTHORITY FOR BOARD OF GOVERNORS FOUNDATION, INC. ACTION

Florida Board of Governors Foundation, Inc. by-laws

BACKGROUND INFORMATION

The Foundation operates on a calendar year basis pursuant to an approved operating budget. The approval of an impending year's proposed budget takes place at the last meeting of the current calendar year. The proposed budget represents a continuation of educational initiatives and activities of the Foundation.

During the 2013 year the Foundation has been very active in supporting activities of the Chancellor and the Board and most notably providing funds to the universities in support of student scholarships. In addition, the Board has supported activities associated with the Higher Education Coordinating Council and other system initiatives.

In December 2006 the Board received a generous donation from the Helios Foundation. The investment earnings from this endowment support first generation scholarships. During this year the Board's Foundation distributed \$100,000 in investment earnings to the university foundations to support first generation students. In addition, the Foundation managed and will distribute approximately \$600,000 in Theodore and Vivian Johnson Scholarships which support disabled students attending a state university and have a demonstrated financial need.

The 2013 budget adopted by the Foundation is on track. For revenues, the state was unable to match the Johnson Foundation gift as outlined in statute. A copy of the 2013 budget and year-to-date expenditures is attached.

The 2014 budget proposed is consistent with previous year's budgets. Given the state's revenue picture, it is doubtful the State will be able to match the Johnson Foundation's annual gift, thus the revenue is not being included in the budget. Expenditures are expected to be approximately the same.

Attached is the Foundation's 2012 audited financial statement indicating compliance with generally accepted accounting procedures.

Supporting Documentation Included:

1. 2013 Operating Budget and Year-to-Date Expenditures
2. Proposed 2014 Operating Budget
3. 2012 Audited Financial Statement

Facilitators/Presenters: Dean Colson



Florida Board of Governors Foundation, Inc.
2013 Operating Budget
as of September 30, 2013

	-----Budget Adopted for 2013-----				Actual Revenues / Expenditures September	Over (Under) Budget
	General Account	Theodore & Vivian Johnson Grant Account	Helios First Generation Account	Total All Accounts		
REVENUES						
Johnson Donation	\$0	\$500,000	\$0	\$500,000	\$550,000	\$50,000
Johnson Donation State Match	\$0	\$0	\$0	\$0	\$0	\$0
Contributions	\$275,000	\$0	\$0	\$275,000	\$55,274	(\$219,726)
Interest Earned	\$8,900	\$4,300	\$108,000	\$121,200	\$54,148	(\$67,052)
Total Revenues	\$283,900	\$504,300	\$108,000	\$896,200	\$659,422	(\$236,778)
EXPENSES						
Administration	\$4,800	\$0	\$0	\$4,800	\$4,531	(\$269)
Emoluments	\$265,000	\$0	\$0	\$265,000	\$128,883	(\$136,117)
Scholarships/ Awards	\$0	\$500,000	\$106,000	\$606,000	\$385,254	(\$220,746)
Meetings	\$13,000	\$0	\$0	\$13,000	\$6,592	(\$6,408)
Miscellaneous	\$4,000	\$0	\$0	\$4,000	\$4,653	\$653
Total Expenses	\$286,800	\$500,000	\$106,000	\$892,800	\$529,913	(\$362,887)
Net Increase/(Decrease)	(\$2,900)	\$4,300	\$2,000	\$3,400	\$129,509	
Fund Balance, Beginning	\$520,959	\$74,347	\$5,055,291	\$5,650,597	\$5,650,597	
Fund Balance, Ending	\$518,059	\$78,647	\$5,057,291	\$5,653,997	\$5,780,106	



**Florida Board of Governors Foundation, Inc.
2014 Estimated Operating Budget**

	<u>General Account</u>	<u>Theodore & Vivian Johnson Grant Account</u>	<u>Helios First Generation Account</u>	<u>Total All Accounts</u>
<u>REVENUES</u>				
Johnson Donation	\$0	\$550,000	\$0	\$550,000
Johnson Donation State Match	\$0	\$0	\$0	\$0
Contributions	\$275,000	\$0	\$0	\$275,000
Interest Earned	\$3,883	\$3,213	\$65,099	\$72,195
Total Revenues	<u>\$278,883</u>	<u>\$553,213</u>	<u>\$65,099</u>	<u>\$897,195</u>
<u>EXPENSES</u>				
Administration	\$4,800	\$0	\$0	\$4,800
Emoluments	\$265,000	\$0	\$0	\$265,000
Scholarships/ Awards	\$0	\$550,000	\$95,000	\$645,000
Meetings	\$13,000	\$0	\$0	\$13,000
Miscellaneous	\$5,000	\$0	\$0	\$5,000
Total Expenses	<u>\$287,800</u>	<u>\$550,000</u>	<u>\$95,000</u>	<u>\$932,800</u>
Net Increase/(Decrease)	(\$8,917)	\$3,213	(\$29,901)	(\$35,605)
Fund Balance, Beginning 1/1/14	\$435,286	\$46,952	\$5,046,641	\$5,528,879
Fund Balance, Ending 12/31/14	<u>\$426,369</u>	<u>\$50,165</u>	<u>\$5,016,740</u>	<u>\$5,493,274</u>

developed October 2013

**FLORIDA BOARD OF GOVERNORS FOUNDATION, INC.
TALLAHASSEE, FLORIDA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

**FLORIDA BOARD OF GOVERNORS FOUNDATION, INC.
Tallahassee, Florida**

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1606 N. MERIDIAN ROAD
TALLAHASSEE, FLORIDA 32308
PHONE (850) 509-5927
FAX (850) 412-0326

Independent Auditors' Report

To The Board of Directors of the Florida Board of Governors Foundation, Inc.
Tallahassee, Florida

We have audited the accompanying financial statements of the Florida Board of Governors Foundation, Inc., (a nonprofit organization), which comprise the statement of financial position as of December 31, 2012, and the related statement of activities and cash flows for the year then ended, and the related notes to the financial statements.

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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 that we have obtained is sufficient and appropriate to

provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida Board of Governors Foundation, Inc., as of December 31, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated, April 19, 2013, on our consideration of Florida Board of Governors Foundation, Inc. internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and agreements and other matters. The purpose of that report is 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 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 Florida Board of Governors Foundation, Inc.'s internal control over financial reporting and compliance.



Kaye Kendrick Enterprises, LLC
Tallahassee, Florida
April 19, 2013

**FLORIDA BOARD OF GOVERNORS FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2012**

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 5,650,597
Accounts Receivable	704
Contribution Receivable	44,274
Accrued Interest Receivable	<u>10,395</u>
Total Current Assets	5,705,969

Total Assets	<u>\$ 5,705,969</u>
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LIABILITIES AND NET ASSETS

Liabilities	\$ -
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Net Assets

Unrestricted	448,897
Temporarily Restricted	<u>5,257,072</u>
Total Net Assets	5,705,969

Total Liabilities and Net Assets	<u>\$ 5,705,969</u>
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The accompanying notes are an integral part of these financial statements.

FLORIDA BOARD OF GOVERNORS FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

Unrestricted Net Assets

Unrestricted Revenues and Gains

Contributions	\$ 309,692
Interest Income	8,210
Total Unrestricted Revenue and Gains	<u>317,902</u>

Net Assets Released from Restrictions

Satisfaction of Program Activities	<u>713,808</u>
Total Net Assets Released from Restrictions	<u>713,808</u>

Total Unrestricted Revenue, Gains and Other Support	<u>1,031,710</u>
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Expenses

Program Services	
Grants and Scholarships	713,808
Supplemental Chancellor Payments	265,606
Education Conferences and Meetings	11,837
Supporting Services	
Management and Administrative	10,901
Total Expenses	<u>1,002,152</u>

Increase in Unrestricted Net Assets	29,558
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Temporarily Restricted Net Assets

Contributions	550,000
Interest Income	115,721
Net assets released from restrictions	<u>(713,808)</u>

Increase (Decrease) in Temporarily Restricted Net Assets	(48,087)
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Increase (Decrease) in Net Assets	(18,529)
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Net Assets at Beginning of Year	5,724,498
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Net Assets at End of Year	<u><u>\$ 5,705,969</u></u>
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The accompanying notes are an integral part of these financial statements.

**FLORIDA BOARD OF GOVERNORS FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Cash Flows from Operating Activities	
(Decrease) in Net Assets	\$ (18,529)
Adjustments to Reconcile Decrease in Net Assets to Net Cash Provided by Operating Activities:	
(Increase) Decrease in Operating Assets	
Accounts Receivable	(44,976)
Accrued Interest Receivable	(1,137)
Net Provided by Operating Activities	(46,113)
Net Decrease in Cash and Cash Equivalents	(64,642)
Beginning Cash and Cash Equivalents	5,715,239
Ending Cash and Cash Equivalents	\$ 5,650,597

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

**FLORIDA BOARD OF GOVERNORS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Florida Board of Governors Foundation, Inc. encourages, solicits, receives and administers gifts and bequests of property and funds for scientific, educational, and charitable purposes, all for the advancement of the State University System of Florida. The organization is supported primarily through state university foundation contributions. There are two types of university contributions, as follows: (a) general contributions and (b) special contributions. General and special contributions are generally made and recognized on a calendar year basis.

Cash and Cash Equivalents

The Cash and Cash Equivalents includes monies in bank and money market funds held by financial institutions qualified as public depositories under Florida law, as well as pooled investments with the State Treasury (see Note 2). The pooled investments are on account with the Office of the Treasurer of the State of Florida Community of Public Investments and are reported at their fair values in the statement of financial position. The investments held by the State Treasurer's office on behalf of the organization have been made in accordance with state statutes. As a participant in the Special Purpose Investment Account (SPIA) in the Florida Treasury Investment Pool, the organization owns a share of the pool, not the underlying securities.

Contributions

Contributions received are recorded as unrestricted or temporarily restricted, depending on the existence or nature of any donor restrictions. The organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Income Taxes

The organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as a private foundation.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**FLORIDA BOARD OF GOVERNORS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE B - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at the end of 2012 are related to two programs: (1) the Helios Education Foundation First Generation Scholars Program to provide scholarships for first generation students at universities in Florida's State University System and (2) the Johnson Scholarship Foundation grants and scholarships for equipment and assisted services to students with disabilities annual awards. The temporarily restricted net assets are available for the following purposes or periods:

Helios Education Foundation First Generation Scholars Program	\$ 5,182,126
Johnson Scholarship Foundation Grants & Scholarships	<u>74,946</u>
	<u>\$ 5,257,072</u>

NOTE C – CASH AND CASH EQUIVALENTS

The Cash and Cash Equivalents consists of cash in a qualified financial institution of \$109,290 and their share of pooled investments in the State Treasury (pool) at a fair value totaling \$5,613,316 at December 31, 2012. The unaudited Fair Value factor for the pooled investments at December 31, 2012, was 1.0163. Relative to risk, (1) the pool is rated by Standard and Poor's with a rating as of December 31, 2012, of A+f, (2) the effective duration of the Florida Treasury Pool, as of December 31, 2012, was 2.59 years, and (3) State law and investment policy does not authorize the pool to purchase investments in foreign currencies. Disclosures for the pool are made in Note 2 of the State of Florida Comprehensive Annual Financial Report.

The interest income summarized in the statement of activity for the year ended December 31, 2012, net of fees of \$6,088, is as follows:

Unrestricted Interest Income	\$ 8,210
Restricted Interest Income	<u>115,721</u>
Total investment return	<u>\$ 123,931</u>

NOTE D – CONTRIBUTION RECEIVABLE

Contribution receivable consists of a 2012 contribution from the University of Central Florida received in fiscal year 2013, in the amount of \$44,274.

NOTE E – EVALUATION OF SUBSEQUENT EVENTS

The organization has evaluated subsequent events through April 19, 2013, the date the financial statements were available to be issued.

INDEPENDENT AUDITORS' 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

To The Board of Directors of the Florida Board of Governors Foundation, Inc.
Tallahassee, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Florida Board of Governors Foundation, Inc. (a nonprofit organization), which comprised the statement of financial position as of December 31, 2012, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon, dated April 19, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Florida Board of Governors Foundation, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Florida Board of Governors Foundation, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the organization's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Florida Board of Governors Foundation, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and agreements, noncompliance with which could have a direct and material effect on the determination of

financial statement amounts. 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

This 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Kaye Kendrick Enterprises, LLC
Tallahassee, Florida
April 19, 2013