

**STATE OF FLORIDA AUDITOR GENERAL**

**Financial Audit**

**MIAMI DADE COLLEGE**

For the Fiscal Year Ended  
June 30, 2025



Sherrill F. Norman, CPA  
Auditor General

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During the 2024-25 fiscal year, Madeline Pumariega served as President of Miami Dade College and the following individuals served as Members of the Board of Trustees:

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The team leader was Nelsmary Fleitas, and the audit was supervised by Ramon L. Bover, 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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**MIAMI DADE COLLEGE**  
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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 Miami Dade College (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:

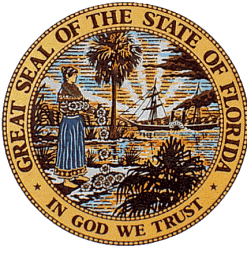
- Exercised professional judgment and maintained professional skepticism throughout the audit.
- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, and designed and performed audit procedures responsive to those risks.
- Obtained an 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 Miami Dade College, 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 Miami Dade College 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.

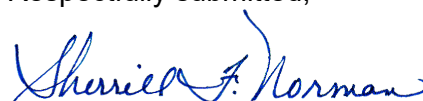
### ***Required Supplementary Information***

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 and other auditors 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 March 10, 2026, on our consideration of the Miami Dade College'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  
March 10, 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, and its component unit, the Miami Dade College Foundation, Inc. for the fiscal years ended March 31, 2025, and March 31, 2024.

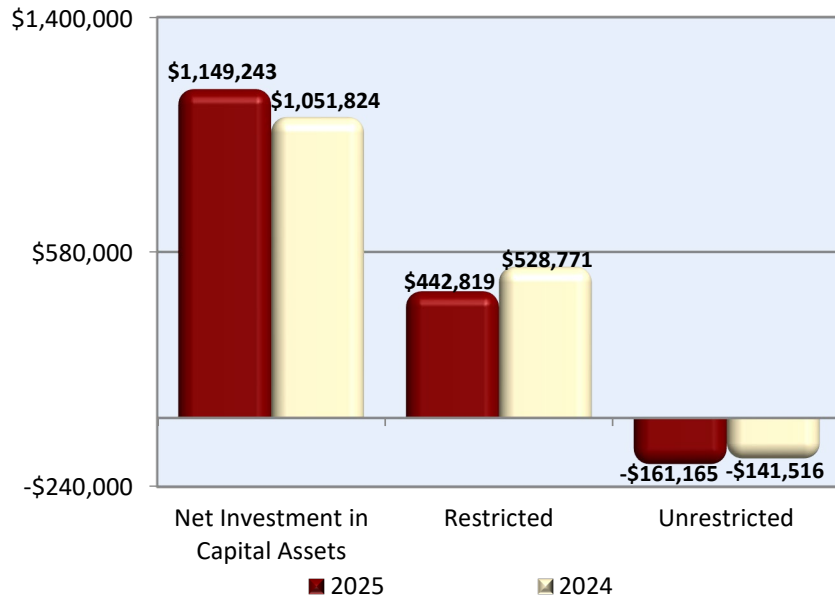
### **FINANCIAL HIGHLIGHTS**

The College's assets and deferred outflows of resources totaled \$1.9 billion at June 30, 2025. This balance reflects an \$18.5 million, or 1 percent, decrease as compared to the 2023-24 fiscal year, resulting primarily from decreases in restricted other investments of \$172 million, nondepreciable capital assets of \$98.5 million, and cash collateral securities lending of \$27.3 million, offset by increases in depreciable capital assets of \$196 million, restricted cash and cash equivalents of \$44.9 million, endowment investments of \$24.1 million, and net accounts receivable of \$11.3 million. Liabilities and deferred inflows of resources decreased by \$10.2 million, or 2 percent, totaling \$481.7 million at June 30, 2025, resulting from a decrease in total liabilities of \$27.1 million and an increase in deferred inflows of resources totaling \$16.9 million. As a result, the College's net position decreased by \$8.2 million, resulting in a year-end balance of \$1.4 billion.

The College's operating revenues totaled \$185.4 million for the 2024-25 fiscal year, representing a 12.3 percent increase compared to the 2023-24 fiscal year, due mainly to increases in net student tuition and fees, State and local grants and contracts, and nongovernmental grants and contracts, offset by a decrease in Federal grants and contracts. Nonoperating revenues represent 68.5 percent of total revenues and are primarily comprised of Federal and State student financial aid with a purpose of supporting operating activities and State noncapital appropriations. Operating expenses totaled \$685.3 million for the 2024-25 fiscal year, representing an increase of 5.4 percent as compared to the 2023-24 fiscal year, due mainly to an increase in scholarships and waivers and depreciation, offset by a decrease in personnel services.

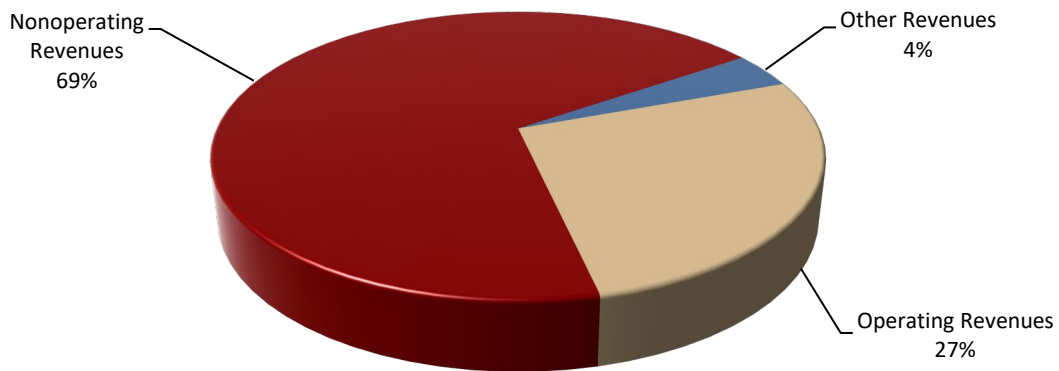
Net position represents the residual interest in the College's assets and deferred outflows of resources after deducting liabilities and deferred inflows of resources. The College's comparative total net position by category for the fiscal years ended June 30, 2025, and June 30, 2024, is shown in the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

**Net Position: College**  
(In Thousands)



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

**Total Revenues**  
**2024-25 Fiscal Year**



**OVERVIEW OF FINANCIAL STATEMENTS**

Pursuant to the 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, provide information on the College as a whole, present a long-term view of the College’s finances, and include activities for the following entities:

- Miami Dade College (Primary Institution) – Most of the programs and services generally associated with a college fall into this category, including instruction, public service, and support services.
- Miami Dade College Foundation, Inc. (Component Unit) – Although legally separate, this component unit is important because the College is financially accountable for it, as the College reports its financial activities to the State of Florida.

### **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.

A condensed statement of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the College and its component unit for the respective fiscal years ended is shown in the following table:

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

|                                       | (In Thousands)      |                     |                   |                   |
|---------------------------------------|---------------------|---------------------|-------------------|-------------------|
|                                       | College             |                     | Component Unit    |                   |
|                                       | 06-30-25            | 06-30-24            | 03-31-25          | 03-31-24          |
| <b>Assets</b>                         |                     |                     |                   |                   |
| Current Assets                        | \$ 285,877          | \$ 245,727          | \$ 55,817         | \$ 52,745         |
| Capital Assets, Net                   | 1,149,339           | 1,051,824           | -                 | -                 |
| Other Noncurrent Assets               | 410,964             | 565,998             | 234,776           | 218,200           |
| <b>Total Assets</b>                   | <b>1,846,180</b>    | <b>1,863,549</b>    | <b>290,593</b>    | <b>270,945</b>    |
| <b>Deferred Outflows of Resources</b> | <b>66,457</b>       | <b>67,538</b>       | <b>-</b>          | <b>-</b>          |
| <b>Liabilities</b>                    |                     |                     |                   |                   |
| Current Liabilities                   | 186,530             | 192,851             | 36,173            | 16,807            |
| Noncurrent Liabilities                | 244,647             | 265,445             | -                 | -                 |
| <b>Total Liabilities</b>              | <b>431,177</b>      | <b>458,296</b>      | <b>36,173</b>     | <b>16,807</b>     |
| <b>Deferred Inflows of Resources</b>  | <b>50,563</b>       | <b>33,712</b>       | <b>-</b>          | <b>-</b>          |
| <b>Net Position</b>                   |                     |                     |                   |                   |
| Net Investment in Capital Assets      | 1,149,243           | 1,051,824           | -                 | -                 |
| Restricted                            | 442,819             | 528,771             | 198,798           | 193,779           |
| Unrestricted                          | (161,165)           | (141,516)           | 55,622            | 60,359            |
| <b>Total Net Position</b>             | <b>\$ 1,430,897</b> | <b>\$ 1,439,079</b> | <b>\$ 254,420</b> | <b>\$ 254,138</b> |

The College's net position decreased by \$8.2 million. Changes in the College's net position were the result of the following factors:

- Investment in capital assets increased by \$97.4 million, or 9.3 percent, mainly due to the acquisition of capital assets.

- Restricted net position decreased by \$86 million, or 16.3 percent, mainly due to a decrease in funds restricted for the construction of capital projects.
- Unrestricted deficit in net position increased by \$19.7 million, or 13.9 percent, mainly from an increase to amounts expected to be financed in future years for compensated absences, net pension liabilities, and other postemployment benefits.

### **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 activities of the College and its component unit for the respective fiscal years ended:

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

(In Thousands)

|   | <b>College</b>      |                     | <b>Component Unit</b> |                   |
|---|---------------------|---------------------|-----------------------|-------------------|
|   | <b>06-30-25</b>     | <b>06-30-24</b>     | <b>03-31-25</b>       | <b>03-31-24</b>   |
| Operating Revenues                                  | \$ 185,394          | \$ 165,071          | \$ 30,837             | \$ 45,387         |
| Less, Operating Expenses                            | 685,287             | 650,038             | 42,189                | 39,571            |
| <b>Operating Income (Loss)</b>                      | (499,893)           | (484,967)           | (11,352)              | 5,816             |
| Net Nonoperating Revenues                           | 464,489             | 432,629             | 11,634                | 30,664            |
| <b>Income (Loss) Before Other Revenues</b>          | (35,404)            | (52,338)            | 282                   | 36,480            |
| Other Revenues                                      | 27,847              | 51,032              | -                     | -                 |
| <b>Net Increase (Decrease) In Net Position</b>      | (7,557)             | (1,306)             | 282                   | 36,480            |
| Net Position, Beginning of Year                     | 1,439,079           | 1,440,385           | 254,138               | 217,658           |
| Adjustment to Beginning Net Position (1)            | (625)               | -                   | -                     | -                 |
| <b>Net Position, Beginning of Year, as Restated</b> | 1,438,454           | 1,440,385           | 254,138               | 217,658           |
| <b>Net Position, End of Year</b>                    | <u>\$ 1,430,897</u> | <u>\$ 1,439,079</u> | <u>\$ 254,420</u>     | <u>\$ 254,138</u> |

(1) For the 2024-25 fiscal year, the College's beginning net position was decreased 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 for the College and its component unit by source that were used to fund operating activities for the respective fiscal years ended:

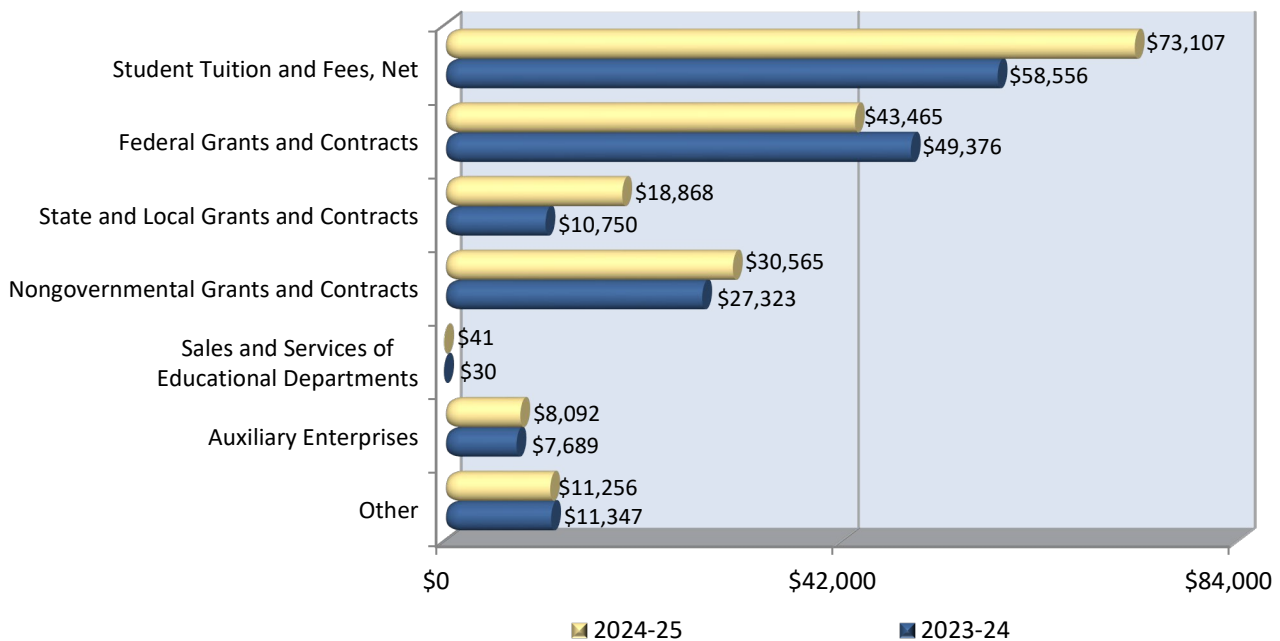
## Operating Revenues For the Fiscal Years Ended

(In Thousands)

|   | College           |                   | Component Unit   |                  |
|---|-------------------|-------------------|------------------|------------------|
|   | 06-30-25          | 06-30-24          | 03-31-25         | 03-31-24         |
| Student Tuition and Fees, Net                 | \$ 73,107         | \$ 58,556         | \$ -             | \$ -             |
| Federal Grants and Contracts                  | 43,465            | 49,376            | -                | -                |
| State and Local Grants and Contracts          | 18,868            | 10,750            | -                | -                |
| Nongovernmental Grants and Contracts          | 30,565            | 27,323            | -                | -                |
| Sales and Services of Educational Departments | 41                | 30                | -                | -                |
| Auxiliary Enterprises                         | 8,092             | 7,689             | -                | -                |
| Other   | 11,256            | 11,347            | 30,837           | 45,387           |
| <b>Total Operating Revenues</b>               | <b>\$ 185,394</b> | <b>\$ 165,071</b> | <b>\$ 30,837</b> | <b>\$ 45,387</b> |

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

**Operating Revenues: College**  
(In Thousands)



College operating revenue increased by \$20.3 million, or 12.3 percent, compared to the 2023-24 fiscal year, primarily as a result of the following factors:

- Net student tuition and fees increased by \$14.6 million, or 24.8 percent, mainly due to increases in enrollment and the timing of tuition reclassification between fiscal years.
- State and local grants and contracts increased by \$8.1 million, or 75.5 percent, mainly due to State appropriations from the Florida Department of Education for Pipeline, Pathways to Career Opportunities, and Florida Institute for Charter School Innovation at Miami Dade College, along with other nonrecurring award funding.

- Federal grants and contracts decreased by \$5.9 million, or 12 percent mainly due to decreases in funding from Refugee/Entrant Vocational Education Services Training (REVEST) grants, as well as decreases in nonrecurring award funding.
- Nongovernmental grants and contracts increased by \$3.2 million, or 11.9 percent, due to increased funding from nongovernmental sources.

**Operating Expenses**

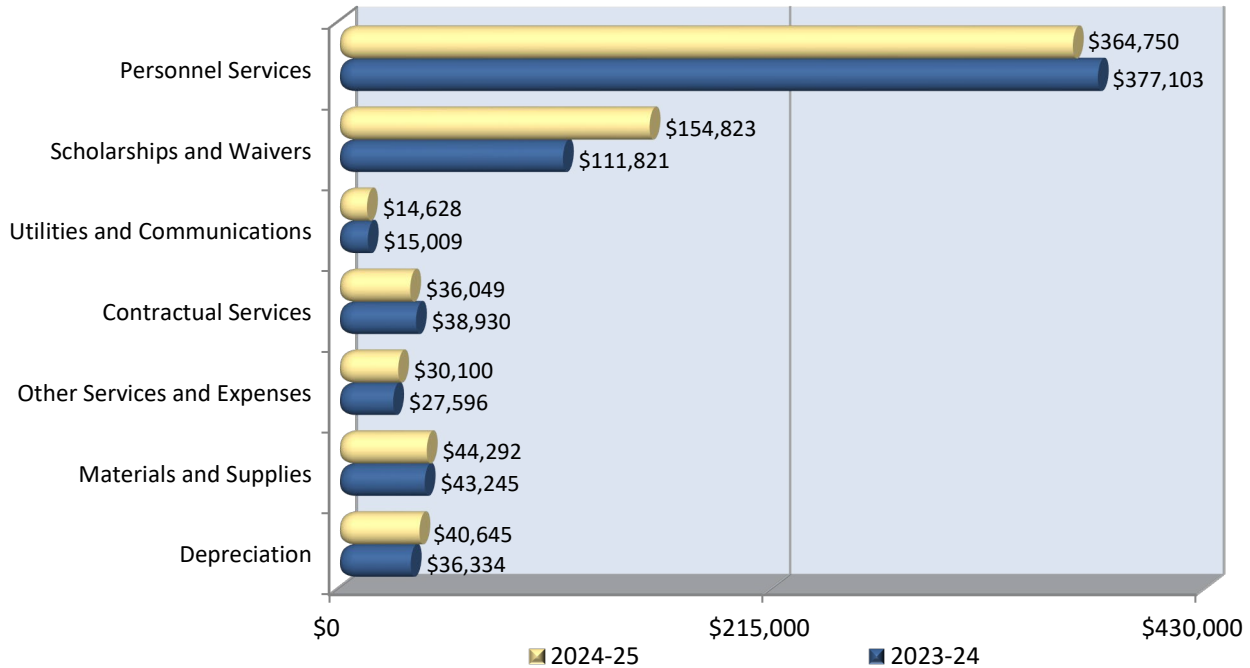
Expenses are categorized as operating or nonoperating. The majority of the College’s expenses are operating expenses as defined by GASB Statement No. 35. GASB gives financial reporting entities the choice of reporting operating expenses in the functional or natural classifications. The College has chosen 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 College and its component unit for the respective fiscal years ended:

| <b>Operating Expenses<br/>For the Fiscal Years Ended</b> |                   |                   |                       |                  |
|--|-------------------|-------------------|-----------------------|------------------|
| (In Thousands)   |                   |                   |                       |                  |
|  | <b>College</b>    |                   | <b>Component Unit</b> |                  |
|  | <b>06-30-25</b>   | <b>06-30-24</b>   | <b>03-31-25</b>       | <b>03-31-24</b>  |
| Personnel Services                                       | \$ 364,750        | \$ 377,103        | \$ 2,907              | \$ 2,078         |
| Scholarships and Waivers                                 | 154,823           | 111,821           | 33,997                | 23,332           |
| Utilities and Communications                             | 14,628            | 15,009            | -                     | -                |
| Contractual Services                                     | 36,049            | 38,930            | 1,893                 | -                |
| Other Services and Expenses                              | 30,100            | 27,596            | 3,392                 | 14,161           |
| Materials and Supplies                                   | 44,292            | 43,245            | -                     | -                |
| Depreciation   | 40,645            | 36,334            | -                     | -                |
| <b>Total Operating Expenses</b>                          | <b>\$ 685,287</b> | <b>\$ 650,038</b> | <b>\$ 42,189</b>      | <b>\$ 39,571</b> |

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

**Operating Expenses: College**  
(In Thousands)



College operating expense increased by \$35.2 million, or 5.4 percent, compared to the 2023-24 fiscal year, primarily as a result of the following factors:

- Scholarships and waivers increased by \$43 million, or 38.5 percent, mainly from increases in Federal assistance funding received for students, such as Federal Pell Grant.
- Personnel services decreased by \$12.4 million, or 3.3 percent, mainly due to adjustments to the College’s share of pension expense as dictated through State actuary reports.
- Depreciation increased by \$4.3 million, or 11.9 percent, due to an increase in depreciable capital assets.

**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, and investment income, are defined by GASB as nonoperating. Nonoperating expenses include 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): College  
For the Fiscal Years  
(In Thousands)**

|   | <b>2024-25</b>    | <b>2023-24</b>    |
|---|-------------------|-------------------|
| State Noncapital Appropriations                 | \$ 211,170        | \$ 208,580        |
| Federal and State Student Financial Aid         | 213,615           | 184,090           |
| Investment Income                               | 16,313            | 18,762            |
| Net Realized and Unrealized Gain on Investments | 23,403            | 21,182            |
| Other Nonoperating Revenues                     | 8                 | 24                |
| Loss on Disposal of Capital Assets              | (18)              | (9)               |
| Interest on Capital Asset-Related Debt          | (2)               | -                 |
| <b>Net Nonoperating Revenues</b>                | <b>\$ 464,489</b> | <b>\$ 432,629</b> |

Net nonoperating revenues increased by \$31.9 million, or 7.4 percent, compared to the 2023-24 fiscal year, as a result of the following factors:

- Federal and State student financial aid increased by \$29.5 million, or 16 percent, mainly due to increases in program funding for the Federal Pell grant of \$44.2 million and the Florida Student Assistance Grant from the Office of Student Financial Assistance of \$1.5 million, offset by decreases from the Education Stabilization Fund program of \$20.9 million as the program ended.
- State noncapital appropriations increased by \$2.6 million, or 1.2 percent, due to increases in funding from the Florida College System Program Fund, Performance Based Incentive Fund, and Lottery - Community College Program Fund.
- Investment income decreased by \$2.4 million, or 13.1 percent, mainly from an investment reallocation of some investments, along with changes in market conditions.
- Net realized and unrealized gain on investments increased by \$2.2 million, or 10.5 percent, primarily due to favorable market conditions as the College liquidated some of its investments for operations.

**Other Revenues**

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

**Other Revenues: College  
For the Fiscal Years  
(In Thousands)**

|  | <b>2024-25</b>   | <b>2023-24</b>   |
|--|------------------|------------------|
| State Capital Appropriations               | \$ 1,829         | \$ 19,797        |
| Capital Grants, Contracts, Gifts, and Fees | 21,419           | 26,029           |
| Additions to Endowments                    | 4,599            | 5,206            |
| <b>Total</b>                               | <b>\$ 27,847</b> | <b>\$ 51,032</b> |

Other revenues decreased by \$23.2 million, or 45.4 percent, compared to the 2023-24 fiscal year, due to decreases in State capital appropriations of \$18 million, or 90.8 percent, capital grants, contracts, gifts, and fees of \$4.6 million, or 17.7 percent, and additions to endowments of \$0.6 million, or 11.7 percent.

## **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)**

|   | <u>2024-25</u>   | <u>2023-24</u>   |
|---|------------------|------------------|
| Cash Provided (Used) by:                                    |                  |                  |
| Operating Activities  | \$ (461,353)     | \$ (406,132)     |
| Noncapital Financing Activities                             | 413,925          | 393,076          |
| Capital and Related Financing Activities                    | (92,836)         | (60,539)         |
| Investing Activities  | <u>194,828</u>   | <u>(4,599)</u>   |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b> | 54,564           | (78,194)         |
| Cash and Cash Equivalents, Beginning of Year                | <u>31,270</u>    | <u>109,464</u>   |
| <b>Cash and Cash Equivalents, End of Year</b>               | <u>\$ 85,834</u> | <u>\$ 31,270</u> |

Major sources of funds came from proceeds from sales and maturities of investments (\$416.4 million), State noncapital appropriations (\$214.3 million), Federal and State student financial aid (\$199.6 million), operating grants and contracts (\$75.7 million), and net student tuition and fees (\$63.4 million). Major uses of funds were for payments to employees and for employee benefits (\$350.3 million), purchases of investments (\$242.3 million), payments for scholarships (\$154.8 million), payments to suppliers of goods and services (\$123.3 million), and purchases of capital assets (\$133.8 million).

During the 2024-25 fiscal year, cash and cash equivalents increased by \$54.6 million when compared to the prior fiscal year. The increase in cash and cash equivalents and a discussion of the categories of cash flows are as follows:

- Net cash used for operating activities was \$461.4 million, which represents an increase of \$55.2 million as compared to the 2023-24 fiscal year. The net increase in cash used was primarily the result of an increase in payments for scholarships of \$42.9 million, a decrease in cash received from operating grants and contracts of \$23 million, offset by a decrease in payments to suppliers of goods and services of \$11.4 million, an increase in payments to employees and for employee benefits of \$7.9 million, and an increase in cash received from operating tuition and fees net of \$6.1 million.
- Net cash provided by noncapital financing activities was \$413.9 million, which represents an increase of \$20.8 million as compared to the 2023-24 fiscal year. The net increase was primarily the result of increases in Federal and State student financial aid of \$14.3 million, and State

noncapital appropriations of \$10.6 million, offset by a decrease in Federal direct student loan program of \$2.5 million.

- Net cash used by capital and related financing activities was \$92.8 million, which represents an increase of \$32.3 million as compared to the 2023-24 fiscal year. The net increase in cash used was primarily due to a decrease in cash received from State capital appropriations of \$21.8 million, an increase in the purchase of capital assets of \$5.9 million, and a decrease in capital grants and gifts of \$4.6 million.
- Net cash provided by investing activities was \$194.8 million, which represents an increase of \$199.4 million in cash provided by investing activities as compared to the 2023-24 fiscal year. The net increase in cash provided was primarily the result of an increase in proceeds from the sales and maturities of investments of \$306.3 million and a decrease in investment income of \$4 million, offset by an increase in the purchase of investments of \$102.8 million.

## CAPITAL ASSETS AND CAPITAL COMMITMENTS

### **Capital Assets**

At June 30, 2025, the College had had \$1.9 billion in capital assets, less accumulated depreciation of \$720.1 million, for net capital assets of \$1.1 billion. Depreciation charges for the current fiscal year totaled \$40.6 million. The following table summarizes the College's capital assets, net of accumulated depreciation, at June 30:

#### **Capital Assets, Net at June 30: College**

(In Thousands)

|                                     | <b>2025</b>        | <b>2024</b>        |
|-------------------------------------|--------------------|--------------------|
| Land                                | \$ 98,257          | \$ 98,244          |
| Works of Art                        | 593                | 552                |
| Construction in Progress            | 143,750            | 242,281            |
| Buildings                           | 1,452,202          | 1,218,817          |
| Other Structures and Improvements   | 36,103             | 36,103             |
| Furniture, Machinery, and Equipment | 84,004             | 84,844             |
| Lease Assets                        | 168                | -                  |
| Computer Software                   | 54,385             | 54,385             |
| <b>Total</b>                        | <b>1,869,462</b>   | <b>1,735,226</b>   |
| Less: Accumulated Depreciation      |                    |                    |
| Buildings                           | 562,025            | 532,082            |
| Other Structures and Improvements   | 35,306             | 34,999             |
| Furniture, Machinery, and Equipment | 72,489             | 71,525             |
| Lease Assets                        | 69                 | -                  |
| Computer Software                   | 50,234             | 44,796             |
| <b>Total</b>                        | <b>720,123</b>     | <b>683,402</b>     |
| <b>Capital Assets, Net</b>          | <b>\$1,149,339</b> | <b>\$1,051,824</b> |

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

**Capital Commitments**

The College had \$36.2 million in major construction commitments at June 30, 2025. State capital appropriations together with local funds are expected to finance these projects. The College’s major construction commitments at June 30, 2025, are as follows:

|                          | <b>Amount</b><br><b><u>(In Thousands)</u></b> |
|--------------------------|---|
| Total Committed          | \$ 152,482                                    |
| Completed to Date        | <u>(116,306)</u>                              |
| <b>Balance Committed</b> | <b><u>\$ 36,176</u></b>                       |

Additional information about the College’s construction commitments 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. On-going efforts to develop new revenue sources and contain costs have served the College well in its commitment to the growth of education programs, improved student access, and overall excellence in service to its students and the community. The conservative budgetary stance taken by the College provides the framework for a focused response in support of our educational mission and provides financial stability in the face of limited economic growth and increased demand for State resources.

**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 Christopher F. Starling, CPA, Vice Provost of Business Affairs and Chief Financial Officer, Miami Dade College, 11011 S.W. 104th Street, Miami, Florida 33176.

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# BASIC FINANCIAL STATEMENTS

**MIAMI DADE COLLEGE**  
**A Component Unit of the State of Florida**  
**Statement of Net Position**  
**June 30, 2025**

|  | <b>College</b>       | <b>Component Unit</b> |
|--|----------------------|-----------------------|
| <b>ASSETS</b>                                    |                      |                       |
| Current Assets:                                  |                      |                       |
| Cash and Cash Equivalents                        | \$ 40,977,111        | \$ 25,606,100         |
| Restricted Cash and Cash Equivalents             | 44,857,354           | -                     |
| Cash Collateral Securities Lending               | 53,534,871           | 19,983,606            |
| Accounts Receivable, Net                         | 25,819,207           | 9,742,124             |
| Lease Receivable                                 | 628,585              | -                     |
| Due from Other Governmental Agencies             | 91,530,741           | -                     |
| Due from Component Unit/College                  | 27,577,277           | 484,503               |
| Inventories                                      | 79,945               | -                     |
| Prepaid Expenses                                 | 791,447              | -                     |
| Deposits   | 80,275               | -                     |
| Other Current Assets                             | 488                  | -                     |
| <b>Total Current Assets</b>                      | <b>285,877,301</b>   | <b>55,816,333</b>     |
| Noncurrent Assets:                               |                      |                       |
| Restricted Cash and Cash Equivalents             | -                    | 2,285,541             |
| Endowment Investments                            | 219,892,665          | 111,665,180           |
| Restricted Other Investments                     | 151,719,007          | -                     |
| Other Investments                                | 32,099,744           | 115,868,002           |
| Notes Receivable, Net                            | 5,386,717            | 4,213,100             |
| Lease Receivable                                 | 1,865,787            | -                     |
| Depreciable Capital Assets, Net                  | 906,738,871          | -                     |
| Nondepreciable Capital Assets                    | 242,600,488          | -                     |
| Other Noncurrent Assets                          | 150                  | 744,501               |
| <b>Total Noncurrent Assets</b>                   | <b>1,560,303,429</b> | <b>234,776,324</b>    |
| <b>TOTAL ASSETS</b>                              | <b>1,846,180,730</b> | <b>290,592,657</b>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>            |                      |                       |
| Other Postemployment Benefits                    | 4,554,801            | -                     |
| Pensions   | 61,901,753           | -                     |
| <b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>      | <b>66,456,554</b>    | <b>-</b>              |
| <b>LIABILITIES</b>                               |                      |                       |
| Current Liabilities:                             |                      |                       |
| Accounts Payable                                 | 35,572,220           | 856,854               |
| Salary and Payroll Taxes Payable                 | 23,616,861           | -                     |
| Retainage Payable                                | 5,876,846            | -                     |
| Due to Other Governmental Agencies               | 8,001,759            | -                     |
| Due to Component Unit/College                    | 890,115              | 15,332,129            |
| Unearned Revenue                                 | 206,299              | -                     |
| Liability for Cash Collateral Securities Lending | 53,534,871           | 19,983,606            |
| Long-Term Liabilities - Current Portion:         |                      |                       |
| Deposit Held for Others                          | 36,851,288           | -                     |
| Leases Payable                                   | 33,620               | -                     |
| Compensated Absences Payable                     | 20,681,992           | -                     |
| Other Postemployment Benefits Payable            | 1,009,764            | -                     |
| Net Pension Liability                            | 254,789              | -                     |
| <b>Total Current Liabilities</b>                 | <b>186,530,424</b>   | <b>36,172,589</b>     |

|  | <u>College</u>          | <u>Component<br/>Unit</u> |
|--|-------------------------|---------------------------|
| <b>LIABILITIES (Continued)</b>             |                         |                           |
| Noncurrent Liabilities:                    |                         |                           |
| Leases Payable                             | 62,600                  | -                         |
| Deposit Held for Others                    | 521,450                 | -                         |
| Compensated Absences Payable               | 15,659,585              | -                         |
| Other Postemployment Benefits Payable      | 21,803,175              | -                         |
| Net Pension Liability                      | 206,599,922             | -                         |
| <b>Total Noncurrent Liabilities</b>        | <u>244,646,732</u>      | <u>-</u>                  |
| <b>TOTAL LIABILITIES</b>                   | <u>431,177,156</u>      | <u>36,172,589</u>         |
| <b>DEFERRED INFLOWS OF RESOURCES</b>       |                         |                           |
| Other Postemployment Benefits              | 10,516,309              | -                         |
| Pensions                                   | 37,552,577              | -                         |
| Lease Agreements                           | 2,494,372               | -                         |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b> | <u>50,563,258</u>       | <u>-</u>                  |
| <b>NET POSITION</b>                        |                         |                           |
| Net Investment in Capital Assets           | 1,149,243,139           | -                         |
| Restricted:                                |                         |                           |
| Nonexpendable:                             |                         |                           |
| Endowment                                  | 5,766,941               | 57,357,333                |
| Expendable:                                |                         |                           |
| Endowment                                  | 218,585,326             | -                         |
| Grants and Loans                           | 21,513,286              | -                         |
| Scholarships                               | 10,139,669              | 141,440,358               |
| Capital Projects                           | 186,813,614             | -                         |
| Unrestricted                               | <u>(161,165,105)</u>    | <u>55,622,377</u>         |
| <b>TOTAL NET POSITION</b>                  | <u>\$ 1,430,896,870</u> | <u>\$ 254,420,068</u>     |

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

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**MIAMI DADE COLLEGE**  
**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 \$96,366,637 | \$ 73,106,629           | \$ -                  |
| Federal Grants and Contracts  | 43,465,067              | -                     |
| State and Local Grants and Contracts                                    | 18,868,112              | -                     |
| Nongovernmental Grants and Contracts                                    | 30,565,307              | -                     |
| Sales and Services of Educational Departments                           | 41,556                  | -                     |
| Auxiliary Enterprises   | 8,091,837               | -                     |
| Other Operating Revenues  | 11,255,894              | 30,836,649            |
| <b>Total Operating Revenues</b>   | <b>185,394,402</b>      | <b>30,836,649</b>     |
| <b>EXPENSES</b>   |                         |                       |
| Operating Expenses:   |                         |                       |
| Personnel Services  | 364,750,138             | 2,906,949             |
| Scholarships and Waivers  | 154,823,463             | 33,996,537            |
| Utilities and Communications  | 14,628,223              | -                     |
| Contractual Services  | 36,049,105              | 1,892,986             |
| Other Services and Expenses   | 30,100,222              | 3,392,185             |
| Materials and Supplies  | 44,291,518              | -                     |
| Depreciation  | 40,644,477              | -                     |
| <b>Total Operating Expenses</b>   | <b>685,287,146</b>      | <b>42,188,657</b>     |
| <b>Operating Loss</b>   | <b>(499,892,744)</b>    | <b>(11,352,008)</b>   |
| <b>NONOPERATING REVENUES (EXPENSES)</b>                                 |                         |                       |
| State Noncapital Appropriations   | 211,169,833             | -                     |
| Federal and State Student Financial Aid                                 | 213,614,949             | -                     |
| Investment Income   | 16,313,104              | -                     |
| Net Realized and Unrealized Gain on Investments                         | 23,403,211              | 11,634,250            |
| Other Nonoperating Revenues   | 7,587                   | -                     |
| Loss on Disposal of Capital Assets                                      | (18,453)                | -                     |
| Interest on Capital Asset-Related Debt                                  | (1,614)                 | -                     |
| <b>Net Nonoperating Revenues</b>  | <b>464,488,617</b>      | <b>11,634,250</b>     |
| <b>Income (Loss) Before Other Revenues</b>                              | <b>(35,404,127)</b>     | <b>282,242</b>        |
| State Capital Appropriations  | 1,828,900               | -                     |
| Capital Grants, Contracts, Gifts, and Fees                              | 21,419,248              | -                     |
| Additions to Endowments   | 4,598,674               | -                     |
| <b>Total Other Revenues</b>   | <b>27,846,822</b>       | <b>-</b>              |
| <b>Increase (Decrease) in Net Position</b>                              | <b>(7,557,305)</b>      | <b>282,242</b>        |
| Net Position, Beginning of Year   | 1,439,079,260           | 254,137,826           |
| Adjustment to Beginning Net Position                                    | (625,085)               | -                     |
| <b>Net Position, Beginning of Year, as Restated</b>                     | <b>1,438,454,175</b>    | <b>254,137,826</b>    |
| <b>Net Position, End of Year</b>  | <b>\$ 1,430,896,870</b> | <b>\$ 254,420,068</b> |

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

**MIAMI DADE COLLEGE**  
**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  | \$ 63,397,175        |
| Grants and Contracts   | 75,702,468           |
| Payments to Suppliers  | (108,696,584)        |
| Payments for Utilities and Communications                              | (14,628,223)         |
| Payments to Employees  | (265,602,032)        |
| Payments for Employee Benefits   | (84,671,951)         |
| Payments for Scholarships  | (154,823,779)        |
| Collection on Loans to Students  | 162,284              |
| Auxiliary Enterprises  | 6,027,847            |
| Sales and Services of Educational Departments                          | 41,556               |
| Other Receipts   | 21,738,754           |
|  | <b>(461,352,485)</b> |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                 |                      |
| State Noncapital Appropriations  | 214,276,688          |
| Federal and State Student Financial Aid                                | 199,554,332          |
| Federal Direct Loan Program Receipts                                   | 10,950,320           |
| Federal Direct Loan Program Disbursements                              | (11,545,937)         |
| Gifts and Grants Received for other than Capital or Endowment Purposes | 689,624              |
|  | <b>413,925,027</b>   |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>        |                      |
| State Capital Appropriations   | 19,680,533           |
| Capital Grants and Gifts   | 21,237,869           |
| Purchases of Capital Assets  | (133,760,691)        |
| Interest Paid on Capital Debt and Leases                               | (1,614)              |
| Insurance Recoveries   | 7,587                |
|  | <b>(92,836,316)</b>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                            |                      |
| Proceeds from Sales and Maturities of Investments                      | 416,397,428          |
| Purchases of Investments   | (242,320,679)        |
| Investment Income  | 20,751,573           |
|  | <b>194,828,322</b>   |
| <b>Net Increase in Cash and Cash Equivalents</b>                       | <b>54,564,548</b>    |
| Cash and Cash Equivalents, Beginning of Year                           | 31,269,917           |
| <b>Cash and Cash Equivalents, End of Year</b>                          | <b>\$ 85,834,465</b> |

|   | <u>College</u>          |
|---|-------------------------|
| <b>RECONCILIATION OF OPERATING LOSS</b>   |                         |
| <b>TO NET CASH USED BY OPERATING ACTIVITIES</b>   |                         |
| Operating Loss  | \$ (499,892,744)        |
| Adjustments to Reconcile Operating Loss<br>to Net Cash Used by Operating Activities:                  |                         |
| Depreciation Expense  | 40,644,477              |
| Changes in Assets, Liabilities, Deferred Outflows of Resources,<br>and Deferred Inflows of Resources: |                         |
| Receivables, Net  | (11,177,102)            |
| Notes Receivable, Net   | 162,284                 |
| Due from Other Governmental Agencies  | (595,618)               |
| Due from Component Unit   | (8,905,550)             |
| Inventories   | (19,471)                |
| Prepaid Expenses  | 348,914                 |
| Lease Receivable  | 506,548                 |
| Other Assets  | (108)                   |
| Accounts Payable  | 1,414,504               |
| Salaries and Payroll Taxes Payable  | 16,811,276              |
| Due to Other Governmental Agencies  | 3,662,969               |
| Due to Component Unit   | (36,102)                |
| Unearned Revenue  | (8,396,395)             |
| Deposits Held for Others  | 6,961,301               |
| Compensated Absences Payable  | 2,880,176               |
| Other Postemployment Benefits Payable   | 1,294,105               |
| Net Pension Liability   | (24,948,622)            |
| Deferred Outflows of Resources Related to Pensions  | 688,140                 |
| Deferred Inflows of Resources Related to Pensions   | 18,897,889              |
| Deferred Outflows of Resources Related to Other Postemployment Benefits                               | 393,550                 |
| Deferred Inflows of Resources Related to Other Postemployment Benefits                                | (1,540,359)             |
| Deferred Inflows Lease Agreements   | (506,547)               |
| <b>NET CASH USED BY OPERATING ACTIVITIES</b>  | <u>\$ (461,352,485)</u> |

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

Unrealized gains on investments were recognized on the statement of revenues, expenses, and changes in net position, but are not cash transactions for the statement of cash flows. \$ 15,425,427

Losses from the disposal of capital assets were recognized on the statement of revenues, expenses, and changes in net position, but are not cash transactions for the statement of cash flows. \$ (18,453)

Donation of capital assets were recognized on the statement of revenues, expenses, and changes in net position, but are not cash transactions for the statement of cash flows. \$ 38,798

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 Miami Dade College, 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 seven 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 Miami-Dade 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 Miami Dade College Foundation, 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. The financial data reported on the accompanying financial statements was derived from the Foundation's audited financial statements for the fiscal year ended March 31, 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 the accrual basis of accounting, and follows FASB standards of accounting and financial reporting for not-for-profit organizations.

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, investment income, net of unrealized gains or losses on investments, and other nonoperating revenues. 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 identified, within its

accounting system, amounts paid for tuition and fees by financial aid. The total amount of these third party payments is deducted from student tuition and fees.

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.** The amount reported as cash and cash equivalents consist of cash on hand, cash in demand accounts, and cash invested with the State Treasury Special Purpose Investment Account (SPIA), the Florida Fixed Income Trust (FL-FIT) Enhanced Cash, the FL-FIT Cash, and the State Board of Administration (SBA) Florida PRIME Investment pools. 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, the FL-FIT Enhanced Cash, the FL-FIT Cash, and SBA Florida PRIME investment pools 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 \$4,958,171 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 \$1,869,775 in the Florida PRIME investment pool administered by the SBA pursuant to Section 218.405, Florida Statutes. The College's investments in the Florida PRIME investment pool, which the SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. The Florida PRIME investment pool carried

a credit rating of AAAM by Standard & Poor's and had a weighted-average days to maturity (WAM) of 47 days as of June 30, 2025. A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating-rate instruments. WAM measures the sensitivity of the Florida PRIME investment pool to interest rate changes. The investments in the Florida PRIME investment pool are reported at amortized cost.

Section 218.409(8)(a), Florida Statutes, provides that "the principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the executive director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board [State Board of Administration] can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The trustees shall convene an emergency meeting as soon as practicable from the time the executive director has instituted such measures and review the necessity of those measures. If the trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the executive director until the trustees are able to meet to review the necessity for the moratorium. If the trustees agree with such measures, the trustees shall vote to continue the measures for up to an additional 15 days. The trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the trustees exceed 15 days." As of June 30, 2025, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

At June 30, 2025, the College reported as cash equivalents \$41,783,101 in the FL-FIT Cash Pool and \$3,458,675 in the FL-FIT Enhanced Cash Pool. The FL-FIT was created under the laws of the State of Florida, to provide eligible units of local governments with an investment vehicle to pool the surplus funds and to reinvest such funds in one or more investment portfolios under the direction and daily supervision of an investment advisor. The FL-FIT Enhanced Cash Pool and the FL-FIT Cash Pool are primarily composed of corporate bonds, commercial paper, and certificates of deposit; and carried a credit rating of AAAf/S1 by Fitch. Although the FL-FIT has no limitations on participant withdrawals and each participant has the ability to withdraw 100 percent of its account balance any business day, the FL-FIT reserves the right to suspend withdrawals during a period of crisis in the United States financial markets. The investments in the FL-FIT Pools are reported at fair value rather than amortized cost.

**Capital Assets.** College capital assets consist of land, works of art, construction in progress, buildings, other structures and improvements, furniture, machinery, and equipment, 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 \$25,000 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, Athletic, Construction and Maintenance Equipment – 5 years
  - Furniture – 7 years
- Lease Assets – 5 years
- Computer Software - 10 years

**Noncurrent Liabilities.** Noncurrent liabilities include lease payable, deposits held for others, 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 Change**

**Change in Accounting Principle.** The College implemented GASB Statement No. 101, *Compensated Absences*, whose objective is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The objective was achieved by aligning the recognition and measurement guidance under a unified model and by amending previously required note disclosures. Due to the implementation on July 1, 2024, the beginning balance of the compensated absences liability was increased by \$625,085, which resulted in a decrease to the beginning net position by the same amount as shown in the table below.

| <u>Description</u>                                      | <u>College</u>                 |
|---|--------------------------------|
| Net Position, Beginning of Year, as previously reported | \$ 1,439,079,260               |
| Change in accounting principle (GASB Statement No. 101) | (625,085)                      |
| <b>Net Position, Beginning of Year, as Restated</b>     | <b><u>\$ 1,438,454,175</u></b> |

**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 | \$ (172,315,763)        |
| Auxiliary Funds              | <u>11,150,658</u>       |
| <b>Total</b>                 | <u>\$ (161,165,105)</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 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 purchase or construct capital assets are classified as restricted.

The Board of Trustees also adopted an investment policy for the management of endowment assets and other investments, which include investment objectives, permitted types of securities in which the Board may invest, and evaluation criteria necessary to measure the investment performance of the program. Additionally, the College's investment policy provides that the goal of the investment program is to provide a real total return from assets invested that will preserve the purchasing power of endowment assets and other investments, while generating an income stream sufficient to support the established spending requirements. Investments are to be related to the short-, mid-, and long-term needs of the College, while considering the probable safety of their capital as well as the probable income to be derived from the investment. For endowment investments, four asset classes are targeted to ensure the proper level of diversification within the fund. These asset classes are domestic equity, international equity, domestic fixed-income, and cash and cash equivalents held solely for income or profit. For other investments, the highest priority is placed on the safety of the principal. The College's investment policy also provides investment managers with different investment styles (strategies). During the 2024-25 fiscal year, moneys of the Endowment Fund were invested by 16 investment managers, and other investments were invested by 5 investment managers.

Endowment investments and other investments are reported at a fair value of \$219,892,665 and \$183,818,751, respectively. The reporting of endowment investments at fair value resulted in an unrealized gain of \$11,111,989. The reporting of other investments at fair value resulted in an unrealized gain of \$4,240,116.

**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.

All of the College's recurring fair value measurements as of June 30, 2025, are valued using quoted market prices (Level 1 inputs), except for domestic and international bonds and notes which are valued using matrix pricing models which may consider quoted prices for similar assets in markets that are not active and inputs other than quoted prices that are observable (Level 2 inputs). Short-term investments and alternative hedge funds, which are valued at the College's proportionate share of the underlying fair value of the hedge fund's net asset value as of the measurement date, are measured at net asset value.

The College's investments at June 30, 2025, are reported as follows:

|  | Amount                | Fair Value Measurements Using  |   |  |
|--|-----------------------|--|---|--|
|  |                       | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| <b>Investments by fair value level</b>                   |                       |  |   |  |
| Federal Agency Obligations                               | \$ 20,887,452         | \$ 20,887,452  | \$ -  | \$ -   |
| Obligations of United States Government                  |                       |  |   |  |
| Agencies and Instrumentalities - Domestic                | 47,944,870            | 47,944,870   | -   | -  |
| International Government Obligations                     | 592,525               | 592,525  | -   | -  |
| Bonds and Notes - Domestic                               | 53,161,013            | -  | 53,161,013  | -  |
| Bonds and Notes - International                          | 5,473,527             | -  | 5,473,527   | -  |
| Stocks and Other Equity Securities - Domestic            | 57,445,270            | 57,445,270   | -   | -  |
| Stocks and Other Equity Securities - International       | 33,246,163            | 33,246,163   | -   | -  |
| Total investments by fair value level                    | 218,750,820           | \$ 160,116,280   | \$ 58,634,540   | \$ -   |
| <b>Investments measured at the net asset value (NAV)</b> |                       |  |   |  |
| Short-term Investments                                   | 35,252,136            |  |   |  |
| Mutual Funds:  |                       |  |   |  |
| Bonds and Notes - Domestic                               | 34,195,675            |  |   |  |
| Stocks and Other Equity Securities - Domestic            | 58,222,021            |  |   |  |
| Stocks and Other Equity Securities - International       | 30,220,479            |  |   |  |
| Alternative Hedge Funds (1)                              | 27,070,285            |  |   |  |
| Total investments measured at NAV                        | 184,960,596           |  |   |  |
| <b>Total investments measured at fair value</b>          | <b>\$ 403,711,416</b> |  |   |  |

- (1) The value of investments held in this fund involve significant uncertainties and judgments and cannot be determined with precision. Due to the inherent uncertainty of valuation, the estimated values may differ from the value that would have been used had a ready market for these investments existed, and the differences could be material.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented in the following table:

| Investments measured at the NAV              | Fair Value                   | Unfunded Commitments | Redemption Frequency (if Currently Eligible) | Redemption Notice Period |
|--|------------------------------|----------------------|--|--------------------------|
| Short-term Investments                       | \$ 35,252,136                | \$ -                 | Daily  | 1 Day                    |
| Mutual Funds:                                |                              |                      |  |                          |
| PIMCO Short Term Fund                        | 34,195,675                   | -                    | Daily  | 1 Day                    |
| Vanguard Growth Index Fund                   | 35,565,704                   | -                    | Daily  | 1 Day                    |
| Vanguard Value Index Fund                    | 16,827,166                   | -                    | Daily  | 1 Day                    |
| WCM Focused International Growth             | 12,931,261                   | -                    | Daily  | 1 Day                    |
| Ironwood International                       | 17,289,218                   | -                    | Semi-Annually                                | 90 Days                  |
| Partners Group Private Equity II             | 5,829,151                    | -                    | Quarterly                                    | 90 Days                  |
| Alternative Hedge Funds:                     |                              |                      |  |                          |
| Morgan Stanley Private Wealth Management     | 15,000,000                   | -                    | Quarterly                                    | 90 Days                  |
| Morgan Stanley Prime Property - Real Estate  | 12,070,285                   | -                    | Quarterly                                    | 90 Days                  |
| <b>Total investments measured at the NAV</b> | <b><u>\$ 184,960,596</u></b> |                      |  |                          |

**Net Asset Value.** GASB Statement No. 72, *Fair Value Measurement and Application*, permits the fair value of certain equity and debt investments that do not have readily available fair values to be based on their net asset value (NAV) per share. The investments held at net asset value reflect:

*Short-Term Investments:* This category includes investments in short-term instruments designed to preserve capital, liquidity, and current income.

*PIMCO Short-term Fund:* This Fund's focus is on short-term, high quality fixed income securities in order to offer higher income potential than traditional cash investments.

*Vanguard Growth Index Fund and Vanguard Value Index Fund:* These Funds seek to track the performance of a benchmark index that measures investment return of large-capitalization growth and value stocks, respectively. An indexing investment approach is employed designed to track performance of the CRSP U.S. Large Cap Growth Index and CRSP U.S. Large Cap Value Index, which is predominately made up of growth and value stocks of large U.S. companies.

*WCM Focused International Growth Fund:* This Fund's strategy is to invest at least 75 percent of net assets in equity securities of non-U.S. domiciled companies, with a focus on companies with large capitalization that are established and multinational.

*Ironwood International Ltd.:* This is a subscription based agreement for participating redeemable shares in the company, with a capital appreciation investment objective.

*Partners Group:* This category is composed of Partners Group Private Equity whose objective is to seek attractive long-term capital appreciation by investing in a diversified global private equity portfolio comprised of direct lead and joint-lead investments. The Fund is private equity focused, with an opportunistic allocation to invest in asset-backed private equity.

*Morgan Stanley Private Wealth Management Funds:* These funds are invested in cash, money markets, and through Blackstone Securities Lending Fund, a specialty finance company that invests primarily in the debt of private U.S. companies. Valuation of assets are based on fair market value.

*Morgan Stanley Prime Property Fund:* This Fund is a core, fully specified, open-ended commingled real estate investment fund diversified by property type and location designed to provide a stable, income-driven rate of return over the long term with potential growth of income and appreciation value.

**Component Unit Investments.** All of the College's component unit's recurring fair value measurements as of March 31, 2025, are valued using quoted market prices (Level 1 inputs). As of March 31, 2025, the component unit did not have investments valued using significant other observable inputs (Level 2 inputs) or significant unobservable inputs (Level 3 inputs). Fund of funds and mutual fund investments are valued at the component unit's proportionate share of the underlying fair value of the funds' net asset value where the component unit has the ability to redeem its investment at the reported net asset valuation as of the measurement date, and where the component unit's ability to redeem the investment is restricted or uncertain in the near term.

Investments held by the College's component unit at March 31, 2025, are reported as follows:

| Investments by fair value level                          | Amount                | Fair Value Measurements Using                                  |   |   |
|--|-----------------------|--|---|---|
|  |                       | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Short-term Investments                                   | \$ 4,207,713          | \$ 4,207,713   | \$ -  | \$ -                                      |
| Federal Agency Debt Securities                           | 29,209,730            | 29,209,730   | -   | -   |
| Equity Securities  | 148,917,870           | 148,917,870  | -   | -   |
| Total investments by fair value level                    | \$ 182,335,313        | \$ 182,335,313   | \$ -  | \$ -                                      |
| <b>Investments measured at the net asset value (NAV)</b> |                       |  |   |   |
| Fund of Funds - Domestic                                 | 45,197,869            |  |   |   |
| Total investments measured at NAV                        | 45,197,869            |  |   |   |
| <b>Total investments measured at fair value</b>          | <b>\$ 227,533,182</b> |  |   |   |

For the College's component unit, the valuation method for investments measured at the NAV per share (or its equivalent) is presented in the following table:

| Investments measured at the NAV              | Fair Value           | Unfunded Commitments | Redemption Frequency (if Currently Eligible) | Redemption Notice Period | Liquidity Restrictions |
|--|----------------------|----------------------|--|--------------------------|------------------------|
| Alternative Hedge Funds (Fund of Funds):     |                      |                      |  |                          |                        |
| Ironwood International Ltd. - Class A        | \$ 15,027,936        | \$ -                 | Semi-annual                                  | 95 Days                  | 5% held for audit      |
| Ironwood International Ltd. - Class A4       | 8,695,400            | -                    | Semi-annual                                  | 95 Days                  | 5% held for audit      |
| American Strategic Value Realty Fund, LP     | 5,525,586            | -                    | Fund's Discretion                            | 30 Days                  | 1 Year                 |
| Partner Group Private Equity II              | 9,688,342            | -                    | Annually                                     | 1 Year                   | 3 Years                |
| Mutual Funds:                                |                      |                      |  |                          |                        |
| Equities                                     | 6,260,605            | -                    |  |                          |                        |
| <b>Total investments measured at the NAV</b> | <b>\$ 45,197,869</b> |                      |  |                          |                        |

The component unit's investment in the private equity fund may not be withdrawn for any reason other than the dissolution and liquidation of the private equity fund. Unless otherwise extended or terminated as defined in the investment agreement, the private equity fund is scheduled to terminate as follows:

| <b>Investments by liquidation restrictions</b> | <b>Fair Value</b>         | <b>Unfunded Commitments</b> | <b>Redemption Frequency (if Currently Eligible)</b> | <b>Redemption Notice Period</b> | <b>Liquidity Restrictions</b> |
|--|---------------------------|-----------------------------|---|---------------------------------|-------------------------------|
| Private Equity Fund                            |                           |                             |   |                                 |                               |
| Assurance Capital                              | \$ 1,209,192              | \$ 2,833,436                | Not Permitted                                       | Not Applicable                  | None                          |
| Harbour Vest Global                            | 2,919,546                 | 2,725,000                   | Not Permitted                                       | Not Applicable                  | None                          |
| Highbrook Property Fund III, LP                | <u>2,131,867</u>          | <u>1,330,899</u>            | Not Permitted                                       | Not Applicable                  | 10/5/2025                     |
| <b>Total Private Equity Fund Investments</b>   | <b><u>\$6,260,605</u></b> |                             |   |                                 |                               |

### **Net Asset Value – Component Unit.**

*Fund of Funds:* The component unit invests in fund of funds. Each fund of funds allocates their assets in a select group of private investment funds (commonly known as hedge funds) and pursue multiple strategies to diversify risks and reduce volatility. The fair value is based on the Foundation’s proportionate share of the underlying fair value of the fund of funds’ net asset value as provided by each fund of funds’ investment manager at the close of business each month.

*Mutual Funds:* The component unit invests in mutual funds which include investments in international equity. The fair values are determined daily and are quoted on a national exchange.

**Other Investments.** The College invested in various debt securities, equity securities, and money market funds. The following risks apply to the College.

*Interest Rate Risk:* Interest rate risk is the risk that changing interest rates will adversely affect the fair value of an investment. The College’s investment policy for endowment investments, as a means of managing its exposure to fair value losses arising from increasing interest rates, states that investment managers are engaged to reduce the overall volatility of the portfolio and to provide a highly predictable and dependable source of income. It is expected that investments made by the investment managers will be flexibly allocated among maturities of different lengths according to interest rate prospects. The College’s investment policy for other investments states that investments shall be made with the same judgment and care, under circumstance then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs. At June 30, 2025, the College had investments in debt securities and short-term investments as follows:

## College Investment Durations

| Average Duration       | Fair Value           | Investment Types (1)                 |                                      |                            |                                    |   |                        |
|------------------------|----------------------|--------------------------------------|--------------------------------------|----------------------------|------------------------------------|---|------------------------|
|                        |                      | United States Government Obligations | International Government Obligations | Federal Agency Obligations | Domestic Corporate Bonds and Notes | International Corporate Bonds and Notes | Short-Term Investments |
| Endowment Investments: |                      |                                      |                                      |                            |                                    |   |                        |
| 102 Days               | \$ 9,277,828         | \$ -                                 | \$ -                                 | \$ -                       | \$ -                               | \$ -                                    | \$ 9,277,828           |
| 6.09 Years             | 24,093,391           | 7,009,267                            | 197,508                              | 8,737,983                  | 6,773,996                          | 1,374,637                               | -                      |
| Other Investments:     |                      |                                      |                                      |                            |                                    |   |                        |
| 102 Days               | 25,974,308           | -                                    | -                                    | -                          | -                                  | -                                       | 25,974,308             |
| 0.46 Years             | 34,195,675           | -                                    | -                                    | -                          | 34,195,675                         | -                                       | -                      |
| 4.06 Years             | 43,651,233           | 13,641,380                           | -                                    | 9,274,439                  | 19,362,578                         | 1,372,836                               | -                      |
| 3.79 Years             | 60,314,763           | 27,294,223                           | 395,017                              | 2,875,030                  | 27,024,439                         | 2,726,054                               | -                      |
| <b>Total</b>           | <b>\$197,507,198</b> | <b>\$ 47,944,870</b>                 | <b>\$ 592,525</b>                    | <b>\$20,887,452</b>        | <b>\$ 87,356,688</b>               | <b>\$ 5,473,527</b>                     | <b>\$35,252,136</b>    |

(1) These investment durations are for debt securities including United States and International Government Obligations, Federal Agency Obligations, Domestic and International Corporate Bonds and Notes, and Short-Term Investments. Interest rate risk disclosure is not required for the other College investments in Equity Securities or Alternative Hedge Funds.

**Credit Risk:** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Obligations explicitly guaranteed by the United States Government are not considered to have credit risk and do not require disclosure of credit quality. The College's investment policy for endowment investments provides that each manager's overall portfolio should exhibit at least an investment grade rating by either Moody's or Standard & Poor's. The College's investment policy for other investments states that the weighted average quality rating of the collective funds invested must maintain a rating higher than A. At June 30, 2025, the College had investments with quality rating by nationally recognized rating agencies (e.g., Standard & Poor's) as follows:

| Investment Type (1)                     | Fair Value            | Aa3                  | AA                   | Rating Unavailable  |
|---|-----------------------|----------------------|----------------------|---------------------|
| Endowment Investments:                  |                       |                      |                      |                     |
| Domestic Corporate Bonds and Notes      | \$ 6,773,996          | \$ 6,773,996         | \$ -                 | \$ -                |
| International Corporate Bonds and Notes | 1,374,637             | 1,374,637            | -                    | -                   |
| Federal Agency Obligations              | 8,054,231             | 8,054,231            | -                    | -                   |
| U.S. Government Obligations             | 593,316               | 593,316              | -                    | -                   |
| Short-term Investments                  | 989,499               | 197,508              | -                    | 791,991             |
| Other Investments:                      |                       |                      |                      |                     |
| Domestic Corporate Bonds and Notes      | 80,582,692            | 27,024,439           | 53,558,253           | -                   |
| International Corporate Bonds and Notes | 4,098,890             | 2,726,054            | 1,372,836            | -                   |
| Federal Agency Obligations              | 11,860,958            | 2,589,075            | 9,271,883            | -                   |
| U.S. Government Obligations             | 2,950,234             | 2,950,234            | -                    | -                   |
| International Government Obligations    | 395,017               | 395,017              | -                    | -                   |
| Short-term Investments                  | 1,176,449             | -                    | -                    | 1,176,449           |
| <b>Total</b>                            | <b>\$ 118,849,919</b> | <b>\$ 52,678,507</b> | <b>\$ 64,202,972</b> | <b>\$ 1,968,440</b> |

(1) These credit quality ratings are for Domestic and International Corporate Bonds and Notes, Federal Agency Obligations, United States and International Government Obligations, and Short-Term Investments not explicitly guaranteed by the United States Government. Credit risk disclosure is not required for the other College investments.

*Custodial Credit Risk:* Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the College will not be able to recover that value of investments or collateral securities that are in the possession of an outside party. Investments purchased on behalf of the College pursuant to Section 218.415, Florida Statutes, must be properly earmarked and (1) if registered with the issuer or its agents, the investment must be immediately placed for safekeeping in a location that protects the College's interest in the security; (2) if in a book-entry form, the investment must be held for the credit of the College by a depository chartered by the Federal Government, the State, or any other State or territory of the United States, that has a branch or principal place of business in this State, or by a national association organized and existing under the laws of the United States that is authorized to accept and execute trusts and which is doing business in this State, and must be kept by the depository in an account separate and apart from the assets of the financial institution; or (3) if physically issued to the holder but not registered with the issuer or its agents, must be immediately placed for safekeeping in a secured vault. The College's investments of \$12,070,285 in real estate, \$15,000,000 in alternative hedge funds, \$32,486,035 in domestic equities, \$50,244,200 in international equities, as well as \$24,797,860 in money market funds are held by the safekeeping agent in the name of the College.

*Concentration of Credit Risk:* Concentration of credit risk is the risk of loss attributed to the magnitude of the College's investment in a single issuer. The College's investment policy for endowment investments allows for investment allocations of 30 to 60 percent in domestic equity securities, 15 to 40 percent in international equity securities, and 5 to 25 percent in domestic fixed-income securities. In addition, no more than 10 percent of the market value of any manager's portfolio may be invested in the securities of any one company unless recommended by the Investment Committee and with an expressed written permission granted by the Senior Vice Provost for Business Affairs in consultation with the College President. The College's investment policy for other investments provides that a maximum of 5 percent may be invested in securities of any single issuer, except for United States Government and United States Government agency securities.

**Securities Lending.** The College participates in a securities lending program as a means to augment income. This program is managed by the College's custodial bank that serves as a lending agent for the College and receives securities or cash as collateral. The College's securities are transferred to broker-dealers and other entities (borrowers) for collateral with a simultaneous agreement to return the collateral for cash or the same securities in the future.

Securities loans immediately terminate by either the College or its agent, or by the borrower, upon notice and delivery of equivalent securities. Securities lent for collateral received exceeded the fair value of such investments during the period of loan. All borrowers are required to provide additional collateral if the value falls to less than 102 percent of the fair value of securities lent.

The types of securities lent during the year, to lenders domiciled or who reside in the United States, included United States Government Obligations, corporate bonds, and stocks and other equity securities. Asset-backed securities were specifically excluded as allowable collateral securities from the agreement. As of June 30, 2025, the College had loaned certain securities, with fair value of \$1,339,573 and \$49,764,645 and had received cash and noncash collateral of \$1,362,101 and \$52,172,770, respectively for the loaned securities. As of June 30, 2025, the College had net investment income of \$75,975 for securities lending transactions.

**Securities Lending -  
Investments Lent and Collateral Received (at Fair Value)**

| <b>Securities Lent</b>                   | <b>Fair Value<br/>of Underlying<br/>Securities<br/>(Cash Collateral)</b> | <b>Cash Collateral<br/>Investment<br/>Value</b> | <b>Fair Value<br/>of Underlying<br/>Securities<br/>(Non Cash<br/>Collateral)</b> | <b>Non Cash<br/>Collateral<br/>Investment<br/>Value</b> |
|--|--|---|--|---|
| For Cash Collateral (Endowment):         |  |   |  |   |
| Global Equities                          | \$ -   | \$ -  | \$ 5,645,524   | \$ 6,026,068  |
| Global Government Fixed                  | -  | -   | 3,206,918  | 3,422,429   |
| U.S. Corporate Fixed                     | -  | -   | 707,564  | 725,236   |
| U.S. Equities                            | 42,991   | 43,928  | 2,282,889  | 2,344,756   |
| U.S. Government Fixed                    | -  | -   | 995,123  | 1,022,245   |
| For Cash Collateral (Other Investments): |  |   |  |   |
| Global Government Fixed                  | -  | -   | 20,482,223   | 21,874,720  |
| U.S. Corporate Fixed                     | 1,296,582  | 1,318,173                                       | 7,924,148  | 8,093,497   |
| U.S. Agencies                            | -  | -   | 8,520,256  | 8,663,819   |
| <b>Total</b>                             | <b>\$ 1,339,573</b>  | <b>\$ 1,362,101</b>                             | <b>\$ 49,764,645</b>   | <b>\$ 52,172,770</b>                                    |

The contract with the College's custodian requires them to indemnify the funds if the borrowers fail to return the securities (and if the collateral is inadequate to replace securities lent) or fail to pay the funds for income distributions by the securities' issuers while the securities are on loan.

*Credit Risk:* At June 30, 2025, the College had no credit risk exposure to borrowers because the amounts the College owed the borrowers exceeded the amounts the borrowers owed the College.

*Custodial Credit Risk:* There is no custodial credit risk exposure associated with the investment of cash received for securities lent. These investments are held in the College's name by the custodial bank as an agent for the College.

**Component Unit Securities Lending.** The Foundation participates in a security lending program to optimize investment income. The Foundation loans certain investment securities for short periods of time in exchange for collateral initially equal to at least 102 percent of the fair value of the investment securities on loan. The fair value of the loaned investment securities is monitored on a daily basis, with additional collateral obtained or refunded as the fair value of the loaned investment security fluctuates. The collateral, which may be in the form of cash, letters of credit, or United States Government securities, is deposited by the borrower with an independent lending agent. The collateral is recorded as an asset on the Foundation's statement of financial position, along with a liability to reflect the Foundation's obligation to return the collateral. The collateral is invested by the lending agent according to the Foundation's investment guidelines. The Foundation does not have access to the collateral unless there is default by the borrower. Loaned securities continue to be carried as investments on the statements of financial position. Earnings on the invested collateral, net of expenses, are recorded as other income in the component unit's statement of activities.

## 5. Quasi-Endowment Fund

Pursuant to a referendum held in September 1992, Miami-Dade County was authorized to exceed the constitutional millage limitation and lev an ad valorem tax of 3/4 of a mill for a 2-year period for the purpose of maintenance, improvement, and expansion of occupational, vocational, and educational

programs at the College. The funds generated by this referendum were approximately \$94 million and were invested and deposited in the College's quasi-endowment fund, of which the Board established a maximum annual withdrawal of \$9.5 million for use by the College. At June 30, 2025, the College reported quasi-endowment investments of approximately \$219.9 million.

## **6. Accounts Receivable**

Accounts receivable represent amounts for student fee deferments, various student services provided by the College, returned checks, uncollected commissions for the bookstore, and contract and grant reimbursements due from third parties. The accounts receivable are reported net of a \$4,287,745 allowance for doubtful accounts.

## **7. Notes Receivable**

Notes receivable represent student loans made under the Federal Perkins Loan Program of \$6,044,341, a short-term loan program of \$51,238, and an emergency loan program of \$7,332. Notes receivable are reported net of a \$716,194 allowance for doubtful notes.

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

The amount due from other governmental agencies primarily consists of \$33,986,791 Deferred Maintenance State funding, \$2,103,717 of Fixed Capital Outlay General Revenue allocations due from the State for construction and maintenance of College facilities, \$36,169,622 due from Federal and State governments for reimbursement of expenditures for grants and contracts, \$1,912,661 in Capital Outlay and Debt Services funds, and \$14,840,197 of Public Education Capital Outlay allocations.

## **9. Due From and To Component Unit/College**

The \$27,577,277 due from component unit consists of amounts owed to the College by the Foundation for scholarships and student aid, endowed teaching chair commitments, and other program support. The \$890,115 reported as due to component unit consists of amounts owed by the College to the Foundation pursuant to an agreement to support the Foundation's operations. The College's financial statements are reported for the fiscal year ended June 30, 2025. The College's component unit financial statements are reported for the fiscal year ended March 31, 2025. Accordingly, amounts reported by the College as due from and to component unit on the statement of net position do not agree with amounts reported by the component unit as due from and to the College.

## **10. Inventories**

Inventories consist of items for resale by the Vision Care Clinic and are valued using the retail method. Consumable laboratory supplies, teaching materials, and office supplies on hand in College departments are expensed when purchased and are not considered material. Accordingly, these items are not included in the reported inventory.

## **11. 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>Adjustment (1)</u> | <u>Additions</u>      | <u>Reductions</u>     | <u>Ending Balance</u> |
|--|--------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Nondepreciable Capital Assets:               |                          |                       |                       |                       |                       |
| Land   | \$ 98,244,130            | \$ -                  | \$ 12,972             | \$ -                  | \$ 98,257,102         |
| Works of Art                                 | 552,075                  | -                     | 41,000                | -                     | 593,075               |
| Construction in Progress                     | 242,280,707              | -                     | 134,867,543           | 233,397,939           | 143,750,311           |
| <b>Total Nondepreciable Capital Assets</b>   | <b>\$ 341,076,912</b>    | <b>\$ -</b>           | <b>\$ 134,921,515</b> | <b>\$ 233,397,939</b> | <b>\$ 242,600,488</b> |
| Depreciable Capital Assets:                  |                          |                       |                       |                       |                       |
| Buildings                                    | \$ 1,218,817,064         | \$ -                  | \$ 233,384,967        | \$ -                  | \$ 1,452,202,031      |
| Other Structures and Improvements            | 36,103,283               | -                     | -                     | -                     | 36,103,283            |
| Furniture, Machinery, and Equipment          | 84,843,678               | -                     | 3,135,079             | 3,974,669             | 84,004,088            |
| Computer Software                            | 54,384,485               | -                     | -                     | -                     | 54,384,485            |
| Lease Assets                                 | -                        | -                     | 167,812               | -                     | 167,812               |
| <b>Total Depreciable Capital Assets</b>      | <b>1,394,148,510</b>     | <b>-</b>              | <b>236,687,858</b>    | <b>3,974,669</b>      | <b>1,626,861,699</b>  |
| Less, Accumulated Depreciation:              |                          |                       |                       |                       |                       |
| Buildings                                    | 532,081,890              | -                     | 29,942,558            | -                     | 562,024,448           |
| Other Structures and Improvements            | 34,999,377               | -                     | 306,477               | -                     | 35,305,854            |
| Furniture, Machinery, and Equipment          | 71,524,630               | -                     | 4,920,831             | 3,956,216             | 72,489,245            |
| Computer Software                            | 44,795,839               | -                     | 5,438,570             | -                     | 50,234,409            |
| Lease Assets                                 | -                        | 32,831                | 36,041                | -                     | 68,872                |
| <b>Total Accumulated Depreciation</b>        | <b>683,401,736</b>       | <b>32,831</b>         | <b>40,644,477</b>     | <b>3,956,216</b>      | <b>720,122,828</b>    |
| <b>Total Depreciable Capital Assets, Net</b> | <b>\$ 710,746,774</b>    | <b>\$ (32,831)</b>    | <b>\$ 196,043,381</b> | <b>\$ 18,453</b>      | <b>\$ 906,738,871</b> |

(1) An adjustment was made to correct a prior year accounting error. This error was adjusted through current fiscal year depreciation expense.

## 12. Salary and Payroll Taxes Payable

Salary and payroll taxes payable as of June 30, 2025, totaled \$23,616,861. This amount includes \$18,377,695 of salary and payroll taxes and \$5,239,166 of banked points liability. Under the bank point system, faculty members are allowed to bank overload teaching assignments. The instructor may use the banked points to offset future underloads, provide for additional leave time, or receive payment upon termination.

## 13. Unearned Revenue

As of June 30, 2025, the College reported \$206,299 in unearned revenue for restricted grants and contracts revenue received prior to fiscal year end related to subsequent accounting periods. Restricted grants and contracts primarily consist of private donations designated for scholarships.

## 14. 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> |
|---------------------------------------|--------------------------|-------------------------|-------------------------|-----------------------|------------------------|
| Lease Payable                         | \$ -                     | \$ 167,812              | \$ 71,592               | \$ 96,220             | \$ 33,620              |
| Deposits Held for Others              | 30,411,437               | 1,064,300,809           | 1,057,339,508           | 37,372,738            | 36,851,288             |
| Compensated Absences Payable (1)      | 34,086,486               | 21,653,120              | 19,398,029              | 36,341,577            | 20,681,992             |
| Other Postemployment Benefits Payable | 21,518,834               | 2,095,800               | 801,695                 | 22,812,939            | 1,009,764              |
| Net Pension Liability                 | 231,803,333              | 69,934,614              | 94,883,236              | 206,854,711           | 254,789                |
| <b>Total Long-Term Liabilities</b>    | <b>\$ 317,820,090</b>    | <b>\$ 1,158,152,155</b> | <b>\$ 1,172,494,060</b> | <b>\$ 303,478,185</b> | <b>\$ 58,831,453</b>   |

(1) Compensated Absences Payable beginning balance was adjusted for GASB Statement No. 101, as discussed in Note 2.

**Lease Payable.** Vehicles in the amount of \$167,812 are being acquired under a lease agreement. The imputed interest rate is 1.1 percent. Future minimum payments under the lease agreement 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                                | \$ 34,506        | \$ 33,620        | \$ 886          |
| 2027                                | 34,505           | 33,990           | 515             |
| 2028                                | 28,754           | 28,610           | 144             |
| <b>Total Minimum Lease Payments</b> | <b>\$ 97,765</b> | <b>\$ 96,220</b> | <b>\$ 1,545</b> |

**Deposits Held for Others.** Deposits held for others primarily represent funds on deposit in the Agency Fund, which are derived from fund-raising activities of third parties, such as independent councils, student groups, and similar clubs. The funds are expended for purposes consistent with and supportive of the objectives of the third party or its members. As of June 30, 2025, the College reported a total liability of \$37,372,738, of which \$36,851,288 is considered a current liability as this amount is expected to be used in the coming fiscal year.

**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 \$36,341,577. The current portion of the compensated absences liability, \$20,681,992, 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 by Employers for Postemployment Benefits Other Than Pensions*, for certain other postemployment benefits administered by the College and life, dental, and long-term disability coverage insurance benefits through purchased commercial insurance.

### **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 College 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 health and hospitalization plan for 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. Additionally, certain retirees receive insurance coverage at lower (explicitly subsidized) premium rate than active employees. The benefits provided under this defined benefit plan are provided for a maximum of 7 years or until the retiree reaches age 65, whichever occurs earlier. The premium discount is determined at the time of retirement based on the number of years worked for the College. Additional OPEB Plan benefits include life, dental, and legal insurance, and are provided to retirees on a full cost basis, without an implicit subsidy. Retirees are required to enroll in the Federal Medicare (Medicare) program for their primary coverage as soon as they are eligible. The College does not issue a stand-alone report, and the OPEB Plan is not included in the annual report of a public employee retirement system or another entity. 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 meet 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 | 139          |
| Inactive Employees Entitled to But Not Yet Receiving Benefits    | 136          |
| Active Employees   | 2,508        |
| <b>Total</b>   | <u>2,783</u> |

### **Total OPEB Liability**

The College's total OPEB liability of \$22,812,939 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   |
| Salary increases            |  |
| Regular Employees           | 3.65 percent – 6.35 percent  |
| Senior Management           | 4.20 percent – 9.30 percent  |
| Discount rate               | 3.65 percent – At Prior Measurement Date<br>3.93 percent – At Measurement Date |
| Healthcare cost trend rates |  |
| Pre-Medicare                | 7.00 percent for 2023, decreasing to an ultimate rate of 4.40 percent by 2034  |
| Medicare                    | 5.125 percent for 2023, decreasing to an ultimate rate of 4.40 percent by 2027 |

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

Mortality rates were based on 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>\$21,518,834</u>        |
| <b>Changes for the year:</b>                       |                            |
| Service Cost                                       | 817,932                    |
| Interest   | 800,792                    |
| Differences Between Expected and Actual Experience | 15,346                     |
| Changes in Assumptions or Other Inputs             | 461,730                    |
| Benefit Payments                                   | <u>(801,695)</u>           |
| <b>Net Changes</b>                                 | <u>1,294,105</u>           |
| <b>Balance at 6/30/25</b>                          | <u><u>\$22,812,939</u></u> |

Changes of assumptions and other inputs since prior measurement date:

- Change in mortality, retirement, disability, and termination rates.
- Change in DROP entry assumptions.
- Change in salary increases.
- Change in discount rate.

*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%<br/>Decrease<br/>(2.93%)</u> | <u>Current<br/>Discount Rate<br/>(3.93%)</u> | <u>1%<br/>Increase<br/>(4.93%)</u> |
|----------------------|------------------------------------|--|------------------------------------|
| Total OPEB liability | \$25,704,117                       | \$22,812,939                                 | \$20,407,296                       |

*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<br/>Cost Trend<br/>Rates</u> | <u>1% Increase</u> |
|----------------------|--------------------|--|--------------------|
| Total OPEB liability | \$19,291,928       | \$22,812,939                               | \$27,379,795       |

***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 \$948,991. 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<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$ 2,183,060                              | \$ 1,393,710                             |
| Change of assumptions or other inputs              | 1,361,977                                 | 9,122,599                                |
| Transactions subsequent to the measurement date    | 1,009,764                                 | -  |
| <b>Total</b>                                       | <u>\$ 4,554,801</u>                       | <u>\$ 10,516,309</u>                     |

Of the total amount reported as deferred outflows of resources related to OPEB, \$1,009,764 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                              | \$ (669,733)                 |
| 2027                              | (639,399)                    |
| 2028                              | (551,878)                    |
| 2029                              | (565,048)                    |
| 2030                              | (975,935)                    |
| Thereafter                        | <u>(3,569,279)</u>           |
| <b>Total</b>                      | <b><u>\$ (6,971,272)</u></b> |

**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 \$206,854,711. Note 15. includes a complete discussion of defined benefit pension plans.

## **15. 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, 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 \$19,561,741 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:

| <u>Class</u>   | <u>Percent of Gross Salary</u> |                     |
|--|--------------------------------|---------------------|
|  | <u>Employee</u>                | <u>Employer (1)</u> |
| 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 \$20,572,403 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 \$133,651,019 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 0.345488033 percent, which was a decrease of 0.032822582 from its proportionate share measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the College recognized pension expense of \$18,222,752. 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<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|--|---|--|
| Differences between expected and actual experience   | \$ 13,502,341                             | \$ -                                     |
| Change of assumptions  | 18,318,094                                | -  |
| Net difference between projected and actual earnings on FRS Plan investments                                     | -   | 8,883,142                                |
| Changes in proportion and differences between College FRS contributions and proportionate share of contributions | 2,395,104                                 | 13,279,543                               |
| College FRS contributions subsequent to the measurement date   | <u>20,572,403</u>                         | <u>-</u>                                 |
| <b>Total</b>   | <u>\$ 54,787,942</u>                      | <u>\$ 22,162,685</u>                     |

The deferred outflows of resources totaling \$20,572,403, 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                              | \$ (3,851,610)       |
| 2027                              | 19,358,705           |
| 2028                              | (1,775,905)          |
| 2029                              | (2,298,374)          |
| 2030                              | <u>620,038</u>       |
| <b>Total</b>                      | <u>\$ 12,052,854</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 | \$235,087,463              | \$133,651,019                        | \$48,676,483               |

*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 \$4,351,930 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 \$73,203,692 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 0.487992836 percent, which was a decrease of 0.022408429 from its proportionate share measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the College recognized pension expense of \$1,338,989. 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<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|--|---|--|
| Differences between expected and actual experience   | \$ 706,831                                | \$ 140,562                               |
| Change of assumptions  | 1,295,534                                 | 8,666,378                                |
| Net difference between projected and actual earnings on HIS Plan investments   | -   | 26,475                                   |
| Changes in proportion and differences between College HIS contributions and proportionate share of HIS contributions | 759,516                                   | 6,556,477                                |
| College contributions subsequent to the measurement date   | 4,351,930                                 | -  |
| <b>Total</b>   | <u>\$ 7,113,811</u>                       | <u>\$ 15,389,892</u>                     |

The deferred outflows of resources totaling \$4,351,930, 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                              | \$ (2,399,276)         |
| 2027                              | (2,651,789)            |
| 2028                              | (3,301,998)            |
| 2029                              | (2,434,735)            |
| 2030                              | (1,450,773)            |
| Thereafter                        | (389,440)              |
| <b>Total</b>                      | <u>\$ (12,628,011)</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%<br/>Decrease<br/>(2.93%)</b> | <b>Current<br/>Discount Rate<br/>(3.93%)</b> | <b>1%<br/>Increase<br/>(4.93%)</b> |
|---|------------------------------------|--|------------------------------------|
| College’s proportionate share<br>of the net pension liability | \$83,332,996                       | \$73,203,692                                 | \$64,794,734                       |

*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.

**16. 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<br/>Gross<br/>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 \$10,520,484 for the fiscal year ended June 30, 2025.

## 17. Construction Commitments

The College's major construction commitments at June 30, 2025, were as follows:

| <u>Project Description</u>                                | <u>Total<br/>Commitment</u> | <u>Completed<br/>to Date</u> | <u>Balance<br/>Committed</u> |
|---|-----------------------------|------------------------------|------------------------------|
| Wolfson Campus:   |                             |                              |                              |
| Freedom Tower   | \$ 54,876,539               | \$ 47,018,482                | \$ 7,858,057                 |
| Medical Campus:   |                             |                              |                              |
| Simulation Center Remodel Spaces                          | 33,248,533                  | 30,060,774                   | 3,187,759                    |
| Kendall Campus:   |                             |                              |                              |
| Mechanical, Engineer, and Plumbing<br>Maintenance Repairs | 25,582,443                  | 22,817,224                   | 2,765,219                    |
| Wolfson Campus:   |                             |                              |                              |
| Dyer Building   | 38,774,596                  | 16,410,111                   | 22,364,485                   |
| <b>Total</b>  | <b>\$ 152,482,111</b>       | <b>\$ 116,306,591</b>        | <b>\$ 36,175,520</b>         |

## **18. 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, and other liability coverage. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past 3 fiscal years.

Health and hospitalization, life, dental, and long-term disability coverage are provided through purchased commercial insurance.

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.

## **19. Litigation**

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

## **20. 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                        | \$ 186,319,798                      |
| Public Services                    | 5,695,922                           |
| Academic Support                   | 89,936,784                          |
| Student Services                   | 54,609,943                          |
| Institutional Support              | 73,395,449                          |
| Operation and Maintenance of Plant | 67,322,065                          |
| Scholarships and Waivers           | 154,823,463                         |
| Depreciation                       | 40,644,477                          |
| Auxiliary Enterprises              | 12,539,245                          |
| <b>Total Operating Expenses</b>    | <b><u><u>\$ 685,287,146</u></u></b> |

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## **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  | \$ 817,932           | \$ 852,099           | \$ 1,055,015         | \$ 1,236,248         | \$ 1,300,536         |
| Interest  | 800,792              | 758,235              | 493,635              | 603,023              | 1,070,056            |
| Difference between expected and actual experience                       | 15,346               | (1,373,868)          | (322,706)            | 959,908              | 157,536              |
| Changes of assumptions or other inputs                                  | 461,730              | 1,120,814            | (1,657,994)          | (6,263,541)          | (4,739,420)          |
| Benefit Payments  | (801,695)            | (803,836)            | (797,764)            | (776,306)            | (1,239,948)          |
| <b>Net change in total OPEB liability</b>                               | 1,294,105            | 553,444              | (1,229,814)          | (4,240,668)          | (3,451,240)          |
| Total OPEB Liability - beginning  | 21,518,834           | 20,965,390           | 22,195,204           | 26,435,872           | 29,887,112           |
| <b>Total OPEB Liability - ending</b>                                    | <u>\$ 22,812,939</u> | <u>\$ 21,518,834</u> | <u>\$ 20,965,390</u> | <u>\$ 22,195,204</u> | <u>\$ 26,435,872</u> |
| Covered-Employee Payroll  | \$ 163,568,330       | \$ 163,568,330       | \$ 167,342,522       | \$ 167,342,522       | \$ 143,813,096       |
| <b>Total OPEB Liability as a percentage of covered-employee payroll</b> | 13.95%               | 13.16%               | 12.53%               | 13.26%               | 18.38%               |
|   | <u>2019</u>          | <u>2018</u>          | <u>2017</u>          |                      |                      |
| <b>Total OPEB Liability</b>   |                      |                      |                      |                      |                      |
| Service cost  | \$ 1,242,190         | \$ 1,270,808         | \$ 1,357,417         |                      |                      |
| Interest  | 919,607              | 828,098              | 703,303              |                      |                      |
| Difference between expected and actual experience                       | 5,997,713            | 208,072              | 171,021              |                      |                      |
| Changes of assumptions or other inputs                                  | (1,477,948)          | (652,307)            | (1,186,587)          |                      |                      |
| Benefit Payments  | (1,103,312)          | (1,203,480)          | (1,097,907)          |                      |                      |
| <b>Net change in total OPEB liability</b>                               | 5,578,250            | 451,191              | (52,753)             |                      |                      |
| Total OPEB Liability - beginning  | 24,308,862           | 23,857,671           | 23,910,424           |                      |                      |
| <b>Total OPEB Liability - ending</b>                                    | <u>\$ 29,887,112</u> | <u>\$ 24,308,862</u> | <u>\$ 23,857,671</u> |                      |                      |
| Covered-Employee Payroll  | \$ 143,813,096       | \$ 137,099,284       | \$ 137,099,284       |                      |                      |
| <b>Total OPEB Liability as a percentage of covered-employee payroll</b> | 20.78%               | 17.73%               | 17.40%               |                      |                      |

**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   | 0.345488033%    | 0.378310615%    | 0.403341346%    | 0.406207951%    |
| College's proportionate share of the FRS net pension liability  | \$ 133,651,019  | \$ 150,744,806  | \$ 150,075,394  | \$ 30,684,393   |
| College's covered payroll (2)   | \$ 206,967,202  | \$ 202,619,470  | \$ 193,159,392  | \$ 193,930,774  |
| College's proportionate share of the FRS net pension liability as a percentage of its covered payroll | 64.58%          | 74.40%          | 77.70%          | 15.82%          |
| 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, 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                                  | \$ 20,572,403       | \$ 19,563,720       | \$ 18,199,174       | \$ 17,211,309       |
| FRS contributions in relation to the contractually required contribution | <u>(20,572,403)</u> | <u>(19,563,720)</u> | <u>(18,199,174)</u> | <u>(17,211,309)</u> |
| FRS contribution deficiency (excess)                                     | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         |
| College's covered payroll (2)  | \$ 218,028,751      | \$ 206,967,202      | \$ 202,619,470      | \$ 193,159,392      |
| FRS contributions as a percentage of covered payroll                     | 9.44%               | 9.45%               | 8.98%               | 8.91%               |

(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 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> |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 0.386853969%    | 0.371648053%    | 0.372885114%    | 0.396241426%    | 0.404501013%    | 0.437300896%    |
| \$ 167,668,211  | \$ 127,990,415  | \$ 112,314,929  | \$ 117,205,555  | \$ 102,136,823  | \$ 56,483,276   |
| \$ 197,453,011  | \$ 183,771,078  | \$ 177,331,748  | \$ 182,278,330  | \$ 179,535,484  | \$ 175,597,041  |
| 84.92%          | 69.65%          | 63.34%          | 64.30%          | 56.89%          | 32.17%          |
| 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>    |
|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|
| \$ 15,474,768       | \$ 12,853,443       | \$ 11,523,771       | \$ 10,626,926       | \$ 10,315,140       | \$ 9,864,402       |
| <u>(15,474,768)</u> | <u>(12,853,443)</u> | <u>(11,523,771)</u> | <u>(10,626,926)</u> | <u>(10,315,140)</u> | <u>(9,864,402)</u> |
| <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>        |
| \$ 193,930,774      | \$ 197,453,011      | \$ 183,771,078      | \$ 177,331,478      | \$ 182,278,330      | \$ 179,535,484     |
| 7.98%               | 6.51%               | 6.27%               | 5.99%               | 5.66%               | 5.49%              |

**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   | 0.487992836%    | 0.510401265%    | 0.528964781%    | 0.545307246%    |
| College's proportionate share of the HIS net pension liability  | \$ 73,203,692   | \$ 81,058,527   | \$ 56,025,817   | \$ 66,890,131   |
| College's covered payroll (2)   | \$ 206,967,202  | \$ 202,619,470  | \$ 193,159,392  | \$ 193,930,774  |
| College's proportionate share of the HIS net pension liability as a percentage of its covered payroll | 35.37%          | 40.01%          | 29.00%          | 34.49%          |
| 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                                      | \$ 4,351,930       | \$ 4,131,491       | \$ 3,357,510       | \$ 3,200,682       |
| HIS contributions in relation to the contractually required HIS contribution | <u>(4,351,930)</u> | <u>(4,131,491)</u> | <u>(3,357,510)</u> | <u>(3,200,682)</u> |
| HIS contribution deficiency (excess)   | \$ _____ -         | \$ _____ -         | \$ _____ -         | \$ _____ -         |
| College's covered payroll (2)  | \$ 218,028,751     | \$ 206,967,202     | \$ 202,619,470     | \$ 193,159,392     |
| 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> |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 0.567293255%    | 0.547374159%    | 0.541037303%    | 0.569362581%    | 0.581095007%    | 0.578531220%    |
| \$ 69,264,582   | \$ 61,245,691   | \$ 57,263,995   | \$ 60,878,874   | \$ 67,724,216   | \$ 59,001,084   |
| \$ 197,453,011  | \$ 183,771,078  | \$ 177,331,748  | \$ 182,278,330  | \$ 179,535,484  | \$ 175,597,041  |
| 35.08%          | 33.33%          | 32.29%          | 33.40%          | 37.72%          | 33.60%          |
| 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>    |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| \$ 3,205,321       | \$ 3,269,045       | \$ 3,039,516       | \$ 2,934,059       | \$ 3,013,231       | \$ 2,978,482       |
| <u>(3,205,321)</u> | <u>(3,269,045)</u> | <u>(3,039,516)</u> | <u>(2,934,059)</u> | <u>(3,013,231)</u> | <u>(2,978,482)</u> |
| \$ -               | \$ -               | \$ -               | \$ -               | \$ -               | \$ -               |
| \$ 193,930,774     | \$ 193,453,011     | \$ 183,771,078     | \$ 177,331,748     | \$ 182,278,330     | \$ 179,535,484     |
| 1.65%              | 1.66%              | 1.65%              | 1.65%              | 1.65%              | 1.66%              |

**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.

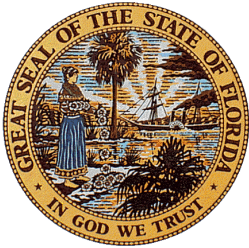
*Changes of Assumptions.* The Municipal Bond Index Rate used to determine the other postemployment benefit plan liability increased from 3.65 percent to 3.93 percent. Changes occurred in retirement rates, termination rates, disability rates, mortality rates, DROP entry assumptions, and salary increases.

**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 Miami Dade College, 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 March 10, 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  
March 10, 2026