



BOARD OF TRUSTEES

Governance, Audit, & Compliance Committee Meeting Agenda

February 6, 2026
10:15 AM – 11:00 AM

**Florida Polytechnic University
VIRTUAL VIA MICROSOFT TEAMS**

Dial in: 1-863-225-2351 | Conference ID: 803 006 572#

COMMITTEE MEMBERS

Ilya Shapiro, Chair
Jesse Panuccio

Dr. Sidney Theis, Vice Chair
Jeffrey Beelaert

Patrick Hagen

MEETING AGENDA

I.	Call to Order	Ilya Shapiro, Chair
II.	Roll Call	Kristen Wharton, Corporate Secretary
III.	Public Comment	Ilya Shapiro
IV.	<u>Approval of the November 10, 2025 Minutes</u> *Action Required*	Ilya Shapiro
V.	<u>2024-2026 Finance & Facilities Committee Work Plan</u> <u>Review</u>	Ilya Shapiro
VI.	Audit and Compliance	David Blanton, CAE and CCO
	A. <u>Audit and Compliance Update</u>	
	B. <u>PBF Audit and Data Integrity Certification</u> *Action Required*	
	C. <u>Foundation Financial Audit</u>	
VII.	Governance	Dr. Devin Stephenson President
	A. <u>Employment Practices Report</u>	

B. Discuss Nominations for Board Chair and Vice Chair Positions Ilya Shapiro
for 2026-2028

VIII. Closing Remarks and Adjournment Ilya Shapiro



BOARD OF TRUSTEES

Governance, Audit, and Compliance Committee

DRAFT Meeting Minutes

November 10, 2025
2:15 P – 3:15 P

Florida Polytechnic University
Virtual via Microsoft Teams

I. Call to Order

Committee Chair Ilya Shapiro called the Governance, Audit, & Compliance Committee meeting to order at 2:15 p.m.

II. Roll Call

Kristen Wharton called the roll: Committee Chair Ilya Shapiro, Committee Vice Chair Sidney Theis, Trustee Patrick Hagen, and Trustee Jesse Panuccio were present (Quorum)

Committee members not present: n/a

Other Trustees present: Board Chair Beth Kigel, Trustee Colby Manrodt, Trustee Sumanth Neelam

Staff Present: President Devin Stephenson, David Blanton, Michael Pierce, Provost Brad Thiessen, Bryan Brooks, Dr. Tanner McKnight, Kelli Stargel, and Kristen Wharton

III. Public Comment

There were no requests received for public comment.

IV. Approval of the September 18, 2025, Minutes

Trustee Patrick Hagen made a motion to approve the Governance, Audit, and Compliance Committee meeting minutes for September 18, 2025. Trustee Jesse Panuccio seconded the motion; a vote was taken, and the motion passed unanimously.

V. 2024-2026 Governance, Audit, and Compliance Committee Work Plan

Committee Chair Shapiro reviewed the Governance, Audit, and Compliance Committee Work Plan. There was no discussion on this item.

VI. Audit and Compliance

A. Audit and Compliance Update

David Blanton, CAE and CCO, provided an update on both external and internal audit activities. Committee Chair Shapiro asked whether anything in the audit reviews had been unexpected. Blanton reported that no audit reports have been issued to date and that he is not aware of any findings that would cause concern.

B. Textbook Affordability Monitoring Report (Fall semester)

Blanton reviewed requirements and results of this year's monitoring review. Ninety-five percent of textbooks were posted within 45 days of the first day of classes. Additionally, requirements for general education syllabi postings and faculty attestations were in compliance with State requirements.

C. IT Audit: Follow-up Review

Blanton reminded trustees that the IT audit identified one public and six confidential findings. The public finding on security awareness training has been resolved, and the confidential findings have either been corrected or mitigated through compensating controls.

In response to President Stephenson, Blanton confirmed that the audit was conducted in April 2023. Blanton noted that most issues stemmed from legacy systems that lacked adequate security capabilities. Committee Chair Shapiro instructed him to elevate any significant issues to the President and, when appropriate, to the Board.

VII. Governance

A. President's Annual Evaluation for FYE25

Committee Chair Shapiro introduced outside counsel Michael Pierce and invited him to present the results of the President's FY25 annual evaluation. Before beginning his review, Pierce asked Board Chair Beth Kigel to share her recent conversation with Brian Lamb, Chair of the Board of Governors (BOG).

Board Chair Kigel reported that Chair Lamb expressed strong appreciation for President Stephenson's increased engagement with both the BOG and his peers within the SUS. Chair Lamb also commended the President for the significant positive changes at the University and the substantial accomplishments achieved over the past year.

Pierce then presented the evaluation results, including charts illustrating trustee ratings of President Stephenson's performance. Of the nine trustees who completed the survey, one trustee rated the President as "Achieved," and eight rated him as "Exceeded."

Trustee Sid Theis made a motion to recommend approval of the document "*President's Annual Review, July 2024-2025, Composite of the Trustees' Evaluations*" reflecting the President's annual evaluation for 2024-2025 to the Board of Trustees. Trustee Patrick Hagen seconded the motion; a vote was taken, and the motion passed unanimously.

B. President's Compensation and Bonus

President Stephenson recused himself for this portion of the meeting.

Committee Chair Shapiro noted that, under the President's employment agreement, he is entitled to an annual base salary increase of at least 3.5% and is eligible for performance compensation when his overall rating is "Achieved" or higher.

Chair Shapiro opened the floor for discussion regarding the base salary; no comments were offered. He then turned to the performance compensation bonus and reviewed the aggregated evaluation results. The combined scores placed the President's performance between "Achieved" and "Exceeded," trending closer to "Achieved," which would correspond to a mid-range bonus of approximately 25%.

Chair Kigel advocated for a bonus in the range of 27-28%, citing President Stephenson's exceptional first year. Trustee Hagen agreed, noting the President's strong work ethic, vision, and drive, and

expressed support for a bonus of 27–28%. Vice Chair Panuccio acknowledged the President's outstanding year but expressed concern that awarding a bonus at the top of the scale so early could limit room for future performance-based recognition. He suggested presenting a range for the Board's consideration. Chair Kigel also recommended that the Committee consider conducting the evaluation earlier in the year and potentially refining the overall process.

Trustee Sid Theis commented that trustees weigh evaluation components differently and suggested a more statistical approach in the future. Trustee Theis then recommended a 27.5% bonus. Vice Chair Panuccio proposed that the Committee recommend a performance compensation range of 25–28% to the Board for further discussion.

Trustee Ilya Shapiro made a motion to recommend approval to the Board:

- 1. Award the President a 3.5% increase to his base salary; and**
- 2. Award the President a performance compensation/bonus in the range of 25-28% of his current annual base salary.**

Vice Chair Jesse Panuccio seconded the motion; a vote was taken, and the motion passed unanimously.

VIII. Closing Remarks and Adjournment

With no further business to discuss the meeting adjourned at 2:56 p.m.

Respectfully submitted:

Kristen Wharton
Corporate Secretary

**Florida Polytechnic University
Governance, Audit, and Compliance Committee
Board of Trustees
February 6, 2026**

Subject: 2024-2026 Governance, Audit, and Compliance Committee Work Plan

Proposed Committee Action

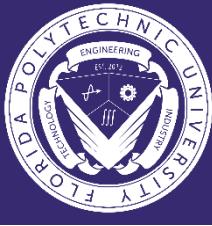
No action is required unless changes are requested.

Background Information

Committee Chair Ilya Shapiro will review the Committee's 2024-2026 Committee Work Plan.

Supporting Documentation: Governance, Audit, and Compliance Committee Work Plan 2024-2026

Prepared by: Kristen Wharton, Corporate Secretary



Committee Work Plan

Governance, Audit, and Compliance Committee Work Plan 2024-2026

SEPTEMBER

- Review Governance, Audit, and Compliance Committee Charter (review every two years – due September 2026)

Governance:

- Make recommendation on the trustee evaluation instrument to be used for President's annual review
- Review President's Outcome Metrics (for prior FY)
- Review President's Powers and Duties (if needed)
- Employment Practices Report

Audit and Compliance:

- University Operational Audit – Auditor General (*minimum every three years*)
- UAC Annual Report (*prior FY*)
- UAC Risk Assessment and Audit Plan (*current FY*)
- University Compliance and Ethics Program Plan (*current FY*)
- Performance Based Funding Audit Scope Approval
- Audit and Compliance Charter Reviews (*every three years – due 2026*)

NOVEMBER

Governance:

- Make recommendations to the Board on President's evaluation outcome and compensation changes
- Make recommendation to Board on renewal of President's employment agreement and any necessary changes to the agreement (*due 2026*)

Audit and Compliance:

- Textbook Affordability Monitoring Report (*Fall semester*)
- Foundation Financial Audit (*Prior FY*)

FEBRUARY

Governance:

- Review Board Bylaws (review every 3 years – due 2027)
- Discuss nominations for Board Chair and Vice Chair (every 2 years - due February 2026)
- Oversee Board self-assessment (every 5 years – due February 2028)
- Employment Practices Report

Audit and Compliance:

- Performance Based Funding Audit and Data Integrity Certification
- University Annual Financial Audit (*prior FY*)
- Foundation 990 Financial Audit (*prior FY*)

JUNE

Governance:

- Make recommendation to Board on President's proposed goals for FY+1
- Discuss Board training needs
- Make recommendation on nominations for Board Chair and Vice Chair (every two years – due May 2026)

Audit and Compliance:

- Textbook Affordability Monitoring Report (*Spring semester*)
- Bright Futures Audit (*review and approve every two years – due June 2026*)

**Florida Polytechnic University
Governance, Audit and Compliance Committee
Board of Trustees
February 6, 2026**

Subject: Audit & Compliance Update

Proposed Committee Action

Information only – no action required.

Background Information

David Blanton, Chief Audit Executive/Chief Compliance Officer (CAE/CCO) will provide the Committee with an update of all University audit and compliance activity including the status of all external audits and University Audit & Compliance activities and plans.

Supporting Documentation: N/A

Prepared by: David A. Blanton, CAE/CCO

**Florida Polytechnic University
Governance, Audit and Compliance Committee
Board of Trustees
February 6, 2026**

Subject: Performance-Based Funding Data Integrity Audit and Certification

Proposed Committee Action

Recommend approval to the Board of Trustees of the Performance-Based Funding (PBF) Data Integrity Audit performed by University Audit and the related PBF Certification both due to the Board of Governors by March 1, 2026.

Background Information

The Performance-Based Funding (PBF) Model currently includes 10 metrics that evaluate all State University institutions. The Florida Board of Governors designed the model to (1) promote the Board of Governors' strategic plan goals for State Universities (2) reward excellence or improvement (3) have a few clear, simple metrics, and (4) acknowledge the unique mission of the various State institutions. Accordingly, the PBF model has several metrics common to all State institutions, one selected by the Board of Governors: and one selected by the Florida Poly Board of Trustees.

State institutions are evaluated on either excellence or improvement for each PBF metric. The Board of Governors uses data from various data submissions from the most current year to evaluate PBF performance and to make PBF funding decisions for each institution. Therefore, the integrity of data submitted to the Board of Governors is crucial to determining achievement towards strategic goals and funding decisions within the PBF model. Accordingly, Section 1001.92, Florida Statutes, provides that each university shall conduct an annual audit to verify that the data submitted complies with the data definitions established by the Board of Governors and submit the audit to the Board's Office of Inspector General as part of the annual certification process. These data submissions and related controls are the focus of this audit.

This audit allows the Board Chair and President to certify the accuracy of data submissions to the Board of Governors and enhance public trust and confidence in this process.

Board of Governors (BOG) Regulation 5.001(8) provides that a data integrity certification is to be provided to the BOG's Office of Inspector General by March 1 of each year. The certification drafted by the BOG includes certain representations which are to be certified and signed by the University President and the BOT Chair after being approved by the Board of Trustees. The PBF audit serves as the basis for the Board Chair and President to certify the accuracy of data submissions to the Board of Governors.

Supporting Documentation:

1. Report No. FPU 2026-06, Performance-Based Funding Data Integrity Audit (issued by University Audit)
2. Data Integrity Certification – March 2026

Prepared by: David A. Blanton, CAE/CCO



Report No: FPU 2026-06

January 2026

**University Audit & Compliance
Performance-Based Funding
Data Integrity Audit
For the Period Ending September 30, 2025**

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

**University Audit & Compliance
Performance-Based Funding Data Integrity Audit
For the Audit Period Ending September 30, 2025**

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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.

Executive Summary:

Pursuant to the Audit Work Plan¹ approved by the Audit & Compliance Committee and the requirement set forth by State law² and Board of Governors (BOG) Regulations³, University Audit and Compliance (UAC) conducted an audit of Performance-Based Funding (PBF) Data Integrity as of September 30, 2025, and certain actions thereafter.

The objectives of this audit were to:

- Determine whether the University has established appropriate controls to ensure the completeness, accuracy, and timeliness of data submissions to the BOG which relate to the PBF metrics of the University.
- Provide assurance that the various data files which relate to the PBF metrics have been subjected to audit and evaluated for accuracy and completeness.
- Provide reasonable assurance to the President and the Chair of the Board of Trustees that certain representations included in the PBF – Data Integrity Certification form are fairly presented and therefore can be affirmed in the required certification.

Audit fieldwork was conducted from October 2025 through January 2026. This audit was conducted in accordance with the Institute of Internal Auditors *International Standards for the Professional Practice of Internal Auditing* (Standards). Accordingly, these audit procedures provide a reasonable basis for the conclusions drawn from this audit.

Based on the results of this audit, UAC concludes that the University has established appropriate controls and processes to (1) ensure the completeness, accuracy, and timeliness of data submissions to the BOG which support the PBF metrics and (2) affirm the various representations in the PBF – Data Integrity Certification form, except as noted below:

No reportable matters noted.

¹ UAC Risk Assessment and Audit Plan for the Fiscal Year Ended June 30, 2026.

² Section 1001.92, Florida Statutes, SUS Performance-based Incentive.

³ Board of Governors Regulation 5.001(8), Performance-Based Funding.

Background, Objectives, Scope, and Methodology:

Background:

The Performance-Based Funding (PBF) Model currently includes ten metrics that evaluate all State University System (SUS) institutions. The Florida Board of Governors (BOG) designed the model to (1) promote the BOG's strategic plan goals for the SUS (2) reward excellence or improvement (3) have a few clear, simple metrics, and (4) acknowledge the unique mission of the various SUS institutions. Accordingly, the PBF model has several metrics common to all SUS institutions; one selected by the BOG; and one selected by the Florida Poly Board of Trustees (BOT). See **Exhibit C** for a description of the various PBF metrics applicable to Florida Poly.

SUS institutions are evaluated on either excellence or improvement for each PBF metric. The BOG uses data from various data submissions from the most current year to evaluate PBF performance and to make PBF funding decisions for each institution. Therefore, the integrity of data submitted to the BOG is crucial to determining achievement towards strategic goals and funding decisions within the PBF model. Accordingly, State law⁴ provides that each university shall conduct an annual audit to verify that the data submitted complies with the data definitions established by the BOG and submit the audit to the BOG's Office of Inspector General as part of the annual certification process required by the BOG. These data submissions and related controls are the focus of this audit. Although this audit provides assurance over the data submitted to the BOG, the ultimate responsibility for the accuracy and completeness of PBF data submissions and the related data resides with university management.

Objectives:

The objectives of this audit were approved⁵ prior to audit completion and were as follows:

- Determine whether the University has established appropriate controls to ensure the completeness, accuracy, and timeliness of data submissions to the BOG which relate to the PBF metrics of the University.
- Provide assurance that the various data files which relate to the PBF metrics have been subjected to audit and evaluated for accuracy and completeness.
- Provide reasonable assurance to the President and the Chair of the BOT that representations included in the PBF – Data Integrity Certification form are fairly presented and therefore can be affirmed in the required certification.

⁴ Section 1001.92, Florida Statutes, SUS Performance-based Incentive.

⁵ Approved by the Florida Poly Audit and Compliance Committee on September 18, 2025, and approved by the Florida Poly BOT on September 26, 2025.

Scope and Methodology:

The scope of this audit was approved⁵ prior to audit completion and included the following:

- An evaluation of the validity of representations outlined in the Performance Based Funding – Data Integrity Certification form.
- An evaluation of controls established to ensure the completeness, accuracy, and timeliness of data files that were submitted to the BOG.
- An evaluation of access controls.
- Testing of certain PBF data submissions for accuracy, completeness, and consistency with data definitions and guidance provided by the BOG.
- A review of data resubmissions and data reclassifications to ensure that they were appropriate and conform to BOG guidance.

UAC assessed the risk of material noncompliance with BOG data reporting requirements and obtained an understanding of data integrity controls to adequately design audit procedures necessary to accomplish the audit objectives. Audit procedures included, but were not limited to, the evaluation of internal controls, reviewing written policies and procedures, interviewing key personnel, and performing tests and analysis to evaluate whether control procedures were adequately designed and operating effectively to ensure the completeness, accuracy, and timeliness of data files submitted to the BOG for PBF funding decisions.

UAC would like to acknowledge that University staff who took part in the audit were knowledgeable of their respective areas, responded quickly to questions, and showed patience throughout the audit engagement. Their cooperation was greatly appreciated.

UAC conducted this audit in accordance with the Institute of Internal Auditors *International Standards for the Professional Practice of Internal Auditing* (IIA Standards).

Audit Observations and Recommendations:

Overall, based on the results of audit procedures performed, UAC concludes that controls over PBF data submissions during the audit period were adequate to ensure reliable processes and procedures designed to ensure that data required in reports filed with the BOG are recorded, processed, summarized, and reported in a manner which ensures accuracy and completeness.

No reportable matters were noted for the current audit.

Exhibit A: Audit Observation Risk Ranking Matrix

NOTE: Not applicable for the current year – no reportable matters noted.

Risk Rating: High

This is a high priority observation; immediate attention from University personnel is required. This is a serious internal control or risk management issue that if not corrected or mitigated could lead to serious consequences.

The criteria that define this rating are as follows: Substantial risk of loss; serious risk of violation of University strategies, policy, or values; serious risk of reputational damage and/or significant risk of adverse impact.

Examples of deficiencies for this rating include, but are not limited to, no existing policy, controls do not exist or not placed into operation, significant fraud detected, considerable number of questioned transactions, and/or significant noncompliance observed.

Risk Rating: Moderate

This is a medium priority observation; timely attention from University personnel is warranted.

The criteria that define this rating are as follows: Moderate risk of financial losses, moderate risk of loss of controls within the program or area audited, and/or adverse impact resulting in moderate sanctions or penalties.

Examples of deficiencies for this rating include, but are not limited to, inconsistent application of policy, only mitigating controls exist, and/or requires additional evaluation or review.

Risk Rating: Low

This is a low priority observation; routine attention from University personnel may be warranted. Recommendation may lead to improvement in the quality and/or efficiency of the process or area audited. Risks are limited.

The criteria that define this rating are as follows: Remote risk of inappropriate activity, insignificant adverse impact, and/or immaterial amounts involved.

Examples of deficiencies for this rating include, but are not limited to, controls exist but only nominal exceptions noted, compensating controls exist but internal controls could be enhanced.

Exhibit B: Action Plan for Audit Observations

Not applicable – no reportable matters noted for the current audit.

Exhibit C: 2026 PBF Metrics and Corresponding Data Submission Files

Metric 1: Percent of Bachelor's Graduates Enrolled or Employed - Earning \$40,000+ (SIFD)

Metric 2: Median Wages of Bachelor's Graduates Employed Full-time (SIFD)

Metric 3: Cost to the Student - Net Tuition per 120 Credit Hours (HTD, SFA, SIF)

Metric 4: Four Year FTIC Graduation Rate (SIF, SIFD, RET)

Metric 5: Academic Progress Rate - APR (SIF)

Metric 6: Bachelor's Degrees within Programs of Strategic Emphasis (SIFD)

Metric 7: University Access Rate - Percent of Undergraduates with a Pell-grant (SFA, SIF)

Metric 8: (a) Graduate Degrees within Programs of Strategic Emphasis (SIFD)

Metric 9: (a) 3-year Graduation Rate for FCS AA Transfers (SIF, SIFD, RET)

(b) 6-year Graduation Rate for Students Awarded a Pell Grant in First Year (SIF, SFA)

Metric 10: Graduates with 2+ Workforce Experiences (SIFD, Separate Metric 10 data submission file)

HTD - Hours to Degree File

RET - Retention File

SIF – Student Instruction File

SIFD – Student Instruction File – Degrees Awarded

SFA – Student Financial Aid File



Data Integrity Certification

March 2026

In accordance with Board of Governors Regulation 5.001(8), university presidents and boards of trustees are to review, accept, and use the annual data integrity audit to verify that the data submitted for implementing the Performance-based Funding model complies with the data definitions established by the Board of Governors.

Given the importance of submitting accurate and reliable data, boards of trustees for those universities designated as preeminent or emerging preeminent are also asked to review, accept, and use the annual data integrity audit of those metrics to verify that the data submitted complies with the data definitions established by the Board of Governors.

Applicable Board of Governors Regulations and Florida Statutes: Regulations 1.001(3)(f), 3.007, and 5.001; Sections 1001.706(5)(e), 1001.7065, and 1001.92, Florida Statutes.

Instructions: To complete this certification, university presidents and boards of trustees are to review each representation in the section below and confirm compliance by signing in the appropriate spaces provided at the bottom of the form. *Should there be an exception to any of the representations, please describe the exception in the space provided.*

Once completed and signed, convert the document to a PDF and ensure it is ADA compliant. Then submit it via the Chief Audit Executives Reports System (CAERS) by **close of business on March 1, 2026**.

University Name: Florida Polytechnic University

Data Integrity Certification Representations:

1. I am responsible for establishing and maintaining, and have established and maintained, effective internal controls and monitoring over my university's collection and reporting of data submitted to the Board of Governors Office, which will be used by the Board of Governors in Performance-based Funding decision-making and Preeminence or Emerging-preeminence Status.
2. In accordance with Board of Governors Regulation 1.001(3)(f), my Board of Trustees has required that I maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and shall require that all data and reporting requirements of the Board of Governors are met.
3. In accordance with Board of Governors Regulation 3.007, my university provided accurate data to the Board of Governors Office.

Data Integrity Certification, March 2026

4. In accordance with Board of Governors Regulation 3.007, I have tasked my Data Administrator to ensure the data file (prior to submission) is consistent with the criteria established by the Board of Governors. The due diligence includes performing tests on the file using applications, processes, and data definitions provided by the Board Office. A written explanation of any identified critical errors was included with the file submission.
5. In accordance with Board of Governors Regulation 3.007, my Data Administrator has submitted data files to the Board of Governors Office in accordance with the specified schedule.
6. I am responsible for taking timely and appropriate preventive/ corrective actions for deficiencies noted through reviews, audits, and investigations.
7. I recognize that Board of Governors' and statutory requirements for the use of data related to the Performance-based Funding initiative and Preeminence or Emerging-preeminence status consideration will drive university policy on a wide range of university operations – from admissions through graduation. I certify that university policy changes and decisions impacting data used for these purposes have been made to bring the university's operations and practices in line with State University System Strategic Plan goals and have not been made for the purposes of artificially inflating the related metrics.
8. I certify that I agreed to the scope of work for the Performance-based Funding Data Integrity Audit and the Preeminence or Emerging-preeminence Data Integrity Audit (if applicable) conducted by my chief audit executive.
9. In accordance with section 1001.706, Florida Statutes, I certify that the audit conducted verified that the data submitted pursuant to sections 1001.7065 and 1001.92, Florida Statutes [regarding Preeminence and Performance-based Funding, respectively], complies with the data definitions established by the Board of Governors.

Exceptions to Note: None.

Data Integrity Certification, March 2026

Data Integrity Certification Representations, Signatures:

I certify that all information provided as part of the Board of Governors Data Integrity Certification for Performance-based Funding and Preeminence or Emerging-preeminence status (if applicable) is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements render this certification void. My signature below acknowledges that I have read and understand these statements. I certify that this information will be reported to the board of trustees and the Board of Governors.

Certification: _____ Date: _____
University President

I certify that this Board of Governors Data Integrity Certification for Performance-based Funding and Preeminence or Emerging-preeminence status (if applicable) has been approved by the university board of trustees and is true and correct to the best of my knowledge.

Certification: _____ Date: _____
University Board of Trustees Chair

**Florida Polytechnic University
Governance, Audit & Compliance Committee
Board of Trustees
February 6, 2026**

Subject: Foundation Financial Audit (FYE June 30, 2025)

Proposed Committee Action

Information only. No action required.

Background Information

David Blanton will provide the Committee with an overview of the Foundation's financial audit for the fiscal year ended June 30, 2025, conducted by Clifton Larson Allen (CLA), LLP, an independent CPA firm.

Pursuant to University Regulation (FPU 10.002), the Foundation is required to submit the annual financial audit to the University Board of Trustees for review and oversight.

Supporting Documentation: Foundation Audit Report prepared by CLA for FYE25

Prepared by: David A. Blanton, CAE/CCO

FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION, INC.

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION, INC.
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Florida Polytechnic University Foundation, Inc.
Lakeland, Florida

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of the Florida Polytechnic University Foundation, Inc. (the Foundation), a discretely presented component unit of Florida Polytechnic University, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation, as of June 30, 2025 and 2024, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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 December 11, 2025, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Orlando, Florida
December 11, 2025

**FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

The management's discussion and analysis of Florida Polytechnic University Foundation, Inc. (Foundation), a component unit of Florida Polytechnic University (the University), financial performance provides an overview of the Foundation's financial activities for the years ended June 30, 2025, 2024, and 2023. It should be read with the accompanying financial statements and notes.

Overview of the Financial Statements

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB). See the notes to the financial statements for a summary of the Foundation's significant accounting policies.

Pursuant to GASB Statement No. 35, *Basic Financial Statements—Management's Discussion and Analysis—for Public Colleges and Universities*, the Foundation's basic financial statements include: the statement of net position; the statement of revenues, expenses, and changes in net position; the statement of cash flows; and other required supplemental information.

Statement of Net Position – The statement of net position reflects the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Foundation, using the accrual basis of accounting, and presents the financial position of the Foundation at a specified time. Assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equal net position, which is one indicator of the Foundation's current financial condition. The changes in net position that occur over time indicate improvement or deterioration in the Foundation's financial condition. Net position in capital assets represents funds that consist of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to and expended on the acquisition, construction or improvement of those assets net of any related unspent debt proceeds. Restricted net position is comprised of expendable and nonexpendable and consists of assets that have constraints placed upon their use either by external donors or creditors or through laws or regulations imposed through constitutional provisions or enabling legislature. Nonexpendable assets represent endowment assets whose principal cannot be spent and are required by the donor to be held in perpetuity. Unrestricted net position consists of assets that do not meet the definition of restricted.

The Statement of Revenues, Expenses, and Changes in Net Position – The statement of revenues, expenses, and changes in net position presents the Foundation'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.

**FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

Statement of Net Position

The following schedule is a summary of the Foundation's statements of net position as of June 30:

	2025	2024	2023	2025-2024	2024-2023
				Increase (Decrease)	Increase (Decrease)
ASSETS					
Cash and Cash Equivalents	\$ 1,791,820	\$ 1,018,116	\$ 890,379	\$ 773,704	\$ 127,737
Investments	7,617,023	6,663,410	7,199,522	953,613	(536,112)
Contributions Receivable, Net	4,087,556	4,771,810	5,562,569	(684,254)	(790,759)
Other Assets	63,412	73,981	-	(10,569)	73,981
Total Assets	\$ 13,559,811	\$ 12,527,317	\$ 13,652,470	\$ 1,032,494	\$ (1,125,153)
LIABILITIES AND NET POSITION					
LIABILITIES					
Accounts Payable and Due to University	\$ 35,543	\$ 100,540	\$ 39,258	\$ (64,997)	\$ 61,282
Other Liabilities	-	-	2,250,000	-	(2,250,000)
Total Liabilities	35,543	100,540	2,289,258	(64,997)	(2,188,718)
NET POSITION					
Net Investment in Capital Assets	63,412	-	-	63,412	-
Restricted:					
Expendable	7,063,888	6,319,065	6,024,782	744,823	294,283
Nonexpendable Endowments	4,619,577	4,300,678	3,859,611	318,899	441,067
Unrestricted	1,777,391	1,807,034	1,478,819	(29,643)	328,215
Total Net Position	13,524,268	12,426,777	11,363,212	1,097,491	1,063,565
Total Liabilities and Net Position	\$ 13,559,811	\$ 12,527,317	\$ 13,652,470	\$ 1,032,494	\$ (1,125,153)

Total assets as of June 30, 2025, were \$13,559,811, an increase of \$1,032,494 from the prior year. Total assets increased due to an increase in cash and cash equivalents and investments during the year ended June 30, 2025. Total liabilities decreased by \$64,997. The Foundation's net position as of June 30, 2025, was \$13,524,268, an increase of \$1,097,491 from the prior year due to positive philanthropic activity and investment earnings exceeding operational expenses.

Total assets as of June 30, 2024, were \$12,527,317, a decrease of \$1,125,153 from the prior year. Total assets decreased due to a refund paid to a donor related to a conditional gift in the amount of \$2.25M, in addition to collections on pledges greater than new pledges received during the year ended June 30, 2024. Total liabilities decreased by \$2,188,715 which was mostly due to the refund of a conditional gift to the donor during the year ended June 30, 2024. The Foundation's net position as of June 30, 2024, was \$12,426,777, an increase of \$1,063,565 from the prior year. The Foundation continued to receive pledges from donors throughout the year for university support.

As of June 30, 2025 and 2024, approximately 87% and 85%, of the Foundation's net position was restricted, of which approximately 34% and 34% are considered nonexpendable for endowments, respectively. The remaining 53% and 51% are restricted for scholarships, capital funding, academic advancement, and student activities. As of June 30, 2025, Less than 1% of net position represents Net Investment in Capital Assets which is Foundation furniture and equipment. As of June 30, 2025 and 2024, the remaining balance of net position, or approximately 13% and 15%, respectively, of the total net position, is unrestricted and may be used to meet the Foundation's unrestricted obligations.

**FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

Statement of Revenues, Expenses, and Changes in Net Position

The following summarizes the Foundation's changes in net position for the fiscal year ended June 30, 2025 and the two preceding fiscal years.

Comparative Summary of Revenues, Expenses, and Changes in Net Position

	2025	2024	2023	2025-2024 Increase (Decrease)	2024-2023 Increase (Decrease)
REVENUES					
Contributions, Net	\$ 1,327,990	\$ 1,403,085	\$ 5,464,458	\$ (75,095)	\$ (4,061,373)
Investment Earnings	835,059	985,669	686,121	(150,610)	299,548
University Support	393,573	413,578	276,800	(20,005)	136,778
Total Revenues	<u>2,556,622</u>	<u>2,802,332</u>	<u>6,427,379</u>	<u>(245,710)</u>	<u>(3,625,047)</u>
EXPENSES					
Services and Supplies	818,112	842,484	928,369	(24,372)	(85,885)
Scholarships, Fellowships, and Waivers	440,204	516,331	281,683	(76,127)	234,648
Other Operating Expenses	190,246	379,952	199,065	(189,706)	180,887
Depreciation	10,569	-	-	10,569	-
Total Expenses	<u>1,459,131</u>	<u>1,738,767</u>	<u>1,409,117</u>	<u>(279,636)</u>	<u>329,650</u>
CHANGE IN NET POSITION					
Net Position - Beginning of Year	1,097,491	1,063,565	5,018,262	33,926	(3,954,697)
	<u>12,426,777</u>	<u>11,363,212</u>	<u>6,344,950</u>	<u>1,063,565</u>	<u>5,018,262</u>
NET POSITION - END OF YEAR	<u><u>\$ 13,524,268</u></u>	<u><u>\$ 12,426,777</u></u>	<u><u>\$ 11,363,212</u></u>	<u><u>\$ 1,097,491</u></u>	<u><u>\$ 1,063,565</u></u>

During the year ended June 30, 2025, contributions to the foundation totaled \$1,327,990, a decrease of \$75,095 from fiscal year 2024. During the year ended June 30, 2024, contributions to the Foundation totaled \$1,403,085, a decrease of \$4,061,373 from fiscal year 2023. Contributions to the Foundation represent unrestricted, scholarship, and endowment support. During the years ended June 30, 2025 and 2024, investment income decreased by \$150,610 and increased by \$299,548 respectively, from the prior years, mostly due to market performance increases correlated with current year investment contributions. University support is noncash revenue which represents payroll, benefits, and occupancy expenses paid by Florida Polytechnic University on behalf of the Foundation. These related expenses are recorded in services and supplies within operating expenses. During the year ended June 30, 2025, University support decreased by \$20,005 and increased \$136,778, respectively, due to changes in foundation time and efforts. Before June 30, 2023, the university did not record university support.

During the year ended June 30, 2025, service and supplies expense decreased by \$24,372 due to a decrease in expenses related to advocates. During the year ended June 30, 2024, service and supplies expenses decreased by \$85,885. During the year ended June 30, 2025, scholarship and waivers expenses decreased by \$76,127 from a prior year increase of \$234,648. Scholarships in support of the University remain relatively constant, however there was a decrease in 2025 to align with investment performance. During the year ended June 30, 2024, scholarships, fellowships, and waivers expense increased due to higher funding amounts approved to be paid related to scholarship and endowment fundings to support students at the University. During the years ended June 30, 2025 and 2024, other operating expenses decreased by \$189,706 and increased by \$180,887, respectively, mostly related to mostly related to increased academic program support. During the year ended June 30, 2025 the foundation incurred depreciation expense of \$10,569 related to new furniture and fixtures purchased.

**FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

Economic Factors

The Foundation continues to grow overall financial resources during the year which is a testament to the continued effort of the Advancement staff to utilize the best practice known as “moves management” taking qualifying prospects from initial conversations of support for the Foundation culminating in the donor’s investment supporting the University through the Foundation. It is the objective of the Foundation to be a strong advocate for funding resources ensuring the university meets the strategic mission to serve students and industry through excellence in education, discovery, and application of engineering and applied sciences.

Request for Information

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

Florida Polytechnic University Foundation
Stephen Weingart, Chief Development Officer
4700 Research Way, Lakeland, FL 33805

FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION, INC.
STATEMENTS OF NET POSITION
JUNE 30, 2025 AND 2024

ASSETS	2025	2024
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,791,820	\$ 1,018,116
Unrestricted Investments	184,268	198,521
Pledge Receivable, Net	718,384	772,143
Total Current Assets	<u>2,694,472</u>	<u>1,988,780</u>
NONCURRENT ASSETS		
Pledge Receivable, Net	3,369,172	3,999,667
Restricted Noncurrent Assets:		
Investments - Endowment	5,003,631	4,190,908
Investments - Restricted for Other Long-Term Purpose	2,429,124	2,273,981
Deposits	-	73,981
Depreciable Assets, net	<u>63,412</u>	<u>-</u>
Total Noncurrent Assets	<u>10,865,339</u>	<u>10,538,537</u>
Total Assets	<u><u>\$ 13,559,811</u></u>	<u><u>\$ 12,527,317</u></u>
LIABILITIES AND NET POSITION		
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 35,543	\$ 71,935
Due to University	-	28,605
Total Current Liabilities	<u>35,543</u>	<u>100,540</u>
NET POSITION		
Net Investment in Capital Assets	63,412	-
Restricted:		
Expendable	7,063,888	6,319,065
Nonexpendable	4,619,577	4,300,678
Unrestricted	<u>1,777,391</u>	<u>1,807,034</u>
Total Net Position	<u>13,524,268</u>	<u>12,426,777</u>
Total Liabilities and Net Position	<u><u>\$ 13,559,811</u></u>	<u><u>\$ 12,527,317</u></u>

See accompanying Notes to Financial Statements.

FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION, INC.
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
REVENUES		
Contributions, Net of Allowance and Discounts	\$ 927,190	\$ 1,019,475
University Support	<u>393,573</u>	<u>413,578</u>
Total Revenues	<u>1,320,763</u>	<u>1,433,053</u>
EXPENSES		
Services and Supplies	818,112	842,484
Scholarships, Fellowships, and Waivers	440,204	516,331
Other Operating Expenses	190,246	379,952
Depreciation	<u>10,569</u>	<u>-</u>
Total Expenses	<u>1,459,131</u>	<u>1,738,767</u>
OPERATING LOSS	(138,368)	(305,714)
NONOPERATING REVENUES		
Realized Gains on Investments, Interest, and Dividends	346,298	94,621
Unrealized Gain on Investments	<u>488,761</u>	<u>891,048</u>
Total Nonoperating Revenues	<u>835,059</u>	<u>985,669</u>
NET INCOME BEFORE ENDOWMENT CONTRIBUTIONS	696,691	679,955
ENDOWMENT CONTRIBUTIONS	<u>400,800</u>	<u>383,610</u>
CHANGE IN NET POSITION	1,097,491	1,063,565
Net Position - Beginning of Year	<u>12,426,777</u>	<u>11,363,212</u>
NET POSITION - END OF YEAR	<u>\$ 13,524,268</u>	<u>\$ 12,426,777</u>

See accompanying Notes to Financial Statements.

FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Contributions & Other Income	\$ 1,611,444	\$ 1,810,234
Cash Paid for Refunds of Contribution	-	(2,250,000)
Cash Payments for Services and Supplies	(424,539)	(428,906)
Cash Payments for Scholarships, Fellowships, and Waivers	(440,204)	(516,331)
Cash Payments for Other Operating Expenses	<u>(255,243)</u>	<u>(392,651)</u>
Net Cash Provided (Used) by Operating Activities	491,458	(1,777,654)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(1,191,971)	(1,298,923)
Proceeds from Sale of Investments	768,457	2,568,912
Investment Income	<u>304,960</u>	<u>251,792</u>
Net Cash Provided (Used) by Investing Activities	<u>(118,554)</u>	<u>1,521,781</u>
NONCAPITAL FINANCING ACTIVITIES		
Endowment contributions Received for Other than Capital Purchases	<u>400,800</u>	<u>383,610</u>
Net Cash Provided by Noncapital Financing Activities	<u>400,800</u>	<u>383,610</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	773,704	127,737
Cash and Cash Equivalents - Beginning of Year	<u>1,018,116</u>	<u>890,379</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,791,820</u>	<u>\$ 1,018,116</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (138,368)	\$ (305,714)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation	10,569	-
Changes in Operating Assets and Liabilities:		
Pledge Receivables	684,254	790,759
Deposits	-	(37,101)
Accounts Payable	(36,392)	34,303
Due to University	(28,605)	(9,901)
Other Liabilities	-	(2,250,000)
Total Adjustments	<u>629,826</u>	<u>(1,471,940)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 491,458</u>	<u>\$ (1,777,654)</u>

Noncash Investing and Financing Activities

During the year ended June 30, 2025 the foundation utilized \$73,981 of deposits at June 30, 2024 with a vendor for the purchase of furniture and fixtures.

These transactions did not result in cash receipts or payments and, therefore, are not reported in the statement of cash flows. They are disclosed here to provide additional information about investing and financing activities that affect the Foundations' financial position.

FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Florida Polytechnic University Foundation, Inc. (the Foundation) was incorporated on October 30, 2012. Foundation was formed as a direct-support organization in accordance with Section 1004.28, Florida statutes, and operates exclusively for the benefit of Florida Polytechnic University (the University). The Foundation is considered a component unit of the University. The governing body of the Foundation is the board of directors (the Board). The Board is comprised of not less than 3 and not more than 45 elected directors, revised by the nominations committee, elected by the Board, and confirmed by the University board of trustees. The Foundation's purpose is to receive, hold, invest and administer property and to make expenses to or for the benefit of the University by encouraging alumni and friends to provide private funds and other resources for the University's benefit, to manage those assets, to provide volunteer leadership in support of the University's objectives and to perform all business matter to accomplish these purposes, and to exercise rights in intellectual property for the benefit of the University.

Reporting Entity

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

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

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting coupled with an economic resources measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The Foundation applies accounting and financial reporting standards applicable to governmental entities. Accordingly, the Foundation applies statements issued by the Governmental Accounting Standards Board.

The Foundation is engaged only in business-type activities and is required to present the financial statements required for enterprise funds which are part of proprietary funds.

Proprietary funds account for their activities similar to those found in the private sector, where cost recovery and the determination of net income are useful or necessary for sound fiscal management. The focus of proprietary fund measurement is upon the determination of operating income, changes in net position, financial net position and cash flows. Currently, the Foundation reports its proprietary fund activities in a single enterprise fund.

FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash, Cash Equivalents, and Restricted Cash

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

Cash balances held for restricted purposes are shown as restricted cash on the statements of net position and are excluded from cash and cash equivalents.

Contributions Receivable

The Foundation accounts for its pledges in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. Unrestricted and restricted contributions receivable are recorded in the statement of net position. If management expects the cash from the contribution receivable to be received more than one year in the future, the promises to give revenue and receivable are discounted for the time value of money (i.e., net present value). Endowment pledges are not recognized in the statement of net position. These contributions are not revalued in subsequent years and the Foundation has not elected the fair value option. Discount amortization is recognized as contribution revenue in subsequent years.

Management reviews, and if applicable, estimates an allowance for uncollectible promises based on historical write-offs. Contributions are reported at net realizable value in the initial year and a discount is recorded, if applicable.

Investments

Investments consist primarily of assets invested in marketable equity and debt securities, open ended mutual funds, and money market accounts. Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statement of financial position. Investments in open ended mutual funds are valued using the net asset value (NAV) per share (or its equivalent) as a practical expedient. The realized and unrealized gain or loss on investments is reflected in the statement of revenue, expenses, and change in fund balance.

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

Investment Income

Gains or losses on the sale of the investments are based on the weighted-average cost method. Realized gains are recognized based on the trade date for investments sold during the year. For investments held as of year-end any changes in fair value during the year are recorded as unrealized gains for the year. Interest and dividend income is recognized as revenue in the period earned.

FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deposits

Deposits primarily consist of amounts paid in advance to vendors for assets the Foundation has not yet received which will provide future benefit to support the Foundations.

Net Position

Classification of net position is defined as follows:

- **Net Investment in Capital Assets** – Represents funds that consist of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to and expended on the acquisition, construction, or improvement of those assets net of any related unspent debt proceeds.
- **Restricted Net Position** – This category represents the net position of the Foundation which is restricted by constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through enabling legislation.

Expendable – This portion of restricted net position comprises expendable funds with restrictions to use for the benefit of various programs at the University, including the expendable portion of endowment funds. These programs include endowed chairs, scholarship funding, and capital projects for the University.

Nonexpendable – This portion of restricted net position consists of nonexpendable funds with restrictions to use for the benefit of various programs at the University. The corpus of the permanent endowments are retained while the net earnings or losses on endowment funds are included in expendable funds available for expense.

- **Unrestricted Net Position** – Represents funds that are available without restriction for carrying out the Foundation's objectives.

Net Position Flow Assumption – Sometimes the Foundation will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted and unrestricted, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Foundation's policy to consider restricted funds to have been depleted before unrestricted funds are applied.

Depreciable Assets

Depreciable assets include furniture and equipment which is stated at cost as of the date of acquisition. The Foundation has a capitalization threshold of \$5,000 for equipment and furniture. Depreciation for equipment and furniture is provided on the straight-line method over an estimated useful life of 3 to 10 years.

**FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

The Foundation recognizes gifts of cash, investment securities, or pledges receivable as revenue when all eligibility requirements have been met with the exception of pledges to the endowment which are recognized when funds are received. Donations of securities and other nonmonetary items are recorded as revenue based on their acquisition value at the date of the gift. Donated services are not recognized by the Foundation. Conditional promises to give are not recognized until the condition has been met.

Operating and Nonoperating Activities

Operating revenues and expenses represent ongoing activities of the Foundation, as well as ongoing activities that are in support of the University's programs. Operating activities relate to the Foundation's principal function, which is to solicit, receive, hold, invest, and administer charitable contributions for the benefit of the University. Operating revenues also include University related support. Nonoperating revenues include investment returns.

Income Tax Status

The Foundation is a nonprofit organization that is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). Unrelated business income, as defined by Section 509(a)(1) of the IRC is subject to federal income tax. The Foundation currently has no unrelated business taxable income. Accordingly, no provision for income taxes has been recorded.

The Foundation has reviewed and evaluated the relevant technical merits of its tax position in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes and determined that there are no uncertain tax positions that would have a material impact on the financial statements.

Compensated Absences, Other Postemployment Benefits, and Pension Liability

Employees earn the right to be compensated during absences for annual leave (vacation) and sick leave pursuant to Section 6C-5.920, Florida Administrative Code. Leave earned is accrued to the credit of the employee and records are kept on each employee's unpaid (unused) leave balance. Employees also accrue retirement benefits for pension and other postemployment benefits over the time of employment at the University. Since all the employees who work for the Foundation are considered employees of the University, this compensated absences liability, along with liabilities for pensions and other postemployment benefits, is reported by the University and therefore is not reflected on the Foundation's financial statements.

Use of Estimates

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

FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash and Cash Equivalents

At June 30, 2025, the recorded amount of cash and cash equivalents of the Foundation's deposits was \$1,791,820. Operating bank account balances as of June 30, 2025, were \$1,699,909. Cash equivalents as of June 30, 2025, include \$88,784 of money market funds held in brokerage accounts with an average duration of less than one year and a credit rating of AAA.

At June 30, 2024, the recorded amount of cash, cash equivalents, and restricted cash of the Foundation's deposits was \$1,018,116. Operating bank account balances as of June 30, 2024, were \$938,880. Cash equivalents as of June 30, 2024, include \$77,138 of money market funds held in brokerage accounts with an average duration of less than one year and a credit rating of AAA.

Custodial Credit Risk – Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Foundation will not be able to recover deposits. Cash deposits consist of noninterest-bearing demand deposits, money market accounts and cash deposits.

At June 30, 2025 and 2024, \$1,449,909 and \$690,978, respectively, in cash deposits are not insured by federal deposit insurance and are not collateralized.

Investments

The goal of the Foundation's investments is set forth in the investment policy manual as approved by the Foundation's board of directors. Such goal is designed to maximize growth, minimize risk, and provide lasting income in support of the University. The investment policy manual also provides information on asset classes, target allocations and ranges of acceptable investment categories. However, the policy does not address specific types of risks such as credit risk and interest rate risk that the Foundation may be exposed to as outlined below.

Investments are allocated across the following investment strategies at June 30:

	<u>2025</u>	<u>2024</u>
Equity Mutual Funds	\$ 5,078,573	\$ 4,200,117
Bonds Mutual Funds	2,314,051	2,062,583
Open Ended Mutual Funds	224,399	400,710
Total Investments	<u>\$ 7,617,023</u>	<u>\$ 6,663,410</u>

Custodial Credit Risk – Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Foundation will not be able to recover the value of its investments or collateral securities that are in held by an outside party. It is the Foundation's policy to require that all securities be held by the Foundation's agent in the Foundation's name. The Foundation's investments as of June 30, 2025 and 2024, are uninsured and registered with securities held by the Foundation's agent in the Foundation's name.

FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Credit Risk

Credit risk is the risk that an insurer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law does not limit investment options of the Foundation. The Foundation had no policy on credit risk. Presented below is the actual rating as of June 30, 2025 and 2024, for each type of investment.

Investment Type	Rating	2025	2024
Mutual Funds:			
Bonds Mutual Funds	BBB	\$ 2,314,051	\$ 2,062,583
Total Investments		<u>\$ 2,314,051</u>	<u>\$ 2,062,583</u>

The following investments are held through alternative investments in funds and are not directly subject to credit risk:

	2025	2024
Alternative Investments*		
Open Ended Mutual Funds	\$ 224,399	\$ 400,710
Total Alternative Investments	<u>\$ 224,399</u>	<u>\$ 400,710</u>

*Alternative Investments consist of funds that may include underlying securities including equities, fixed income, real estate, and other types of investments. The schedule above only reflects the credit risk related to debt-type securities that are directly held by the Foundation.

Interest Rate Risk

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

As of June 30, 2025, the Foundation had the following investments and related maturities:

Investment Type	Investment Maturities			
	Fair Value	Less than 1 year	1 - 5 Years	> 5 Years
Mutual Funds:				
Bonds Funds	2,314,051	-	2,314,051	-
Total Investments	<u>\$ 2,314,051</u>	<u>\$ -</u>	<u>\$ 2,314,051</u>	<u>\$ -</u>

FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Interest Rate Risk (Continued)

As of June 30, 2024, the Foundation had the following investments and related maturities:

Investment Type	Investment Maturities			
	Fair Value	Less than 1 year	1 - 5 Years	> 5 Years
Mutual Funds:				
Bonds Funds	\$ 2,062,583	\$ -	\$ 2,062,583	\$ -
Total Investments	<u>\$ 2,062,583</u>	<u>\$ -</u>	<u>\$ 2,062,583</u>	<u>\$ -</u>

The following investments are held through alternative investments in funds and are not directly subject to interest rate risk:

	2025	2024
Alternative Investments*		
Open Ended Mutual Funds	\$ 224,399	\$ 400,710
Total Alternative Investments	<u>\$ 224,399</u>	<u>\$ 400,710</u>

* Alternative investments consist of funds that may include underlying securities including equities, fixed income, real estate, and other types of investments. The schedule above only reflects the interest rate risk related to debt-type securities that are directly held by the Foundation.

Fair Value Measurements

GASB Statement No. 72, *Fair Value Measurement and Application*, establishes a framework for measuring fair value through a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The level of an asset or liability within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The fair value hierarchy prioritizes the inputs into three broad levels:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that government can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for an asset or liability either directly or indirectly.

Level 3 – Unobservable inputs for an asset or liability.

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

FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

The following tables present the assets measured at fair value on a recurring basis on the statements of net position for the year ended June 30, 2025, by the GASB Statement No. 72 hierarchy (as described above).

Investment Type	Assets Measured at Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
Mutual Funds:				
Equity Funds	\$ 5,078,573	\$ 5,078,573	\$ -	\$ -
Bonds Funds	2,314,051	2,314,051	-	-
Total Investments	<u>\$ 7,392,624</u>	<u>\$ 7,392,624</u>	<u>\$ -</u>	<u>\$ -</u>

The following tables present the assets measured at fair value on a recurring basis on the statements of net position for the year ended June 30, 2024.

Investment Type	Assets Measured at Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
Mutual Funds:				
Equity Funds	\$ 4,200,117	\$ 4,200,117	\$ -	\$ -
Bonds Funds	2,062,583	2,062,583	-	-
Total Investments	<u>\$ 6,262,700</u>	<u>\$ 6,262,700</u>	<u>\$ -</u>	<u>\$ -</u>

Investments Measured at NAV

Certain investments are measured at fair value using the net asset value (NAV) per share (or its equivalent) as a practical expedient under GASB Statement No. 72. These investments are not classified within the fair value hierarchy.

The Foundation held the following investments measured at NAV during the year ended June 30:

	2025 Fair Value	2024 Fair Value	Redemption Frequency	Redemption Notice Period
CCLFX – Core Bond Fund	\$ 170,314	\$ 257,990	Daily	None
TIPWX (Inflation-Protected Securities Fund)	54,085	142,720	Daily	None
Investments	<u>\$ 224,399</u>	<u>\$ 400,710</u>		

FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Investments Measured at NAV (Continued)

The June 30, 2025 investments held at NAV reflect:

CCLFX (Core Bond Fund): Seeks to provide total return through investment in a diversified portfolio of investment-grade fixed-income securities. CCLFX represents 0.71% of the total investment assets. These funds are interval funds, and the fair value cannot be observed through observable inputs through an exchange for the overall fund.

TIPWX (Inflation-Protected Securities Fund): Seeks to provide inflation protection and income by investing primarily in U.S. Treasury Inflation-Protected Securities (TIPS). TIPWX represents 2.24% of total investment assets. These funds are interval funds, and the fair value cannot be observed through observable inputs through an exchange for the overall fund.

Both funds are open-end mutual funds that allow daily redemptions at NAV without restrictions. There are no unfunded commitments, lock-up periods, or significant redemption limitations.

In 2024, certain investments measured at fair value using the net asset value (NAV) per share (or its equivalent) as a practical expedient were incorrectly included in Level 1 of the fair value hierarchy. These investments, which totaled \$400,710 at June 30, 2024, consisted of mutual funds (CCLFX and TIPWX) that should have been disclosed separately as investments measured at NAV and excluded from the hierarchy in accordance with GASB Statement No. 72.

This correction does not affect the amounts reported on the financial statements, as the fair value of the investments was correctly reported. The correction only impacts the classification within the fair value hierarchy disclosure. The current year presentation reflects the proper classification.

NOTE 3 PLEDGE RECEIVABLE

Pledges receivable future collections, the discount, and the related allowance for potentially uncollectible amounts are summarized as follows at June 30, 2025 and 2024:

	2025	2024
Pledges Receivable	\$ 4,642,824	\$ 5,459,845
Less: Allowance for Doubtful Amounts	(13,926)	(12,371)
Less: Discount on Future Payments	(541,342)	(675,664)
Total Pledges Receivables, Net	<u>\$ 4,087,556</u>	<u>\$ 4,771,810</u>
Current Pledges Receivable, Net	\$ 718,384	\$ 772,143
Noncurrent Pledges Receivable, Net	3,369,172	3,999,667
Total Pledges Receivable, Net	<u>\$ 4,087,556</u>	<u>\$ 4,771,810</u>

FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 3 PLEDGE RECEIVABLE (CONTINUED)

Noncurrent pledges receivable are net of discounts on future payments using a risk-free interest rate at the time the pledge was initially recognized. Discount rates used for pledges currently outstanding range from 3.01% to 4.33%.

NOTE 4 ENDOWMENT

The Foundation authorizes expenditures for the uses and purposes for which endowment funds were established. The state of Florida has adopted FS 617.2104, which provides policy for administration related to investment of endowment funds and the ability to spend net appreciation.

The Foundation authorizes expenses for the uses and purposes for which endowment funds were established. The Foundation's general total spending rate for eligible endowments was calculated in accordance with the Foundation's investment policy and used a total spending rate of 4.0% for fiscal years 2025 and 2024. The total spending rate for each fund is determined by the finance committee on an annual basis and is approved by the Foundation Board.

The Foundation is allowed to spend a portion of the total return on endowment funds for current year needs. Any remainder of the total return is to be reinvested to keep pace with and exceed inflations.

The following displays the total ending endowment balances for nonexpendable endowments or donor-restricted endowments:

	2025	2024
Nonexpendable Endowment Corpus	\$ 4,619,577	\$ 4,300,678
Plus: Appreciation/Earnings on Endowments (Restricted)	631,853	-
Total of Donor Endowments	<u>\$ 5,251,430</u>	<u>\$ 4,300,678</u>

FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 5 RELATED PARTY TRANSACTIONS

The Foundation is the primary fundraiser for the University; in return, the University provides administrative and fundraising support to the Foundation for salaries and related benefits which are reported as University Support, on the statement of revenues, expenses, and changes in net position.

During the years ended June 30, 2025 and 2024, the Foundation provided scholarships, and other academic support in the amounts of \$549,433 and \$676,503, respectively, to the University. Amounts owed to the University as of June 30, 2025 and 2024 related to these items were \$0 and \$28,605, respectively, which are reported as due to University, on the statements of net position.

During the years ended June 30, 2025 and 2024, contribution revenue from the Foundation board of directors and University board of trustees totaled \$88,254 and \$115,300, respectively. Outstanding pledges receivables from board members at June 30, 2025 and 2024, were \$70,000 and \$82,500, respectively.

NOTE 6 DEPRECIABLE ASSETS

Depreciable assets activity for the fiscal year ended June 30, 2025 is shown in the following table:

	June 30, 2024	Increases	Decreases	June 30, 2025
Equipment and Furniture	\$ -	\$ 73,981	\$ -	\$ 73,981
Less: Accumulated Depreciation	- -	(10,569)	- -	(10,569)
Total Depreciable Assets, Net	\$ -	\$ 63,412	\$ -	\$ 63,412

There was no Depreciable Asset activity during the year ended June 30, 2024.

NOTE 7 CONCENTRATIONS

During the years ended June 30, 2025, approximately 58% of the total contribution revenue recorded was from two donors. During the years ended June 30, 2024 approximately 39% of the total contribution revenue recorded was from one donor.

At June 30, 2025 and 2024, Pledge Receivable, Net includes outstanding pledges from one unique donor that represented approximately 73% and 69% of total Pledge Receivable, Net.



**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***

Board of Directors
Florida Polytechnic University Foundation, Inc.
Lakeland, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Florida Polytechnic University Foundation, Inc. (Foundation), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated December 11, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



CliftonLarsonAllen LLP

Orlando, Florida
December 11, 2025



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Board of Directors and Management
Florida Polytechnic University Foundation, Inc.
Lakeland, Florida

In planning and performing our audit of the financial statements of Florida Polytechnic University Foundation, Inc. (Foundation) as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the entity'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

However, during our audit, we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and other matters that are opportunities to strengthen your internal control and improve the efficiency of your operations. Our comments and suggestions regarding those matters are summarized below. We previously provided a written communication dated December 11, 2025, on the entity's internal control. This letter does not affect our report on the financial statements dated December 11, 2025, nor our internal control communication dated December 11, 2025.

A separate communication dated December 11, 2025, contains our written communication of significant deficiencies and material weaknesses in the entity's internal control. This letter does not affect our report on the financial statements dated December 11, 2025, nor our internal control communication dated December 11, 2025.

1. During the audit, we noted that management had not recorded the related revenue and receivable for a corporate grant that met revenue recognition criteria during the year ended June 30, 2025. Assistance was required from us to properly account for this grant. We acknowledge that this grant is unique, renewing bi-annually, and differs from standard grant agreements typically seen in the industry. Nonetheless, we recommend that as management transitions, a comprehensive review of all donor and corporate agreements be performed to ensure any unusual terms or circumstances are identified and addressed in a timely manner.
2. During our audit of philanthropic revenue, we tested approximately 13 items and noted one minor exception. This exception relates to longstanding payroll contributions where original election documentation was not retained by the Foundation. While collaborating evidence provided sufficient support, management indicated that the original electronic or paper elections were made many years ago and are no longer available. We recommend that management review its policies and procedures to ensure adequate documentation for employee contribution elections is retained for a period that meets regulatory and compliance requirements.
3. During our audit, we tested manual journal entries recorded by management and noted exceptions in two entries. One entry lacked adequate review and approval documentation, while the other did not have sufficient supporting documentation. Both entries were ultimately determined to be reasonable. We recommend that management review its financial reporting and journal entry processes to ensure a robust system of checks and balances exists and that all supporting documentation is properly retained.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various entity personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

* * *

This communication is intended solely for the information and use of management, the board of directors, and others within the entity, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Orlando, Florida
December 11, 2025



Board of Directors
Florida Polytechnic University Foundation, Inc.
Lakeland, Florida

We have audited the financial statements of the business-type activities of Florida Polytechnic University Foundation, Inc. (the Foundation), a discretely presented component unit of Florida Polytechnic University, as of and for the year ended June 30, 2025, and have issued our report thereon dated December 11, 2025. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit in our engagement agreement dated June 25, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Florida Polytechnic University Foundation, Inc. are described in Note 1 to the financial statements.

The foundation adopted accounting policies related Statement of Governmental Accounting Standards Board (GASB Statement) No. 102, *Certain Risk Disclosures*, in 2025. There was no impact to the overall financial statements and it was determined no additional disclosures were required.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Significant unusual transactions

We identified no significant unusual transactions.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with management

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated December 11, 2025.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other audit findings or issues

We have provided a separate communication to you dated December 11, 2025, communicating internal control related matters identified during the audit.

Required supplementary information

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

* * *

This communication is intended solely for the information and use of the board of directors and management of Florida Polytechnic University Foundation, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Orlando, Florida
December 11, 2025

**Florida Polytechnic University
Governance, Audit, and Compliance Committee
Board of Trustees
February 6, 2026**

Subject: Employment Practices

Proposed Committee Action

Discussion only. No action necessary.

Background Information

Pursuant to section 1001.741, Florida Statutes, the President must annually present the results of performance evaluations and annual salaries for evaluated personnel earning \$200,000 or more to the Board of Trustees. Additionally, the President must provide a report and recommendations on employment practices to the Board of Trustees twice annually.

Supporting Documentation: N/A

Prepared by: Dr. Devin Stephenson, President

Florida Polytechnic University

Governance Committee

Board of Trustees

February 6, 2026

Subject: Discussion on Nominations for Chair and Vice-Chair

Proposed Committee Action

Discussion only – no action required.

Background Information

The Board of Trustees Chair and Vice-Chair two-year terms will be expiring July 1, 2026. The Governance Committee will make a recommendation to the Board at the May 2026 meeting. The new two-year term will begin on July 1, 2026. The officers of the Board of Trustees must be appointed members of the Board. The pertinent provisions of the Boards bylaws are provided below.

Section 4.2

SELECTION OF OFFICERS AND TERMS OF OFFICE

The Board shall elect the Chair and Vice-Chair from the appointed members of the Board at its last regular meeting prior to July 1 upon recommendation of the Governance Committee; the Chair and the Vice-Chair shall each serve for a two-year term to begin on July 1. The Chair and the Vice-Chair shall be eligible for reselection for one additional consecutive term by vote of the Board, after which they may not be an officer for two years before being eligible for selection again. There shall not be automatic succession by virtue of holding an office, except as otherwise provided in Section 4.3.

Section 4.4

CHAIR

The duties of the Chair shall include presiding at all meetings of the Board, calling special meetings of the Board, determining the composition of all Board committees requiring assignment, appointing committee chairs, serving as an ex officio voting member on all Board committees unless these Bylaws provide otherwise, appointing at least one representative to the board of directors and the executive committees of the direct support organizations, appointing a University employee to serve as Corporate Secretary, signing and executing all documents and instruments on behalf of the Board, attesting to actions of the Board, serving as spokesperson for the Board, and fulfilling other duties as may be required by law or assigned by the Board or the Board of Governors. The Chair shall perform such duties in consultation with the University President. The Board may also delegate the authority to sign and execute documents and instruments on behalf of the Board to the University President. The Chair is responsible for causing the Board to conduct an annual evaluation of the University President.

Section 4.5
VICE-CHAIR

The duty of the Vice-Chair is to perform the duties of the Chair with full authority during the absence or disability of the Chair and to fulfill other duties as may be assigned by the Board. In the absence of both the Chair and the Vice-Chair, the Corporate Secretary shall determine whether a quorum is present and, in that event, shall call for the election of a temporary presiding officer, who shall be elected from the appointed membership of the Board upon a majority vote of those Trustees present. Upon arrival of the Chair or Vice-Chair, the temporary chair shall relinquish the chair after concluding the business then before the Board.

Supporting Documentation: N/A

Prepared by: Kristen Wharton, Corporate Secretary