

**STATE OF FLORIDA AUDITOR GENERAL**

**Financial Audit**

**SEMINOLE STATE COLLEGE OF FLORIDA**

For the Fiscal Year Ended  
June 30, 2025



Sherrill F. Norman, CPA  
Auditor General

## **Board of Trustees and President**

During the 2024-25 fiscal year, Dr. Georgia Lorenz served as President of Seminole State College of Florida and the following individuals served as Members of the Board of Trustees:

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Daniel J. O'Keefe, Vice Chair  
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Amy Lockhart  
Shawn Molsberger

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The team leader was Vincent Coppola and the audit was supervised by Keith A. Wolfe, CPA.

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

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# SUMMARY

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## SUMMARY OF REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

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

## SUMMARY OF REPORT ON INTERNAL CONTROL AND COMPLIANCE

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

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

## AUDIT OBJECTIVES AND SCOPE

Our audit objectives were to obtain reasonable assurance about whether the financial statements as a whole were free from material misstatements, whether due to fraud or error, and to issue an auditor's report that included our opinions. In doing so we:

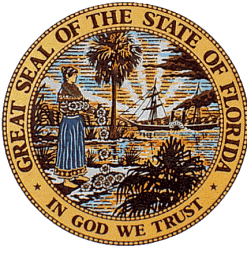
- Exercised professional judgment and maintained professional skepticism throughout the audit.
- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, and designed and performed audit procedures responsive to those risks.
- Obtained an 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 College's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluated the overall presentation of the financial statements.
- Concluded whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.
- Examined various transactions to determine whether they were executed, in both manner and substance, in accordance with governing provisions of laws, rules, regulations, contracts, and grant agreements.

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

## AUDIT METHODOLOGY

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





Sherrill F. Norman, CPA  
Auditor General

# AUDITOR GENERAL STATE OF FLORIDA

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

## INDEPENDENT AUDITOR'S REPORT

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the financial statements of Seminole State College of Florida, a component unit of the State of Florida, and its discretely presented component unit as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of Seminole State College of Florida and of its discretely presented component unit as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the discretely presented component unit, which represent 100 percent of the transactions and account balances of the discretely presented component unit columns as of June 30, 2025. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the other auditors.

#### **Basis for Opinions**

We conducted our audit 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the **Auditor's Responsibilities for the Audit of the Financial Statements** section of our report. We are required to be independent of the College 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 opinions.

### ***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 College's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 GAAS and *Government 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 College'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 College'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.

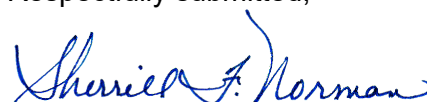
### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that **MANAGEMENT'S DISCUSSION AND ANALYSIS**, the **Schedule of Changes in the College's Total Other Postemployment Benefits Liability and Related Ratios**, **Schedule of the College's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan**, **Schedule of College Contributions – Florida Retirement System Pension Plan**, **Schedule of the College's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan**, **Schedule of College Contributions – Health Insurance Subsidy Pension Plan**, and **Notes to Required Supplementary Information** 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 February 2, 2026, on our consideration of the Seminole State College of Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College'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 College's internal control over financial reporting and compliance.

Respectfully submitted,



Sherrill F. Norman, CPA  
Tallahassee, Florida  
February 2, 2026

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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Management's discussion and analysis (MD&A) provides an overview of the financial position and activities of the College for the fiscal year ended June 30, 2025, and should be read in conjunction with the financial statements and notes thereto. The MD&A, and financial statements and notes thereto, are the responsibility of College management. The MD&A contains financial activity of the College for the fiscal years ended June 30, 2025, and June 30, 2024.

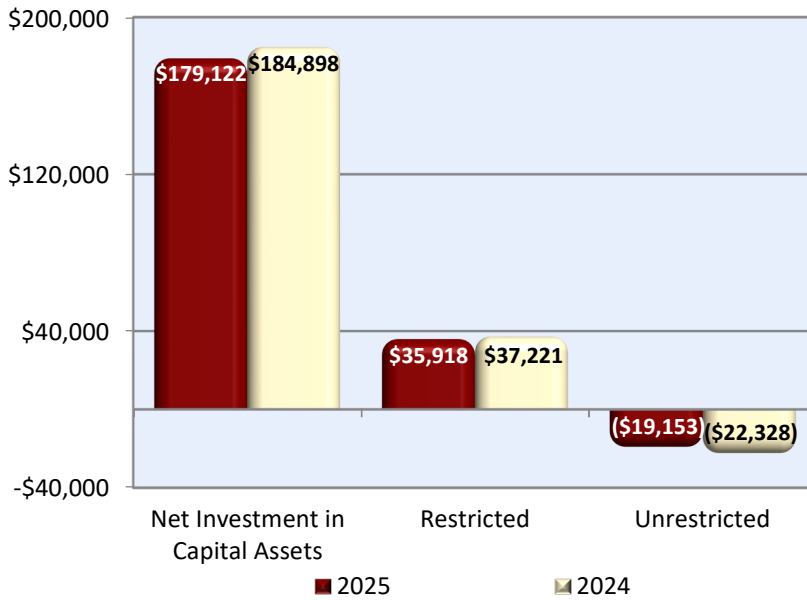
### FINANCIAL HIGHLIGHTS

The College's assets and deferred outflows of resources totaled \$264.1 million at June 30, 2025. This balance reflects a \$6.3 million, or 2.3 percent, decrease as compared to the 2023-24 fiscal year. This decrease is primarily the result of decreases in amounts due from other governmental agencies totaling \$8.4 million from nonrecurring State funding in support of current and future deferred maintenance projects and funding from the Higher Education Emergency Relief Fund (HEERF), and a \$6.8 million decrease of capital assets. These decreases are partially offset by increases in cash and cash equivalents of \$8.6 million and \$0.7 million in deferred outflows related to pensions. Liabilities and deferred inflows of resources decreased \$2.4 million or 3.4 percent, totaling \$68.2 million at June 30, 2025, as compared to \$70.6 million at June 30, 2024. This change is primarily the result of decreases in net pension liability of \$2.8 million, leases payable of \$0.6 million, and compensated absences of \$0.8 million, partially offset by increases of \$0.2 million in accounts payable, \$0.4 million in salary and salary taxes payable, and \$1.9 million of deferred inflows of resources related to pensions. As a result, the College's net position decreased by \$3.9 million, resulting in a year-end balance of \$195.9 million.

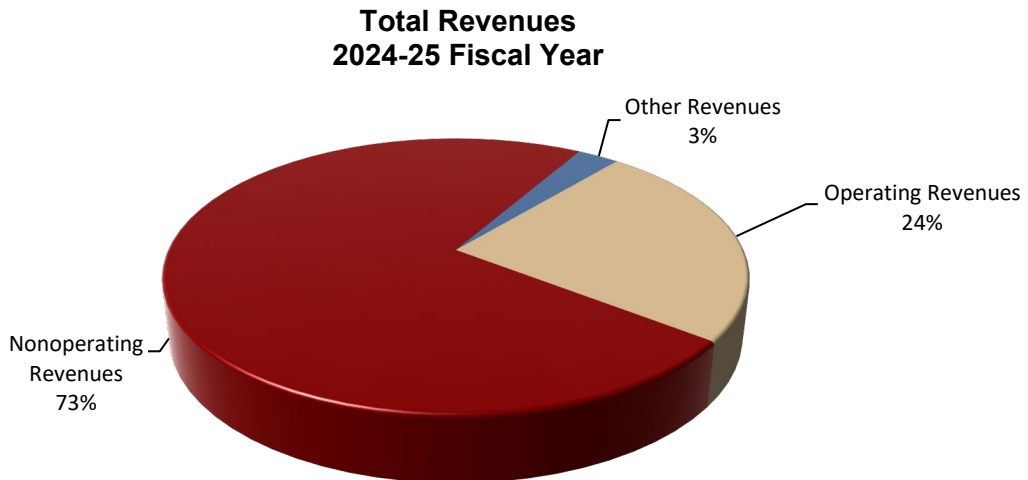
The College's operating revenues totaled \$33.4 million for the 2024-25 fiscal year, representing a 4.8 percent decrease compared to the 2023-24 fiscal year due mainly to a decrease in Federal grants related to HEERF funds, offset by a \$2 million increase in State and local grants and contracts. Operating expenses totaled \$142 million for the 2024-25 fiscal year, representing an increase of \$3.6 million, or 2.6 percent as compared to the 2023-24 fiscal year due mainly to increases in scholarships and waivers of \$6.3 million, \$3.5 million for materials and supplies and \$1.7 million for other services and expenses, offset by decreases in personnel services of \$3.2 million and \$4.4 million of contractual services.

Net position represents the residual interest in the College's assets and deferred outflows of resources after deducting liabilities and deferred inflows of resources. The College's comparative total net position by category for the fiscal years ended June 30, 2025, and June 30, 2024, is shown in the following graph:

**Net Position**  
(In Thousands)



The following chart provides a graphical presentation of College revenues by category for the 2024-25 fiscal year:



**OVERVIEW OF FINANCIAL STATEMENTS**

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

determining component units, the Foundation is included within the College reporting entity as a discretely presented component unit.

This MD&A focuses on the College, excluding the discretely presented component unit. MD&A information for the Foundation is included in its separately issued audit report.

### **The Statement of Net Position**

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

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

#### **Condensed Statement of Net Position at June 30**

(In Thousands)

	<b>2025</b>	<b>2024</b>
<b>Assets</b>		
Current Assets	\$ 52,469	\$ 52,956
Capital Assets, Net	180,281	187,042
Other Noncurrent Assets	18,061	17,839
<b>Total Assets</b>	<b>250,811</b>	<b>257,837</b>
<b>Deferred Outflows of Resources</b>	<b>13,315</b>	<b>12,585</b>
<b>Liabilities</b>		
Current Liabilities	5,313	4,443
Noncurrent Liabilities	53,181	57,825
<b>Total Liabilities</b>	<b>58,494</b>	<b>62,268</b>
<b>Deferred Inflows of Resources</b>	<b>9,745</b>	<b>8,363</b>
<b>Net Position</b>		
Net Investment in Capital Assets	179,122	184,898
Restricted	35,918	37,221
Unrestricted	(19,153)	(22,328)
<b>Total Net Position</b>	<b>\$ 195,887</b>	<b>\$ 199,791</b>

Total assets decreased by \$7 million from the prior fiscal year primarily due to decreases in amounts due from other governmental agencies of \$8.4 million related to the receipt of non-recurring deferred maintenance funding and drawdowns of HEERF funds, prepaid expenses of \$0.7 million, and capital assets of \$6.8 million. The decreases are partially offset by an increase in cash and cash equivalents of \$8.6 million.

Total liabilities decreased \$3.8 million from the prior fiscal year primarily due to a decrease in net pension liability of \$2.8 million, compensated absences of \$0.8 million, and leases payable of \$0.6 million. This decrease is partially offset by increases of \$0.2 million in accounts payable, \$0.4 million in salary and salary taxes payable, and \$1.9 million of deferred inflows of resources related to pensions.

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

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

The following summarizes the College’s activity for the 2024-25 and 2023-24 fiscal years:

**Condensed Statement of Revenues, Expenses, and Changes in Net Position  
For the Fiscal Years  
(In Thousands)**

	<b>2024-25</b>	<b>2023-24</b>
Operating Revenues	\$ 33,370	\$ 35,050
Less, Operating Expenses	141,969	138,417
<b>Operating Loss</b>	(108,599)	(103,367)
Net Nonoperating Revenues	100,011	95,321
<b>Loss Before Other Revenues</b>	(8,588)	(8,046)
Other Revenues	3,763	8,464
<b>Net Increase (Decrease) In Net Position</b>	(4,825)	418
Net Position, Beginning of Year	199,791	199,373
Adjustment to Beginning Net Position (1)	921	-
<b>Net Position, Beginning of Year, as Restated</b>	200,712	199,373
<b>Net Position, End of Year</b>	\$ 195,887	\$ 199,791

(1) For the 2024-25 fiscal year, the College’s beginning net position was increased due to the implementation of GASB Statement No. 101, *Compensated Absences*. Additional information can be found in Note 2. to the financial statements.

**Operating Revenues**

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

The following summarizes the operating revenues by source that were used to fund operating activities for the 2024-25 and 2023-24 fiscal years:

## Operating Revenues For the Fiscal Years

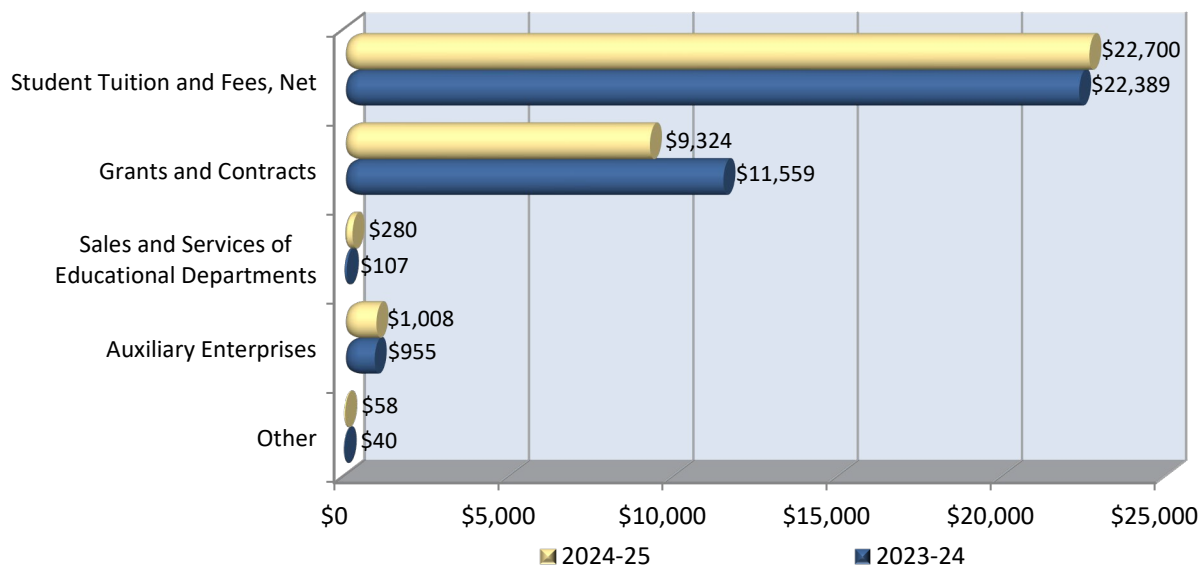
(In Thousands)

	<b>2024-25</b>	<b>2023-24</b>
Student Tuition and Fees, Net	\$ 22,700	\$ 22,389
Grants and Contracts	9,324	11,559
Sales and Services of Educational Departments	280	107
Auxiliary Enterprises	1,008	955
Other	58	40
<b>Total Operating Revenues</b>	<b>\$ 33,370</b>	<b>\$ 35,050</b>

The following chart presents the College's operating revenues for the 2024-25 and 2023-24 fiscal years:

### Operating Revenues

(In Thousands)



College operating revenues decreased by \$1.7 million compared to the prior fiscal year, primarily as a result of a \$4.2 million decrease in Federal grants and contracts due to the expiration of HEERF funding. This decrease is partially offset by a \$2 million increase in State and local grants and contracts.

### Operating Expenses

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

The following summarizes operating expenses by natural classification for the 2024-25 and 2023-24 fiscal years:

## Operating Expenses For the Fiscal Years

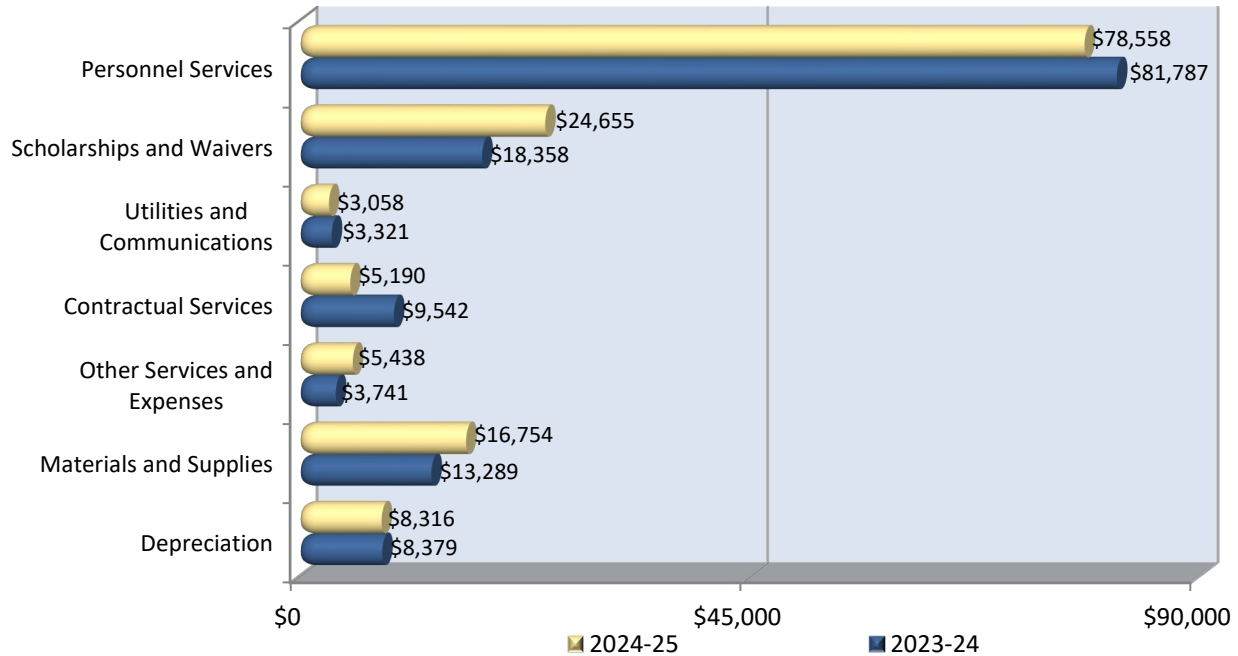
(In Thousands)

	2024-25	2023-24
Personnel Services	\$ 78,558	\$ 81,787
Scholarships and Waivers	24,655	18,358
Utilities and Communications	3,058	3,321
Contractual Services	5,190	9,542
Other Services and Expenses	5,438	3,741
Materials and Supplies	16,754	13,289
Depreciation	8,316	8,379
<b>Total Operating Expenses</b>	<b>\$ 141,969</b>	<b>\$ 138,417</b>

The following chart presents the College's operating expenses for the 2024-25 and 2023-24 fiscal years:

### Operating Expenses

(In Thousands)



College operating expenses increased by \$3.6 million primarily due to increases of \$6.3 million for scholarships and waivers due to increases in Pell student financial aid funding, \$3.5 million for materials and supplies due to purchases of minor computer equipment, noncapitalized data software and remodeling, and \$1.7 million increase for other services and expenses. These increases were partially offset by decreases of \$3.2 million for personnel costs due to a \$8.1 million decrease in pension-related expenses that was partially offset by increases of \$2.5 million for salaries and \$2 million for insurance benefits, and a \$4.4 million decrease in contractual services.

## **Nonoperating Revenues and Expenses**

Certain revenue sources that the College relies on to provide funding for operations, including State noncapital appropriations, Federal and State student financial aid, certain gifts and grants, and investment income, are defined by GASB as nonoperating. Nonoperating expenses include capital financing costs and other costs related to capital assets. The following summarizes the College's nonoperating revenues and expenses for the 2024-25 and 2023-24 fiscal years:

### **Nonoperating Revenues (Expenses) For the Fiscal Years**

(In Thousands)

	<u>2024-25</u>	<u>2023-24</u>
State Noncapital Appropriations	\$ 60,743	\$ 61,051
Federal and State Student Financial Aid	35,478	26,944
Gifts and Grants	1,031	6,079
Investment Income	1,627	1,398
Other Nonoperating Revenues (Expenses)	1,220	(20)
Gain on Disposal of Capital Assets	-	13
Interest on Capital Asset-Related Debt	<u>(88)</u>	<u>(144)</u>
<b>Net Nonoperating Revenues</b>	<u><u>\$100,011</u></u>	<u><u>\$ 95,321</u></u>

Net nonoperating revenues increased by \$4.7 million, or 4.9 percent. This increase is primarily the result of a \$8.5 million increase Federal and State student financial aid due to increased student enrollment and a \$1.2 million increase in other nonoperating revenues, offset by a \$5 million decrease in gifts and grants related to the HEERF funding from the prior fiscal year.

## **Other Revenues**

This category is composed of State capital appropriations and capital grants, contracts, gifts, and fees. The following summarizes the College's other revenues for the 2024-25 and 2023-24 fiscal years:

### **Other Revenues For the Fiscal Years**

(In Thousands)

	<u>2024-25</u>	<u>2023-24</u>
State Capital Appropriations	\$ 375	\$ 5,213
Capital Grants, Contracts, Gifts, and Fees	<u>3,388</u>	<u>3,251</u>
<b>Total</b>	<u><u>\$ 3,763</u></u>	<u><u>\$ 8,464</u></u>

The decrease in other revenue of \$4.7 million, or 55.5 percent, is the result of non-recurring State capital appropriations received for construction projects in the prior fiscal year.

## **The Statement of Cash Flows**

The statement of cash flows provides information about the College's financial results by reporting the major sources and uses of cash and cash equivalents. This statement will assist in evaluating the College's ability to generate net cash flows, its ability to meet its financial obligations as they come due,

and its need for external financing. Cash flows from operating activities show the net cash used by the operating activities of the College. Cash flows from capital financing activities include all plant funds and related long-term debt activities. Cash flows from investing activities show the net source and use of cash related to purchasing or selling investments, and earning income on those investments. Cash flows from noncapital financing activities include those activities not covered in other sections.

The following summarizes the College's cash flows for the 2024-25 and 2023-24 fiscal years:

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

	<b>2024-25</b>	<b>2023-24</b>
Cash Provided (Used) by:		
Operating Activities	\$ (96,922)	\$ (90,158)
Noncapital Financing Activities	97,196	94,074
Capital and Related Financing Activities	6,661	(30)
Investing Activities	1,630	1,399
<b>Net Increase in Cash and Cash Equivalents</b>	8,565	5,285
Cash and Cash Equivalents, Beginning of Year	43,339	38,054
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 51,904</b>	<b>\$ 43,339</b>

Major sources of funds came from State noncapital appropriations (\$60.7 million), Federal and State student financial aid (\$35.5 million), net student tuition and fees (\$22.6 million), Federal direct loan program receipts (\$14.1 million), grants and contracts (\$13.9 million) and gifts and grants received for other than capital or endowment purposes (\$1 million). Major uses of funds were for payments to employees and for employee benefits (\$79.9 million), payments for scholarships (\$24.7 million), payments to providers of goods and services (\$27 million), and disbursements to students for Federal direct loan program disbursements (\$14.1 million).

Changes in cash and cash equivalents were the result of the following factors:

- Operating activities used \$6.8 million more in cash compared to the prior fiscal year. Payments to employees and employee benefits increased by \$4.7 million, for compensation adjustments and higher benefit cost due to the transition to the State of Florida Employee Group Health Insurance plan. Payments for scholarships increased \$6.3 million due primarily to an increase in student Federal Pell grants, and payments to suppliers increased by \$1.3 million. These increased uses were partially offset by source increases for grants and contracts of \$4.4 million and \$0.8 million for student tuition and fees, net.
- Noncapital financing cash flows increased by \$3.1 million primarily due to a \$8.5 million increase in Federal and State student financial aid. The increase is partially offset by a decrease of \$5.1 million in gifts and grants received for other than capital or endowment purposes.
- Net cash flows from capital and related financing activities increased by \$6.7 million primarily due to a \$4.7 million decrease for purchases of capital assets and an increase of \$1.3 million for proceeds from the sale of capital assets.

<b>CAPITAL ASSETS, CAPITAL EXPENSES AND COMMITMENTS, AND DEBT ADMINISTRATION</b>
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**Capital Assets**

At June 30, 2025, the College had \$321.3 million in capital assets, less accumulated depreciation of \$141 million, for net capital assets of \$180.3 million. Depreciation charges for the current fiscal year totaled \$8.3 million. The following table summarizes the College’s capital assets, net of accumulated depreciation, at June 30:

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

	2025	2024
Land	\$ 32,346	\$ 32,346
Construction in Progress	431	565
Buildings	143,827	149,701
Other Structures and Improvements	114	163
Furniture, Machinery, and Equipment	3,097	2,995
Lease Assets	158	1,031
Leasehold Improvements	308	241
<b>Capital Assets, Net</b>	<b>\$180,281</b>	<b>\$187,042</b>

Additional information about the College’s capital assets is presented in the notes to financial statements.

**Capital Expenses and Commitments**

Major capital expenses through June 30, 2025, were incurred for smaller construction and deferred maintenance projects. The College’s major construction commitments at June 30, 2025, are as follows:

	<b>Amount</b> <b>(In Thousands)</b>
Total Committed	\$ 7,536
Completed to Date	425
<b>Balance Committed</b>	<b>\$ 7,111</b>

Additional information about the College’s construction commitments is presented in the notes to financial statements.

**Debt Administration**

As of June 30, 2025, the College had \$0.7 million in outstanding bonds payable and \$0.4 million in leases payable. Bonds payable had a decrease of \$0.4 million, or 34 percent from the prior fiscal year, and leases payable decreased by \$0.6 million, or 59 percent. The following table summarizes the outstanding long-term debt by type for the fiscal years ended June 30:

## Long-Term Debt at June 30

(In Thousands)

	<u>2025</u>	<u>2024</u>
Bonds Payable	\$ 740	\$ 1,122
Leases Payable	419	1,021
<b>Total</b>	<u>\$ 1,159</u>	<u>\$ 2,143</u>

The State Board of Education issues capital outlay bonds on behalf of the College. During the 2024-25 fiscal year, there were no bond sales and debt repayments totaled \$1 million. Additional information about the College's long-term debt is presented in the notes to financial statements.

### ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

The College's economic condition is closely tied to that of the State of Florida. Because of limited economic growth and increased demand for State resources, only a modest increase in State funding is anticipated in the 2025-26 fiscal year.

The College's Administration did not recommend an increase in student tuition and statutory local fees to the District Board of Trustees. This decision coincides with a general philosophy of keeping the cost of student attendance low and affordable. The College continues the process of budget re-alignment, which began in the 2023-24 fiscal year, to ensure resources are available to meet the growing demands of the College. The College has adequate reserves to meet the statutory requirement for 5 percent and meet growing demands as well as extraordinary or unexpected cost increases. The budget re-alignment initiative will continue in the 2025-26 fiscal year coupled with a modest growth in realized tuition from enrollment growth.

In the 2025-26 fiscal year, the College anticipates a moderate enrollment increase as students seek to enhance job skills, credentials, and degrees. The College continues to offer additional programs to attract new students and increase the retention of students currently enrolled.

The College received \$10.8 million in Deferred Building Maintenance Program dollars for the critical repair, deferred maintenance, and renovation of its campus buildings, and infrastructure for the 2022-23 fiscal year. The College also received \$5.8 million in PECO State appropriations for the 2022-23 fiscal year to renovate the Workforce and Construction Trades Center (Building D) to meet the growing and changing needs of workforce and vocational programs. These projects will continue into the 2025-26 fiscal year. The College received \$0.4 million in PECO State appropriations for the 2023-24 fiscal year to begin planning for a new student service building and \$4.4 million for Workforce Building B at the Altamonte Springs campus.

In case of mid-year State operating appropriation reductions and reduced student enrollment, the College has adequate Board designated reserves coupled with budgetary reduction plans, if needed, to enable the College to continue its educational mission.

REQUESTS FOR INFORMATION

Questions concerning information provided in the MD&A or other required supplementary information, and financial statements and notes thereto, or requests for additional financial information should be addressed to Mr. Robert Whitaker, Vice President of Business Operations and Chief Financial Officer, Seminole State College of Florida, 100 Weldon Blvd., Sanford, FL 32773.

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# BASIC FINANCIAL STATEMENTS

## SEMINOLE STATE COLLEGE OF FLORIDA A Component Unit of the State of Florida Statement of Net Position

June 30, 2025

	<u>College</u>	<u>Component Unit</u>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 29,293,932	\$ 3,442,973
Restricted Cash and Cash Equivalents	5,151,136	3,935,622
Accounts Receivable, Net	2,617,708	-
Pledges Receivable, Net	-	834,525
Leases Receivable, Net	146,330	-
Due from Other Governmental Agencies	13,785,634	-
Due from Component Unit	264,593	-
Prepaid Expenses	1,205,648	-
Deposits	3,616	-
<b>Total Current Assets</b>	<u>52,468,597</u>	<u>8,213,120</u>
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	17,459,103	-
Investments	-	2,998,734
Restricted Investments	2,599	31,947,660
Leases Receivable, Net	594,717	-
Prepaid Expenses	5,030	-
Restricted Pledges Receivable, Net	-	500,000
Depreciable Capital Assets, Net	147,503,726	-
Nondepreciable Capital Assets	<u>32,777,174</u>	<u>1,472,171</u>
<b>Total Noncurrent Assets</b>	<u>198,342,349</u>	<u>36,918,565</u>
<b>TOTAL ASSETS</b>	<u>250,810,946</u>	<u>45,131,685</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Other Postemployment Benefits	163,392	-
Pensions	<u>13,151,898</u>	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>13,315,290</u>	-
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	1,456,530	6,310
Salary and Payroll Taxes Payable	2,227,404	-
Retainage Payable	157,973	-
Due To College	-	264,593
Deposits Held for Others	112,442	30,251
Long-Term Liabilities - Current Portion:		
Bonds Payable	410,000	-
Leases Payable	161,504	-
Compensated Absences Payable	600,559	-
Other Postemployment Benefits Payable	54,831	-
Net Pension Liability	<u>132,367</u>	-
<b>Total Current Liabilities</b>	<u>5,313,610</u>	<u>301,154</u>

	<u>College</u>	<u>Component Unit</u>
<b>LIABILITIES (Continued)</b>		
Noncurrent Liabilities:		
Bonds Payable	330,000	-
Leases Payable	257,749	-
Compensated Absences Payable	6,206,900	-
Other Postemployment Benefits Payable	1,188,801	-
Net Pension Liability	45,197,592	-
<b>Total Noncurrent Liabilities</b>	<u>53,181,042</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>58,494,652</u>	<u>301,154</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Other Postemployment Benefits	1,300,098	-
Pensions	7,910,052	-
Leases Receivable	534,896	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>9,745,046</u>	<u>-</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	179,121,647	1,472,171
Restricted:		
Nonexpendable:		
Endowment	-	16,121,208
Expendable:		
Endowment	-	14,974,593
Grants and Loans	3,973,003	-
Scholarships	1,030,942	-
Capital Projects	30,911,320	-
Debt Service	2,599	-
Unrestricted	<u>(19,152,973)</u>	<u>12,262,559</u>
<b>TOTAL NET POSITION</b>	<u>\$ 195,886,538</u>	<u>\$ 44,830,531</u>

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

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**SEMINOLE STATE COLLEGE OF FLORIDA**  
**A Component Unit of the State of Florida**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2025**

	<b>College</b>	<b>Component Unit</b>
<b>REVENUES</b>		
Operating Revenues:		
Student Tuition and Fees, Net of Scholarship Allowances of \$12,372,679	\$ 22,699,321	\$ -
Federal Grants and Contracts	2,509,035	-
State and Local Grants and Contracts	3,646,292	-
Nongovernmental Grants and Contracts	3,169,170	-
Sales and Services of Educational Departments	279,605	-
Auxiliary Enterprises	1,008,265	-
Other Operating Revenues	57,950	4,022,029
<b>Total Operating Revenues</b>	<b>33,369,638</b>	<b>4,022,029</b>
<b>EXPENSES</b>		
Operating Expenses:		
Personnel Services	78,558,727	815,857
Scholarships and Waivers	24,655,486	3,110,093
Utilities and Communications	3,057,598	-
Contractual Services	5,189,615	321,086
Other Services and Expenses	5,438,025	133,391
Materials and Supplies	16,753,507	76,031
Depreciation	8,316,174	-
<b>Total Operating Expenses</b>	<b>141,969,132</b>	<b>4,456,458</b>
<b>Operating Loss</b>	<b>(108,599,494)</b>	<b>(434,429)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State Noncapital Appropriations	60,742,607	93,009
Federal and State Student Financial Aid	35,478,491	-
Gifts and Grants	1,030,962	282,434
Investment Income	1,589,528	1,201,530
Net Gain on Investments	37,968	2,360,705
Other Nonoperating Revenues	1,220,471	-
Interest on Capital Asset-Related Debt	(89,233)	-
<b>Net Nonoperating Revenues</b>	<b>100,010,794</b>	<b>3,937,678</b>
<b>Income (Loss) Before Other Revenues</b>	<b>(8,588,700)</b>	<b>3,503,249</b>
State Capital Appropriations	375,275	-
Capital Grants, Contracts, Gifts, and Fees	3,388,332	-
<b>Total Other Revenues</b>	<b>3,763,607</b>	<b>-</b>
<b>Increase (Decrease) in Net Position</b>	<b>(4,825,093)</b>	<b>3,503,249</b>
Net Position, Beginning of Year	199,790,618	41,327,282
Adjustment to Beginning Net Position	921,013	-
<b>Net Position, Beginning of Year, as Restated</b>	<b>200,711,631</b>	<b>41,327,282</b>
<b>Net Position, End of Year</b>	<b>\$ 195,886,538</b>	<b>\$ 44,830,531</b>

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

**SEMINOLE STATE COLLEGE OF FLORIDA**  
**A Component Unit of the State of Florida**  
**Statement of Cash Flows**

**For the Fiscal Year Ended June 30, 2025**

	<b>College</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Student Tuition and Fees, Net	\$ 22,620,359
Grants and Contracts	13,873,098
Payments to Suppliers	(26,978,454)
Payments for Utilities and Communications	(3,235,098)
Payments to Employees	(60,379,408)
Payments for Employee Benefits	(19,482,326)
Payments for Scholarships	(24,655,486)
Auxiliary Enterprises	989,483
Sales and Services of Educational Departments	279,605
Other Receipts	46,458
	<b>(96,921,769)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State Noncapital Appropriations	60,742,607
Federal and State Student Financial Aid	35,479,024
Federal Direct Loan Program Receipts	14,096,230
Federal Direct Loan Program Disbursements	(14,096,230)
Gifts and Grants Received for Other Than Capital or Endowment Purposes	1,030,962
Other Nonoperating Disbursements	(56,891)
	<b>97,195,702</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
State Capital Appropriations	4,455,521
Capital Grants and Gifts	3,388,332
Proceeds from Sale of Capital Assets	1,277,362
Purchases of Capital Assets	(1,386,568)
Principal Paid on Capital Debt and Leases	(984,141)
Interest Paid on Capital Debt and Leases	(89,233)
	<b>6,661,273</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from Sales and Maturities of Investments	2,170
Investment Income	1,627,496
	<b>1,629,666</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>8,564,872</b>
Cash and Cash Equivalents, Beginning of Year	43,339,299
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 51,904,171</b>

	<u>College</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>	
Operating Loss	\$ (108,599,494)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation Expense	8,316,174
Changes in Assets, Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources:	
Receivables, Net	(434,461)
Due From Other Governmental Agencies	4,346,582
Due From Component Unit	4,332
Prepaid Expenses	684,499
Leases Receivable	146,331
Accounts Payable	192,942
Salaries and Payroll Taxes Payable	1,308,309
Deposits Held for Others	(12,920)
Compensated Absences Payable	(813,832)
Other Postemployment Benefits Payable	93,781
Net Pension Liability	(2,805,586)
Deferred Outflows of Resources Related to Pensions	(696,135)
Deferred Inflows of Resources Related to Pensions	1,863,667
Deferred Outflows of Resources Related to Other Postemployment Benefits	(34,459)
Deferred Inflows of Resources Related to Other Postemployment Benefits	(201,457)
Deferred Inflows of Resources Related to Leases Receivable	(280,042)
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<u>\$ (96,921,769)</u>

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

# **NOTES TO FINANCIAL STATEMENTS**

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## **1. Summary of Significant Accounting Policies**

**Reporting Entity.** The governing body of Seminole State College of Florida, a component unit of the State of Florida, is the College Board of Trustees. The Board of Trustees constitutes a corporation and is composed of five members appointed by the Governor and confirmed by the Senate. The Board of Trustees is under the general direction and control of the Florida Department of Education, Division of Florida Colleges, and is governed by State law and State Board of Education (SBE) rules. However, the Board of Trustees is directly responsible for the day-to-day operations and control of the College within the framework of applicable State laws and SBE rules. The College serves Seminole County.

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

**Discretely Presented Component Unit.** Based on the application of the criteria for determining component units, the Foundation for Seminole State College of Florida, Inc. (Foundation), a legally separate entity, is included within the College's reporting entity as a discretely presented component unit and is governed by a separate board.

The Foundation is also a direct-support organization, as defined in Section 1004.70, Florida Statutes, and although legally separate from the College, is financially accountable to the College. The Foundation is managed independently, outside the College's budgeting process, and its powers generally are vested in a governing board pursuant to various State statutes. The Foundation receives, holds, invests, and administers property, and makes expenditures to or for the benefit of the College.

The Foundation is audited by other auditors pursuant to Section 1004.70(6), Florida Statutes. The Foundation's audited financial statements are available to the public and can be obtained from Dr. John Gyllin, Vice President of Resource & Economic Development and Foundation Executive Director, Foundation for Seminole State College of Florida, Inc., 1055 AAA Drive, Heathrow, Florida 32746. The financial data reported on the accompanying financial statements was derived from the Foundation's audited financial statements for the fiscal year ended June 30, 2025.

**Basis of Presentation.** The College's accounting policies conform with accounting principles generally accepted in the United States of America applicable to public colleges and universities as prescribed by GASB. The National Association of College and University Business Officers (NACUBO) also provides the College with recommendations prescribed in accordance with generally accepted accounting principles promulgated by GASB and the Financial Accounting Standards Board (FASB). GASB allows public colleges various reporting options. The College has elected to report as an entity engaged in only

business-type activities. This election requires the adoption of the accrual basis of accounting and entitywide reporting including the following components:

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

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

The College's component unit uses the economic resources measurement focus and accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred, and follows GASB standards of accounting and financial reporting.

Significant interdepartmental sales between auxiliary service departments and other institutional departments have been accounted for as reductions of expenses and not revenues of those departments.

The College's principal operating activity is instruction. Operating revenues and expenses generally include all fiscal transactions directly related to instruction as well as administration, academic support, student services, physical plant operations, and depreciation of capital assets. Nonoperating revenues include State noncapital appropriations, Federal and State student financial aid, and investment income. Interest on capital asset-related debt is a nonoperating expense. Other revenues generally include revenues for capital construction projects.

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

The statement of revenues, expenses, and changes in net position is presented by major sources and is reported net of tuition scholarship allowances. Tuition scholarship allowances are the difference between the stated charge for goods and services provided by the College and the amount that is actually paid by

the student or the third party making payment on behalf of the student. The College determines its scholarship allowance by identifying those student transactions where the student's classes were paid by an applicable financial aid source. To the extent that those resources are used to pay student charges, the College records a scholarship allowance against tuition and fee revenue.

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

**Cash and Cash Equivalents.** Cash and cash equivalents consist of cash on hand, cash in demand accounts, cash placed with the State Treasury Special Purpose Investment Account (SPIA), and cash in a money market account. For reporting cash flows, the College considers all highly liquid investments with original maturities of 3 months or less, that are not held solely for income or profit, to be cash equivalents. Under this definition, the College considers amounts invested in the State Treasury SPIA investment pool to be cash equivalents.

College cash deposits are held in banks qualified as public depositories under Florida law. All such deposits are insured by the Federal Deposit Insurance Corporation, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool required by Chapter 280, Florida Statutes. Cash and cash equivalents that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other restricted assets are classified as restricted.

At June 30, 2025, the College reported as cash equivalents at fair value \$5,406,298 in the State Treasury SPIA investment pool representing ownership of a share of the pool, not the underlying securities (Level 3 inputs, as discussed in Note 4.). Pooled investments with the State Treasury are not registered with the Securities and Exchange Commission. Oversight of the pooled investments with the State Treasury is provided by the Treasury Investment Committee per Section 17.575, Florida Statutes. The authorized investment types are set forth in Section 17.57, Florida Statutes. The State Treasury SPIA investment pool carried a credit rating of AA-f by Standard & Poor's, had an effective duration of 3.33 years and fair value factor of 1.003 at June 30, 2025. Participants contribute to the State Treasury SPIA investment pool on a dollar basis. These funds are commingled and a fair value of the pool is determined from the individual values of the securities. The fair value of the securities is summed and a total pool fair value is determined. A fair value factor is calculated by dividing the pool's total fair value by the pool participant's total cash balance. The fair value factor is the ratio used to determine the fair value of an individual participant's pool balance. The College relies on policies developed by the State Treasury for managing interest rate risk or credit risk for this investment pool. Disclosures for the State Treasury SPIA investment pool are included in the notes to financial statements of the State's Annual Comprehensive Financial Report.

At June 30, 2025, the College reported as cash equivalents \$27,607,089 in a money market account. The funds invested in the money market account carried a credit rating of AAAm by Standard & Poor's. As of June 30, 2025, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the College's daily access to 100 percent of their account value.

**Capital Assets.** College capital assets consist of land, construction in progress, buildings, other structures and improvements, furniture, machinery, and equipment, leasehold improvements, lease assets, and computer software. These assets are capitalized and recorded at cost at the date of acquisition or at acquisition value at the date received in the case of gifts and purchases of State surplus property. Additions, improvements, and other outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The College has a capitalization threshold of \$5,000 for tangible personal property and \$65,000 for buildings and other structures and improvements. Depreciation is computed on the straight-line basis over the following estimated useful lives:

- Buildings – 40 years
- Other Structures and Improvements – 10 years
- Furniture, Machinery, and Equipment:
  - Computer Equipment – 3 years
  - Vehicles, Office Machines, and Educational Equipment – 5 years
  - Furniture – 7 years
- Lease Assets – 5 years
- Leasehold Improvements – 10 to 40 years

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

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

## 2. Accounting Changes

**Change in Accounting Principle.** The College implemented GASB Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences and requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. At implementation on July 1, 2024, the beginning balance of the compensated absences liability was decreased by \$921,013, which resulted in an increase to the beginning net position by the same amount as shown in the table below.

	<u>College</u>
Beginning Net Positions, as previously reporting	\$ 199,790,618
Change in accounting principle (GASB Statement No. 101)	921,013
Beginning Net Position, as restated	<u>\$ 200,711,631</u>

### 3. Deficit Net Position in Individual Funds

The College reported an unrestricted net position which included a deficit in the current funds - unrestricted, as shown below. This deficit can be attributed to the full recognition of long-term liabilities (i.e., compensated absences payable, other postemployment benefits payable, and net pension liabilities) in the current unrestricted funds.

<u>Fund</u>	<u>Net Position</u>
Current Funds - Unrestricted	\$ (28,223,630)
Auxiliary Funds	<u>9,070,657</u>
<b>Total</b>	<u><u>\$ (19,152,973)</u></u>

### 4. Investments

The Board of Trustees has adopted a written investment policy providing that surplus funds of the College shall be invested in those institutions and instruments permitted under the provisions of Florida Statutes. Section 218.415(16), Florida Statutes, authorizes the College to invest in the Florida PRIME investment pool administered by the State Board of Administration (SBA); Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits and savings accounts in qualified public depositories, as defined by Section 280.02, Florida Statutes; direct obligations of the United States Treasury; obligations of Federal agencies and instrumentalities; securities of, or interests in, certain open-end or closed-end management type investment companies; and other investments approved by the Board of Trustees as authorized by law. SBE Rule 6A-14.0765(3), Florida Administrative Code, provides that College loan, endowment, annuity, and life income funds may also be invested pursuant to Section 215.47, Florida Statutes. Investments authorized by Section 215.47, Florida Statutes, include bonds, notes, commercial paper, and various other types of investments.

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

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

**State Board of Administration Debt Service Accounts.** The College reported investments totaling \$2,599 at June 30, 2025, in the SBA Debt Service Accounts. These investments are used to make debt service payments on bonds issued by the SBE for the benefit of the College. The College's investments consist of United States Treasury securities, with maturity dates of 6 months or less, and are reported at fair value (Level 1 inputs). The College relies on policies developed by the SBA for managing interest rate risk and credit risk for these accounts. Disclosures for the Debt Service Accounts are included in the notes to financial statements of the State's Annual Comprehensive Financial Report.

**Component Unit Investments.** Investments of the Foundation consists of corporate bonds, United States Treasury bonds, foreign bonds, United States mortgage-backed securities, mutual funds, and domestic and international equities. Investments held by the Foundation at June 30, 2025, are reported at fair value as follows:

<u>Investment Type</u>	<u>Average Maturity</u>	<u>Credit Quality Rating</u>	<u>Amount</u>
Corporate Bonds	4.95 years	AAA to BBB-	\$ 1,810,736
United States Treasury Bonds	4.38 years	AA+	2,049,048
Foreign Bonds	2.84 years	A to A-	165,122
United States Mortgage-Backed Securities	5.34 years	AAA - AA+	1,316,850
Mutual Funds	N/A	(1)	9,202,384
Domestic Equities	N/A	(1)	17,119,582
International Equities	N/A	(1)	<u>3,282,672</u>
<b>Total Foundation Investments</b>			<u>\$ 34,946,394</u>

The following table represents the levels within the fair value hierarchy in which the Foundation's financial instruments are measured at June 30, 2025:

<b>Investments by fair value level</b>	<b>Amount</b>	<b>Fair Value Measurements Using</b>		
		<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Interest-sensitive Investments:				
Corporate Bonds	\$ 1,810,736	\$ -	\$ 1,810,736	\$ -
United States Treasury Bonds	2,049,048	2,049,048	-	-
Foreign Bonds	165,122	-	165,122	-
<b>Total Interest-sensitive Investments</b>	<u>4,024,906</u>	<u>2,049,048</u>	<u>1,975,858</u>	<u>-</u>
Alternative Investments:				
United States Mortgage-Backed Securities	1,316,850	-	1,316,850	-
<b>Total Alternative Investments</b>	<u>1,316,850</u>	<u>-</u>	<u>1,316,850</u>	<u>-</u>
Equity Investments:				
Mutual Funds	9,202,384	9,202,384	-	-
Domestic Equities	17,119,582	17,119,582	-	-
International Equities	3,282,672	3,282,672	-	-
<b>Total Equity Investments</b>	<u>29,604,638</u>	<u>29,604,638</u>	<u>-</u>	<u>-</u>
<b>Total investments by fair value level</b>	<u>\$ 34,946,394</u>	<u>\$ 31,653,686</u>	<u>\$ 3,292,708</u>	<u>\$ -</u>

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The following are descriptions of the valuation methodologies used for investments measured at fair value.

*Common Stocks (Equities):* Valued at the closing price reported on the active market on which the individual securities are traded.

*Mutual Funds:* Funds valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-end mutual funds that are registered with the Securities and Exchange Commission. The mutual funds held by the Foundation are deemed to be actively traded.

*Bonds (Corporate, United States Treasury, and Foreign):* Valued using pricing models maximizing the use of observable inputs for the same or similar securities. This includes basing values on yields currently available on comparable securities of issuers with the same or similar credit ratings.

*United States Mortgage-Backed Securities:* Funds valued using pricing models maximize the use of observable inputs for similar securities.

Generally, the goals of the Foundation's investment program for endowments are set forth in the investment policy as approved by the Foundation's Board of Directors and Finance Committee. The objective is to provide a steady growing income stream to support the Foundation's mission while providing sufficient reinvestment to protect the endowment from inflation. For investments of endowed funds, except Title III funds, the investment policy includes target allocations of 55 percent equities, with a maximum of 70 percent, (up to 70 percent and 25 percent, of the total managed portfolio can be domestic and international) respectively, a target allocation of 30 percent fixed income, with a maximum of 85 percent, and a target allocation of 15 percent alternative investments, with a maximum of 25 percent. For investments of non-endowed funds, the investment policy includes target allocations of 25 percent equities, with a maximum of 45 percent (up to 30 percent and 15 percent, of the total managed portfolio can be domestic and international) respectively, a target allocation of 75 percent fixed income, with a maximum of 100 percent, and a target allocation of 0 percent alternative investments, with a maximum of 5 percent. For Title III endowed funds, the investment policy includes target allocations of 80 percent fixed income, with a minimum of 70 percent and a maximum of 100 percent, a target allocation of 20 percent equities with a minimum of 0 percent and a maximum of 30 percent.

In 2017, the Foundation received a contribution in the form of an investment portfolio endowment. The objective is to maximize investment returns with a primary focus on income generation from equity securities while maintaining prudent levels of risk to meet those objectives. Investments and earnings in this portfolio are subject to certain investment policies as stipulated by the donor. The investment policy includes a total target allocation of 90 percent equities, with an allowable range of 0 to 100 percent as defined (at least 50 percent of the total managed portfolio must be domestic equities), a target allocation of 5 percent cash equivalents or certificates of deposit, with an allowable range of 0 to 30 percent, and allowable ranges for various other security types, as defined, of 0 percent to a maximum of 30 percent, as defined.

Management believes the Foundation is in compliance with its investment policy for the fiscal year ended June 30, 2025.

*Interest Rate Risk:* Interest rate risk is the risk that changes in interest rates of debt instruments will adversely affect the fair value of an investment. The Foundation's investment policy provides guidelines such as duration maximums and collateralization requirements to reduce its interest rate risk.

*Credit Risk:* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The table above summarizes the ratings of Foundation debt instruments using the higher of Standard and Poor's or Moody's nationally recognized statistical rating organizations. The Foundation's investment policy requires investment-grade bonds and commercial papers to be rated B+ and A1 or better, respectively.

*Custodial Credit Risk:* The Florida Security for Public Deposits Act (Act) establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements, and characteristics of eligible collateral. Under the Act, Foundation deposits in qualified public depositories are fully insured. The qualified public depository must pledge at least 50 percent of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to a maximum of 125 percent, may be required if deemed necessary under the conditions set forth in the Act. Obligations pledged to secure deposits must be delivered to the State Treasurer, or with the approval of the State Treasurer, to a bank, savings association, or trust company provided a power of attorney is delivered to the State Treasurer.

*Concentration of Credit Risk:* Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The Foundation's investment policy requires diversification of investments sufficient to reduce the potential of a single security, single sector of securities, or single style of management having a disproportionate or significant impact on the portfolio. No more than 5 percent of Foundation investments can be invested with a single company and no more than 30 percent of investments can be in one equity industry.

*Foreign Currency Risk:* Foreign currency risk is the risk that changes in exchange rates between the U.S. dollar and foreign currencies will adversely affect the fair value of an investment. The Foundation had \$165,122 in foreign fixed-income bonds at June 30, 2025.

## **5. Accounts Receivable**

Accounts receivable represent amounts for student fee deferments, various student services provided by the College, uncollected commissions for food service and vending machine sales, unused credit memos, and contract and grant reimbursements due from third parties. The accounts receivable are reported net of a \$508,850 allowance for doubtful accounts.

## **6. Leases Receivable**

Leases receivable represent contracted arrangements for the use of the College's facilities. The terms of the lease arrangements are determined by evaluating the non-cancelable term length, the optional term length, and assessing the likelihood with reasonable certainty the option to extend the term or terminate the agreement may occur. The term lengths are from 10 to 25 years. Lease revenues and interest revenues totaling \$260,760 and \$25,023, respectively, were received during the 2024-25 fiscal year.

## **7. Due From Other Governmental Agencies**

The amount due from other governmental agencies consists of \$10,408,739 of Public Education Capital Outlay allocations due from the State for construction of College facilities, \$2,631,323 of deferred maintenance fund due from the State, and \$745,572 for other contracts and grants.

## 8. Due From and To Component Unit/College

The \$264,593 reported as due from the component unit consists of amounts owed to the College by the Foundation for Seminole State College of Florida, Inc. for scholarships, student aid, and other contractual obligations.

## 9. Capital Assets

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

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Nondepreciable Capital Assets:				
Land	\$ 32,346,430	\$ -	\$ -	\$ 32,346,430
Construction in Progress	564,976	413,904	548,136	430,744
<b>Total Nondepreciable Capital Assets</b>	<b>\$ 32,911,406</b>	<b>\$ 413,904</b>	<b>\$ 548,136</b>	<b>\$ 32,777,174</b>
Depreciable Capital Assets:				
Buildings	\$ 246,092,647	\$ -	\$ 1,573	\$ 246,091,074
Other Structures and Improvements	17,108,547	22,027	-	17,130,574
Furniture, Machinery, and Equipment	15,769,418	1,681,646	625,716	16,825,348
Leasehold Improvements	3,922,135	-	-	3,922,135
Lease Assets	4,464,064	45,664	3,540,371	969,357
Computer Software	3,595,938	-	-	3,595,938
<b>Total Depreciable Capital Assets</b>	<b>290,952,749</b>	<b>1,749,337</b>	<b>4,167,660</b>	<b>288,534,426</b>
Less, Accumulated Depreciation:				
Buildings	96,391,675	5,871,968	1,573	102,262,070
Other Structures and Improvements	16,945,516	71,898	-	17,017,414
Furniture, Machinery, and Equipment	12,774,910	1,578,799	625,716	13,727,993
Leasehold Improvements	3,681,299	83,171	-	3,764,470
Lease Assets	3,433,066	710,338	3,480,589	662,815
Computer Software	3,595,938	-	-	3,595,938
<b>Total Accumulated Depreciation</b>	<b>136,822,404</b>	<b>8,316,174</b>	<b>4,107,878</b>	<b>141,030,700</b>
<b>Total Depreciable Capital Assets, Net</b>	<b>\$ 154,130,345</b>	<b>\$ (6,566,837)</b>	<b>\$ 59,782</b>	<b>\$ 147,503,726</b>

**Component Unit Capital Assets.** Foundation capital assets activity for the fiscal year ended June 20, 2025, is shown in the following table:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Nondepreciable Capital Assets:				
Land	\$ 1,472,171	-	-	\$ 1,472,171
<b>Total Nondepreciable Capital Assets</b>	<b>\$ 1,472,171</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,472,171</b>

## 10. Long-Term Liabilities

Long-term liabilities activity for the fiscal year ended June 30, 2025, is shown in the following table:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Bonds Payable	\$ 1,122,000	\$ -	\$ 382,000	\$ 740,000	\$ 410,000
Leases Payable	1,021,394	45,664	647,805	419,253	161,504
Compensated Absences Payable (1)	6,700,278	107,181	-	6,807,459	600,559
Other Postemployment Benefits Payable	1,149,851	235,916	142,135	1,243,632	54,831
Net Pension Liability	48,135,545	15,528,246	18,333,832	45,329,959	132,367
<b>Total Long-Term Liabilities</b>	<b>\$ 58,129,068</b>	<b>\$ 15,917,007</b>	<b>\$ 19,505,772</b>	<b>\$ 54,540,303</b>	<b>\$ 1,359,261</b>

(1) Compensated Absences Payable beginning balance was adjusted for GASB Statement No. 101, as discussed in Note 2. The change in compensated absences payable is presented as a net change.

**Bonds Payable.** Various bonds were issued to finance capital outlay projects of the College. The following is a description of the bonded debt issues:

- **SBE Capital Outlay Bonds.** The SBE issues capital outlay bonds on behalf of the College. These bonds mature serially and are secured by a pledge of the College's portion of the State-assessed motor vehicle license tax and by the State's full faith and credit. The SBE and the SBA administer the principal and interest payments, investment of debt service resources, and compliance with reserve requirements.
- **Capital Improvement Revenue Bonds, Series 2018A.** These bonds are authorized by Article VII, Section 11(d) of the Florida Constitution; Sections 215.57 through 215.83 and 1009.23, Florida Statutes; and other applicable provisions of law. Principal and interest on these bonds are secured by and payable solely from a first lien pledge of the capital improvement fees collected pursuant to Section 1009.22(6) and 1009.23(11), Florida Statutes, by the Series 2018A participating colleges on a parity with any additional bonds issued subsequent to the issuance of the Series 2018A bonds. The Series 2018A bonds were issued for the purpose of refunding certain of the outstanding Series 2006A and Series 2008A bonds. Upon the issuance of additional bonds, all bonds will share a parity first lien on the pledged revenues of all colleges participating in any series of bonds then outstanding. The Series 2018A bonds will share the lien of such additional bonds on the Series 2018A pledged revenues and on the revenues pledged by the colleges participating in such additional bonds. The bonds were issued for new construction and renovation and remodeling of educational facilities.

The College had the following bonds payable at June 30, 2025:

<u>Bond Type</u>	<u>Amount Outstanding</u>	<u>Interest Rates (Percent)</u>	<u>Annual Maturity To</u>
SBE Capital Outlay Bonds:			
Series 2017A	\$ 90,000	5	2026
Florida Department of Education			
Capital Improvement Revenue Bonds:			
Series 2018A	650,000	5	2027
<b>Total</b>	<b>\$ 740,000</b>		

Annual requirements to amortize all bonded debt outstanding as of June 30, 2025, are as follows:

<u>Fiscal Year</u> <u>Ending June 30</u>	<b>SBE Capital Outlay Bonds and Capital Improvement Revenue Bonds</b>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	2026	\$ 410,000	\$ 37,000
2027	330,000	16,500	346,500
<b>Total</b>	<u>\$ 740,000</u>	<u>\$ 53,500</u>	<u>\$ 793,500</u>

**Leases Payable.** Copiers, vehicles, network and telephone equipment in the amount of \$969,357 is being acquired under lease agreements. The stated interest rates for 11 leases range from 1.696 percent to 16.1029 percent. Future minimum payments under the lease agreements and the present value of the minimum payments as of June 30, 2025, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 178,589	\$ 161,504	\$ 17,085
2027	153,288	143,663	9,625
2028	97,613	94,694	2,919
2029	17,042	16,454	588
2030	2,993	2,938	55
<b>Total Minimum Lease Payments</b>	<u>\$ 449,525</u>	<u>\$ 419,253</u>	<u>\$ 30,272</u>

**Compensated Absences Payable.** College employees may accrue annual and sick leave based on length of service, subject to certain limitations regarding the amount that will be paid upon termination. Compensated absences are estimated and accrued as liabilities to the extent that it is more likely than not that the leave will be used for time off or otherwise paid in cash or settled through noncash means. The College reports a liability for the accrued leave; however, State noncapital appropriations fund only the portion of accrued leave that is used or paid in the current fiscal year. Although the College expects the liability to be funded primarily from future appropriations, generally accepted accounting principles do not permit the recording of a receivable in anticipation of future appropriations. At June 30, 2025, the estimated liability for compensated absences, which includes the College's share of the Florida Retirement System and FICA contributions, totaled \$6,807,459. The current portion of the compensated absences liability, \$600,559, is the amount expected to be paid in the coming fiscal year and represents a historical percentage of leave used applied to total accrued leave liability.

**Other Postemployment Benefits Payable.** The College follows GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for other postemployment benefits administered by the Florida College System Risk Management Consortium (Consortium).

***General Information about the OPEB Plan***

*Plan Description.* The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the Consortium that provides OPEB for all employees who satisfy the College's retirement eligibility provisions. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the College are eligible to participate in the College's healthcare benefits including medical and prescription drug coverage. The College subsidizes the

premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. The College does not offer any explicit subsidies for retiree coverage. Retirees are required to enroll in the Federal Medicare (Medicare) program for their primary coverage as soon as they are eligible. The OPEB Plan contribution requirements and benefit terms of the College and the OPEB Plan members are established and may be amended by action from the Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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

*Employees Covered by Benefit Terms.* At June 30, 2023, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	50
Active Employees	673
<b>Total</b>	<u>723</u>

***Total OPEB Liability***

The College's total OPEB liability of \$1,243,632 was measured as of June 30, 2024, and was determined by an actuarial valuation as of June 30, 2023.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.40 percent
Real wage growth	0.85 percent
Municipal Bond Index Rate	
Prior Measurement Date	3.65 percent
Measurement Date	3.93 percent
Healthcare cost trend rates	
Pre-Medicare medical and prescription drug	7.00 percent for 2023, decreasing to an ultimate rate of 4.40 percent by 2034.
Medicare medical and prescription drug	5.125 percent for 2023, decreasing to an ultimate rate of 4.40 percent by 2027.
Benefit-related costs	100 percent of projected health insurance premiums for retirees

The discount rate was based on the Bond Buyer General Obligation 20-year Municipal Bond Index.

Mortality rates were based on the PUB-2010 mortality tables, with adjustments for FRS experience and generational mortality improvements using Scale MP-2021.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2018, through June 30, 2023, adopted by the FRS.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2023, valuation were based on a review of recent plan experience done concurrently with the June 30, 2023, valuation.

**Changes in the Total OPEB Liability**

	<b>Amount</b>
<b>Balance at 6/30/24</b>	<u>\$ 1,149,851</u>
<b>Changes for the year:</b>	
Service Cost	56,546
Interest	43,069
Changes in Assumptions or Other Inputs	47,485
Benefit Payments	<u>(53,319)</u>
<b>Net Changes</b>	<u>93,781</u>
<b>Balance at 6/30/25</b>	<u><u>\$ 1,243,632</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.65 percent in 2023 to 3.93 percent in 2024.

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.* The following table presents the total OPEB liability of the College, as well as what the College’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.93 percent) or 1 percentage point higher (4.93 percent) than the current rate:

	<u>1% Decrease (2.93%)</u>	<u>Current Discount Rate (3.93%)</u>	<u>1% Increase (4.93%)</u>
Total OPEB liability	\$1,411,800	\$1,243,632	\$1,106,424

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

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability	\$1,054,279	\$1,243,632	\$1,489,278

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

For the fiscal year ended June 30, 2025, the College recognized OPEB expense of \$142,135. At June 30, 2025, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 822,643
Change of assumptions or other inputs	108,561	477,455
Transactions subsequent to the measurement date	54,831	-
<b>Total</b>	<u>\$ 163,392</u>	<u>\$ 1,300,098</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$54,831 resulting from benefits paid subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2026	\$ (186,919)
2027	(180,811)
2028	(166,619)
2029	(157,362)
2030	(113,106)
Thereafter	(386,720)
<b>Total</b>	<u>\$ (1,191,537)</u>

**Net Pension Liability.** As a participating employer in the Florida Retirement System (FRS), the College recognizes its proportionate share of the collective net pension liabilities of the FRS cost-sharing multiple-employer defined benefit plans. As of June 30, 2025, the College’s proportionate share of the net pension liabilities totaled \$45,329,959. Note 11. includes a complete discussion of defined benefit pension plans.

**11. Retirement Plans – Defined Benefit Pension Plans**

**General Information about the Florida Retirement System (FRS)**

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 121, Florida Statutes, also provides for nonintegrated, optional retirement programs in lieu of the FRS to certain members of the

Senior Management Service Class employed by the State and faculty and specified employees of State colleges. Chapter 112, Florida Statutes, established the HIS Program, a cost-sharing multiple-employer defined benefit pension plan to assist retired members of any State-administered retirement system in paying the costs of health insurance.

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

The College's FRS and HIS pension expense totaled \$3,883,651 for the fiscal year ended June 30, 2025.

### **FRS Pension Plan**

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

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Senior Management Service Class* – Members in senior management level positions.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of creditable service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Employees enrolled in the Plan may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

The DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS-participating employer. An employee may participate in DROP for a period not to exceed 96 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

*Benefits Provided.* Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a

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

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

As provided in Section 121.101, Florida Statutes, if the member was initially enrolled in the Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member was initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

**Contributions.** The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2024-25 fiscal year were:

<b><u>Class</u></b>	<b><u>Percent of Gross Salary</u></b>	
	<b><u>Employee</u></b>	<b><u>Employer (1)</u></b>
FRS, Regular	3.00	13.63
FRS, Senior Management Service	3.00	34.52
Deferred Retirement Option Program (applicable to members from all of the above classes)	0.00	21.13
FRS, Reemployed Retiree	(2)	(2)

(1) Employer rates include 2 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.

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

The College's contributions to the Plan totaled \$4,657,261 for the fiscal year ended June 30, 2025.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At June 30, 2025, the College reported a liability of \$29,716,142 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The College's proportionate share of the net pension liability was based on the College's 2023-24 fiscal year contributions relative to the total 2023-24 fiscal year contributions of all participating members. At June 30, 2024, the College's proportionate share was 0.076816261 percent, which was a decrease of 0.002660591 from its proportionate share measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the College recognized pension expense of \$3,559,002. In addition, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 3,002,128	\$ -
Change of assumptions	4,072,869	-
Net difference between projected and actual earnings on FRS Plan investments	-	1,975,089
Changes in proportion and differences between College FRS contributions and proportionate share of contributions	-	2,849,650
College FRS contributions subsequent to the measurement date	4,657,261	-
<b>Total</b>	<u>\$ 11,732,258</u>	<u>\$ 4,824,739</u>

The deferred outflows of resources totaling \$4,657,261, resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2026	\$ (1,403,498)
2027	4,051,218
2028	(347,698)
2029	(271,210)
2030	221,446
<b>Total</b>	<u>\$ 2,250,258</u>

*Actuarial Assumptions.* The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	3.50 percent, average, including inflation
Investment rate of return	6.70 percent, net of pension plan investment expense, including inflation

Salary increases were changed from 3.25 percent in the previous valuation to 3.50 percent in the current valuation.

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2021. This is a change from the previous valuation in which the mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

The actuarial assumptions used in the July 1, 2024, valuation were based on the results of an actuarial experience study for the period July 1, 2018, through June 30, 2023.

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

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	3.3%	3.3%	1.1%
Fixed Income	29.0%	5.7%	5.6%	3.9%
Global Equity	45.0%	8.6%	7.0%	18.2%
Real Estate (Property)	12.0%	8.1%	6.8%	16.6%
Private Equity	11.0%	12.4%	8.8%	28.4%
Strategic Investments	2.0%	6.6%	6.2%	8.7%
<b>Total</b>	<u>100.0%</u>			
Assumed inflation - Mean			2.4%	1.5%

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

**Discount Rate.** The discount rate used to measure the total pension liability was 6.70 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate used in the 2024 valuation was unchanged from the previous valuation.

**Sensitivity of the College's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.** The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 6.70 percent, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.70 percent) or 1 percentage point higher (7.70 percent) than the current rate:

	<u>1% Decrease (5.70%)</u>	<u>Current Discount Rate (6.70%)</u>	<u>1% Increase (7.70%)</u>
College's proportionate share of the net pension liability	\$52,268,654	\$29,716,142	\$10,822,793

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

### **HIS Pension Plan**

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

*Benefits Provided.* For the fiscal year ended June 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

*Contributions.* The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2025, the contribution rate was 2 percent of payroll pursuant to Section 112.363, Florida Statutes. The College contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The College's contributions to the HIS Plan totaled \$921,336 for the fiscal year ended June 30, 2025.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At June 30, 2025, the College reported a net pension liability of \$15,613,817 for its proportionate share of the net pension liability. The current portion of the net pension liability is the College's proportionate share of benefit payments expected to be paid within 1 year, net of the College's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The College's proportionate share of the net pension liability was based on the College's 2023-24 fiscal year contributions relative to the total 2023-24 fiscal year contributions of all participating members. At

June 30, 2024, the College's proportionate share was 0.104085336 percent, which was an increase of 0.000400502 from its proportionate share measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the College recognized pension expense of \$324,649. In addition, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 150,762	\$ 29,981
Change of assumptions	276,328	\$ 1,848,476
Net difference between projected and actual earnings on HIS Plan investments	-	5,646
Changes in proportion and differences between College HIS contributions and proportionate share of HIS contributions	71,214	1,201,210
College contributions subsequent to the measurement date	<u>921,336</u>	<u>-</u>
<b>Total</b>	<u>\$ 1,419,640</u>	<u>\$ 3,085,313</u>

The deferred outflows of resources totaling \$921,336 resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2026	\$ (613,150)
2027	(675,754)
2028	(760,935)
2029	(322,954)
2030	(172,190)
Thereafter	<u>(42,026)</u>
<b>Total</b>	<u>\$ (2,587,009)</u>

*Actuarial Assumptions.* The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	3.50 percent, average, including inflation
Municipal bond rate	3.93 percent

Salary increases were changed from 3.25 percent in the previous valuation to 3.50 percent in the current valuation.

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2021. This is a change from the previous valuation in which the mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

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

*Discount Rate.* The discount rate used to measure the total pension liability was 3.93 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate changed from 3.65 percent to 3.93 percent.

*Sensitivity of the College’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.* The following presents the College’s proportionate share of the net pension liability calculated using the discount rate of 3.93 percent, as well as what the College’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.93 percent) or 1 percentage point higher (4.93 percent) than the current rate:

	<b>1% Decrease (2.93%)</b>	<b>Current Discount Rate (3.93%)</b>	<b>1% Increase (4.93%)</b>
College’s proportionate share of the net pension liability	\$17,774,324	\$15,613,817	\$13,820,0247

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

*Payables to the Pension Plan.* At June 30, 2025, the College reported a payable of \$132,367 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2025.

## **12. Retirement Plans – Defined Contribution Pension Plans**

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. College employees already participating in the State College System Optional Retirement Program or DROP are not eligible to participate in the Investment Plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Service retirement benefits are based upon the value of the member’s account upon retirement. Benefit terms, including contribution requirements,

are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contributions rates, that are based on salary and membership class (Regular Class, Senior Management Service Class, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. Allocations to the Investment Plan member accounts during the 2024-25 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Compensation</u>
FRS, Regular	11.30
FRS, Senior Management Service	12.67

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2025, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the College.

After termination and applying to receive benefits, the member may roll over vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided in which the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The College’s Investment Plan pension expense totaled \$2,407,020 for the fiscal year ended June 30, 2025.

**State College System Optional Retirement Program.** Section 1012.875, Florida Statutes, provides for an Optional Retirement Program (Program) for eligible college instructors and administrators. The Program is designed to aid colleges in recruiting employees by offering more portability to employees not expected to remain in the FRS for 8 or more years.

The Program is a defined contribution plan, which provides full and immediate vesting of all contributions submitted to the participating companies on behalf of the participant. Employees in eligible positions can make an irrevocable election to participate in the Program, rather than the FRS, and purchase retirement and death benefits through contracts provided by certain insurance carriers. The employing college

contributes 5.15 percent of the participant’s salary to the participant’s account and 4.84 percent to cover the unfunded actuarial liability of the FRS pension plan, for a total of 9.99 percent, and employees contribute 3 percent of the employee’s salary. Additionally, the employee may contribute, by payroll deduction, an amount not to exceed the percentage contributed by the college to the participant’s annuity account. The contributions are invested in the company or companies selected by the participant to create a fund for the purchase of annuities at retirement.

The College’s contributions to the Program totaled \$207,546 and employee contributions totaled \$120,901 for the 2024-25 fiscal year.

**Senior Management Service Local Annuity Program.** Section 121.055(1)(b)2., Florida Statutes, and Florida Retirement System Rule 60S-1.0057, Florida Administrative Code, provide that local agency employees eligible for the FRS, Senior Management Service Class, may elect to withdraw from the FRS altogether and participate in a local annuity program. Pursuant thereto, the College established the Senior Management Service Class Local Annuity Program (Local Annuity Program). Employees in eligible positions are allowed to make an irrevocable election to participate in the Local Annuity Program, rather than the FRS.

The Local Annuity Program is a defined contribution plan, which provides full and immediate vesting of all contributions submitted to the participating companies on behalf of the employee. The College contributes 12.49 percent of the employee’s salary to the Local Annuity Program. Employees may make contributions toward the Local Annuity Program by way of salary reduction or by deduction of a percentage of the employee’s gross compensation not to exceed the percentage contributed by the employer.

The College’s contributions to the Local Annuity Program totaled \$40,238 for the 2024-25 fiscal year.

**13. Construction Commitment**

The College’s major construction commitment at June 30, 2025, was as follows:

<u>Project Description</u>	<u>Total Commitment</u>	<u>Completed to Date</u>	<u>Balance Committed</u>
SLM Building D Remodel	\$ 7,536,391	\$ 425,797	\$ 7,110,594
<b>Total</b>	<u>\$ 7,536,391</u>	<u>\$ 425,797</u>	<u>\$ 7,110,594</u>

**14. Risk Management Programs**

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The College provided coverage for these risks primarily through the Florida College System Risk Management Consortium (Consortium), which was created under authority of Section 1001.64(27), Florida Statutes, by the boards of trustees of the Florida public colleges for the purpose of joining a cooperative effort to develop, implement, and participate in a coordinated Statewide college risk management program. The Consortium is self-sustaining through member assessments (premiums) and purchases excess insurance through commercial companies for claims in excess of specified amounts. Excess insurance from commercial companies provided coverage of up to \$100 million to February 28, 2025, and up to

\$125 million from March 1, 2025, for property insurance. Insurance coverage obtained through the Consortium included fire and extended property, general and automobile liability, workers' compensation, health, life, and other liability coverage. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past 3 fiscal years.

Beginning in January 2025, College employees may obtain healthcare services through participation in the State group health insurance plan or through membership in a health maintenance organization plan under contract with the State. The State's risk financing activities associated with State group health insurance, such as risk of loss related to medical and prescription drug claims, are administered through the State Employees Group Health Insurance Trust Fund. It is the practice of the State not to purchase commercial coverage for the risk of loss covered by this Fund. Additional information on the State's group health insurance plan, including the actuarial report, is available from the Florida Department of Management Services, Division of State Group Insurance.

**15. Functional Distribution of Operating Expenses**

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

<u>Functional Classification</u>	<u>Amount</u>
Instruction	\$ 43,537,480
Academic Support	11,037,303
Student Services	14,768,346
Institutional Support	18,583,036
Operation and Maintenance of Plant	19,581,333
Scholarships and Waivers	24,655,486
Depreciation	8,316,174
Auxiliary Enterprises	<u>1,489,974</u>
<b>Total Operating Expenses</b>	<b><u>\$ 141,969,132</u></b>

**16. Related Party Transactions**

As permitted by Section 1004.70, Florida Statutes, the College received direct and indirect support from its direct-support organization, Foundation for Seminole State College of Florida, Inc. (Foundation). The Foundation is included within the College's reporting entity as a discretely presented component unit. The College paid salaries and benefits for Foundation staff in the amounts of approximately \$703,000 for the fiscal year ended June 30, 2025, and these have been recorded as in-kind support by the Foundation. The College also provides occupancy and rent support to the Foundation free of charge, which has an estimated fair value of approximately \$68,000 for the fiscal year ended June 30, 2025, and has also been recorded as in-kind support by the Foundation.

## OTHER REQUIRED SUPPLEMENTARY INFORMATION

### Schedule of Changes in the College's Total Other Postemployment Benefits Liability and Related Ratios

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Total OPEB Liability</b>					
Service cost	\$ 56,546	\$ 78,904	\$ 105,145	\$ 171,175	\$ 140,655
Interest	43,069	56,577	40,189	51,638	72,656
Difference between expected and actual experience	-	(276,115)	-	(625,532)	-
Changes of assumptions or other inputs	47,485	(207,416)	(344,539)	37,750	68,045
Benefit Payments	<u>(53,319)</u>	<u>(42,483)</u>	<u>(31,590)</u>	<u>(58,182)</u>	<u>(44,112)</u>
<b>Net change in total OPEB liability</b>	93,781	(390,533)	(230,795)	(423,151)	237,244
Total OPEB Liability - beginning	<u>1,149,851</u>	<u>1,540,384</u>	<u>1,771,179</u>	<u>2,194,330</u>	<u>1,957,086</u>
<b>Total OPEB Liability - ending</b>	<u>\$ 1,243,632</u>	<u>\$ 1,149,851</u>	<u>\$ 1,540,384</u>	<u>\$ 1,771,179</u>	<u>\$ 2,194,330</u>
Covered-Employee Payroll	\$ 42,922,393	\$ 42,922,393	\$ 40,164,983	\$ 40,164,983	\$ 39,830,031
<b>Total OPEB Liability as a percentage of covered-employee payroll</b>	2.90%	2.68%	3.84%	4.41%	5.51%
	<u>2019</u>	<u>2018</u>	<u>2017</u>		
<b>Total OPEB Liability</b>					
Service cost	\$ 150,002	\$ 153,766	\$ 165,136		
Interest	86,703	77,845	65,961		
Difference between expected and actual experience	(480,848)	-	-		
Changes of assumptions or other inputs	8,309	(89,302)	(163,512)		
Benefit Payments	<u>(94,036)</u>	<u>(83,294)</u>	<u>(61,600)</u>		
<b>Net change in total OPEB liability</b>	(329,870)	59,015	5,985		
Total OPEB Liability - beginning	<u>2,286,956</u>	<u>2,227,941</u>	<u>2,221,956</u>		
<b>Total OPEB Liability - ending</b>	<u>\$ 1,957,086</u>	<u>\$ 2,286,956</u>	<u>\$ 2,227,941</u>		
Covered-Employee Payroll	\$ 39,830,031	\$ 40,979,092	\$ 40,979,092		
<b>Total OPEB Liability as a percentage of covered-employee payroll</b>	4.91%	5.58%	5.44%		

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

	<u>2024 (1)</u>	<u>2023 (1)</u>	<u>2022 (1)</u>	<u>2021 (1)</u>
College's proportion of the FRS net pension liability	0.076816261%	0.079476852%	0.087455800%	0.092186257%
College's proportionate share of the FRS net pension liability	\$ 29,716,142	\$ 31,669,010	\$ 32,540,586	\$ 6,963,624
College's covered payroll (2)	\$ 48,351,829	\$ 45,657,447	\$ 43,856,532	\$ 45,299,183
College's proportionate share of the FRS net pension liability as a percentage of its covered payroll	61.46%	69.36%	74.20%	15.37%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	83.70%	82.38%	82.89%	96.40%

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

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

**Schedule of College Contributions – Florida Retirement System Pension Plan**

	<u>2025 (1)</u>	<u>2024 (1)</u>	<u>2023 (1)</u>	<u>2022 (1)</u>
Contractually required FRS contribution	\$ 4,657,261	\$ 4,406,663	\$ 3,870,874	\$ 3,768,144
FRS contributions in relation to the contractually required contribution	<u>(4,657,261)</u>	<u>(4,406,663)</u>	<u>(3,870,874)</u>	<u>(3,768,144)</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll (2)	\$ 50,096,801	\$ 48,351,829	\$ 45,657,447	\$ 43,856,532
FRS contributions as a percentage of covered payroll	9.30%	9.11%	8.48%	8.59%

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

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

<u>2020 (1)</u>	<u>2019 (1)</u>	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>
0.093043043%	0.094876729%	0.095673673%	0.093074987%	0.091831378%	0.094243640%
\$ 40,326,226	\$ 32,674,225	\$ 28,817,406	\$ 27,530,957	\$ 23,187,495	\$ 12,172,830
\$ 47,293,545	\$ 46,982,015	\$ 46,308,295	\$ 43,396,598	\$ 41,749,265	\$ 40,894,582
85.27%	69.55%	62.23%	63.44%	55.54%	29.77%
78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

<u>2021 (1)</u>	<u>2020 (1)</u>	<u>2019 (1)</u>	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>
\$ 3,596,786	\$ 2,738,916	\$ 2,965,093	\$ 2,740,816	\$ 2,427,550	\$ 2,247,602
<u>(3,596,786)</u>	<u>(2,738,916)</u>	<u>(2,965,093)</u>	<u>(2,740,816)</u>	<u>(2,427,550)</u>	<u>(2,247,602)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 45,299,183	\$ 47,293,545	\$ 46,982,015	\$ 46,308,295	\$ 43,396,598	\$ 41,749,265
7.94%	5.79%	6.31%	5.92%	5.59%	5.38%

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

	<u>2024 (1)</u>	<u>2023 (1)</u>	<u>2022 (1)</u>	<u>2021 (1)</u>
College's proportion of the HIS net pension liability	0.104085336%	0.103684834%	0.107558985%	0.114641548%
College's proportionate share of the HIS net pension liability	\$ 15,613,817	\$ 16,466,535	\$ 11,392,214	\$ 14,062,509
College's covered payroll (2)	\$ 44,063,551	\$ 41,119,694	\$ 39,276,768	\$ 39,238,072
College's proportionate share of the HIS net pension liability as a percentage of its covered payroll	35.43%	40.05%	29.00%	35.84%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	4.80%	4.12%	4.81%	3.56%

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

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

**Schedule of College Contributions – Health Insurance Subsidy Pension Plan**

	<u>2025 (1)</u>	<u>2024 (1)</u>	<u>2023 (1)</u>	<u>2022 (1)</u>
Contractually required HIS contribution	\$ 921,336	\$ 881,271	\$ 682,587	\$ 651,994
HIS contributions in relation to the contractually required HIS contribution	<u>(921,336)</u>	<u>(881,271)</u>	<u>(682,587)</u>	<u>(651,994)</u>
HIS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
College's covered payroll (2)	\$ 46,066,787	\$ 44,063,551	\$ 41,119,694	\$ 39,276,768
HIS contributions as a percentage of covered payroll	2.00%	2.00%	1.66%	1.66%

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

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

<u>2020 (1)</u>	<u>2019 (1)</u>	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>
0.122673302%	0.126556133%	0.127235919%	0.121848555%	0.120032456%	0.117802815%
\$ 14,978,210	\$ 14,160,365	\$ 13,466,792	\$ 13,028,610	\$ 13,989,286	\$ 12,014,034
\$ 42,662,011	\$ 42,371,465	\$ 41,605,909	\$ 38,846,247	\$ 37,397,768	\$ 38,114,745
35.11%	33.42%	32.37%	33.54%	37.41%	31.52%
3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

<u>2021 (1)</u>	<u>2020 (1)</u>	<u>2019 (1)</u>	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>
\$ 651,352	\$ 708,189	\$ 703,366	\$ 690,658	\$ 644,848	\$ 615,968
(651,352)	(708,189)	(703,366)	(690,658)	(644,848)	(615,968)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 39,238,072	\$ 42,662,011	\$ 41,605,909	\$ 38,846,247	\$ 37,397,768	\$ 38,114,745
1.66%	1.66%	1.66%	1.66%	1.65%	1.18%

**1. Schedule of Changes in the College's Total Other Postemployment Benefits Liability and Related Ratios**

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

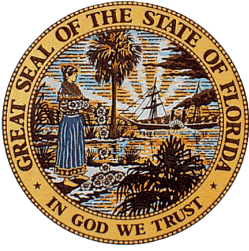
*Changes of Assumptions.* The long-term expected rate of return, using the Municipal Bond Index Rate, increased from 3.65 percent to 3.93 percent at the June 30, 2024, measurement date. Changes occurred in retirement rates, termination rates, disability rates, mortality rates, DROP entry assumptions, and salary increases.

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

*Changes of Assumptions.* In 2024, salary increases including inflation increased from 3.25 percent to 3.5 percent and the mortality assumptions were updated.

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

*Changes of Assumptions.* In 2024, the municipal rate used to determine total pension liability increased from 3.65 percent to 3.93 percent and the demographic and coverage election assumptions were updated.



Sherrill F. Norman, CPA  
Auditor General

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Seminole State College of Florida, a component unit of the State of Florida, and its discretely presented component unit as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated February 2, 2026, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component unit, as described in our report on the College's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

### Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College'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 College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College'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 College'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 College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College'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 College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Sherrill F. Norman, CPA  
Tallahassee, Florida  
February 2, 2026