

MIAMI DADE COLLEGE FOUNDATION, INC.

FINANCIAL STATEMENTS

MARCH 31, 2021 AND 2020

**MIAMI DADE COLLEGE FOUNDATION, INC.
FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020**

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ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

INDEPENDENT AUDITORS' REPORT

Miami Dade College Foundation, Inc.
Miami, Florida

Opinion

We have audited the accompanying financial statements of Miami Dade College Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of March 31, 2021, and 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Miami Dade College Foundation, Inc. as of March 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities Miami Dade College Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Miami Dade College Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 generally accepted 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 Miami Dade College Foundation, Inc.'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 Miami Dade College Foundation, Inc.'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.



Miami, Florida
August 6, 2021

MIAMI DADE COLLEGE FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 18,490,672	\$ 47,605,239
Contributions receivable – current portion	<u>949,997</u>	<u>4,061,462</u>
Total current assets	<u>19,440,669</u>	<u>51,666,701</u>
Contributions receivable – noncurrent portion	1,511,892	321,304
Investments	214,830,947	138,755,704
Due from the College	3,928,291	2,331,416
Securities lending invested collateral	20,122,800	11,334,945
Other assets	<u>488,633</u>	<u>499,872</u>
Total Assets	<u>\$ 260,323,232</u>	<u>\$ 204,909,942</u>
 LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,110,002	\$ 511,492
Due to the College – current portion	<u>7,953,197</u>	<u>14,422,332</u>
Total current liabilities	<u>9,063,199</u>	<u>14,933,824</u>
Due to the College – noncurrent portion	-	112,499
Securities lending payable	<u>20,122,800</u>	<u>11,334,945</u>
Total liabilities	<u>29,185,999</u>	<u>26,381,268</u>
Net assets:		
Without donor restrictions	55,927,007	27,848,180
With donor restrictions	<u>175,210,226</u>	<u>150,680,494</u>
Total net assets	<u>231,137,233</u>	<u>178,528,674</u>
Total Liabilities and Net Assets	<u>\$ 260,323,232</u>	<u>\$ 204,909,942</u>

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

MIAMI-DADE COLLEGE FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED MARCH 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT, REVENUE, AND INVESTMENT RETURN			
Contributions	\$ 2,354,759	\$ 15,574,209	\$ 17,928,968
Contributed services	121,145	-	121,145
Investment return, net	27,599,930	23,955,233	51,555,163
Special events proceeds	-	93,459	93,459
Other income	35,655	250,024	285,679
Transfers and adjustments	(1,215)	1,215	-
Net assets released from restrictions	<u>15,344,408</u>	<u>(15,344,408)</u>	<u>-</u>
Total support, revenue, and investment return	<u>45,454,682</u>	<u>24,529,732</u>	<u>69,984,414</u>
EXPENSES			
Program services:			
Scholarships and student aid	8,524,797	-	8,524,797
Program support for the College	<u>5,848,792</u>	<u>-</u>	<u>5,848,792</u>
Total program services	<u>14,373,589</u>	<u>-</u>	<u>14,373,589</u>
Supporting services:			
Fundraising	1,074,482	-	1,074,482
Administrative and general	<u>1,927,784</u>	<u>-</u>	<u>1,927,784</u>
Total supporting services	<u>3,002,266</u>	<u>-</u>	<u>3,002,266</u>
Total expenses	<u>17,375,855</u>	<u>-</u>	<u>17,375,855</u>
Change in net assets	28,078,827	24,529,732	52,608,559
Net assets, beginning - restated	<u>27,848,180</u>	<u>150,680,494</u>	<u>178,528,674</u>
Net assets, ending	<u>\$ 55,927,007</u>	<u>\$ 175,210,226</u>	<u>\$ 231,137,233</u>

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

MIAMI-DADE COLLEGE FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED MARCH 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT, REVENUE, AND INVESTMENT RETURN			
Contributions	\$ 2,160,243	\$ 17,980,964	\$ 20,141,207
Contributed services	197,396	-	197,396
Investment return, net	(3,594,458)	(3,474,429)	(7,068,887)
Special events proceeds	-	733,554	733,554
Other income	21,630	277,235	298,865
Transfers and adjustments	(262,360)	262,360	-
Net assets released from restrictions	<u>17,588,606</u>	<u>(17,588,606)</u>	<u>-</u>
Total support, revenue, and investment return	<u>16,111,057</u>	<u>(1,808,922)</u>	<u>14,302,135</u>
 EXPENSES			
Program services:			
Scholarships and student aid	8,518,060	-	8,518,060
Program support for the College	<u>6,977,098</u>	<u>-</u>	<u>6,977,098</u>
Total program services	<u>15,495,158</u>	<u>-</u>	<u>15,495,158</u>
Supporting services:			
Fundraising	1,140,232	-	1,140,232
Administrative and general	<u>2,239,637</u>	<u>-</u>	<u>2,239,637</u>
Total supporting services	<u>3,379,869</u>	<u>-</u>	<u>3,379,869</u>
Total expenses	<u>18,875,027</u>	<u>-</u>	<u>18,875,027</u>
 Change in net assets	 (2,763,970)	 (1,808,922)	 (4,572,892)
 Net assets, beginning	 30,201,288	 151,063,316	 181,264,604
Prior period adjustment	<u>410,862</u>	<u>1,426,100</u>	<u>1,836,962</u>
Net assets, beginning - restated	<u>30,612,150</u>	<u>152,489,416</u>	<u>183,101,566</u>
Net assets, ending	<u>\$ 27,848,180</u>	<u>\$ 150,680,494</u>	<u>\$ 178,528,674</u>

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

MIAMI-DADE COLLEGE FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED MARCH 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ 52,608,559	\$ (4,572,892)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Unrealized (gains) losses on investments	(43,428,848)	11,361,842
Other changes in investments	(29,513,740)	38,764
Donated stock	(355,713)	(524,883)
Provision for uncollectible contributions receivable	-	1,041,502
Changes in operating assets and liabilities:		
Contributions receivable	1,920,877	(907,879)
Due from the College	(1,596,875)	32,127,317
Other assets	11,239	453,883
Accounts payable and accrued liabilities	598,510	(474,604)
Due to the College	<u>(6,581,634)</u>	<u>5,076,148</u>
Total adjustments	<u>(78,946,184)</u>	<u>48,192,090</u>
Net cash (used in) provided by operating activities	<u>(26,337,625)</u>	<u>43,619,198</u>
Cash flows from investing activities:		
Proceeds on sales of investments	29,995,874	25,263,986
Purchases of investments	(33,128,529)	(29,050,694)
Change in securities lending collateral	<u>(8,787,855)</u>	<u>(2,347,551)</u>
Net cash (used in) investing activities	<u>(11,920,510)</u>	<u>(6,134,259)</u>
Cash flows from financing activities:		
Proceeds from the sale of donated stock	355,713	524,883
Change in securities lending payable	<u>8,787,855</u>	<u>2,347,551</u>
Net cash provided by financing activities	<u>9,143,568</u>	<u>2,872,434</u>
(Decrease) Increase in cash and cash equivalents	(29,114,567)	40,357,373
Cash and cash equivalents - beginning	<u>47,605,239</u>	<u>7,247,866</u>
Cash and cash equivalents - ending	<u>\$ 18,490,672</u>	<u>\$ 47,605,239</u>

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

MIAMI DADE COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

Note 1 - Nature of Operations

Miami Dade College Foundation, Inc. (the “Foundation”) is a Florida not-for-profit corporation formed to serve as a direct-support organization, as defined in Section 1004.70 of the Florida Statutes, of Miami Dade College (the “College”), which is legally separate but financially accountable to the College. The Foundation was organized and operates exclusively to receive, hold, invest, and administer property and to make expenditures to, or for the benefit of the College including educational and cultural events. The change in net assets and financial position of the Foundation may differ from those which might be obtained if the Foundation was not a direct-support organization of the College. The effect of those differences may be material.

The Foundation strives to continue to build a permanent endowment to support the College, maintain an “open-door” policy that ensures no student is denied access for financial reasons, and develop a broad-based constituent support at the local, state, national and international levels to enhance and to continue growth of the College.

The Foundation accomplishes its mission and goals primarily through the following programs:

Scholarships and student aid: Scholarships and student aid provide funds to pay for tuition, books, fees, student financial emergencies and other basic needs such as food insecurity.

Program support for the College: Program support for the College pays for developing new academic programs that align with emerging workforce needs and have been funded by donors who make restricted gifts for this purpose. Program support also includes programmatic support of the Miami Book Fair and Miami Film Festival with funds restricted for these purposes.

Note 2 - Summary of Significant Accounting Policies

Financial Statement Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

New Accounting Pronouncements

The Financial Accounting Standards Board (“FASB”) has issued several pronouncements that have effective dates in the future that may impact future financial presentations.

MIAMI DADE COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

Note 2 - Summary of Significant Accounting Policies (continued)

New accounting pronouncements (continued)

Statement on Auditing Standards (SAS) No. 134 – No. 140

In May 2019 and June 2019, the AICPA Auditing Standards Board (“ASB”) issued the following Statements on Auditing Standards (“SAS”): No. 134, *Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements, as amended* No. 135, *Omnibus Statement on Auditing Standards—2019*, No.136, *Forming an Opinion and Reporting on Financial Statements of Employee Benefit Plans Subject to ERISA, as amended*, No. 137, *The Auditor’s Responsibilities Relating to Other Information Included in Annual Reports*, No. 138, *Amendments to the Description of the Concept of Materiality*, No. 139, *Amendments to AU-C Sections 800, 805, and 810 to Incorporate Auditor Reporting Changes From SAS No. 134*, and No. 140, *Amendments to AU-C Sections 725, 730, 930, 935, and 940 to Incorporate Auditor Reporting Changes From SAS Nos. 134 and 137*. SAS Nos. 134–140 must be implemented at the same time.

The standards are designed to enhance the communicative value of the auditor’s report and align generally accepted auditing standards (“GAAS”) with the standards issued by the International Auditing and Assurance Standards Board (“IAASB”) and the Public Company Accounting Oversight Board (“PCAOB”). Changes to language in the audit report are intended to provide more useful information to users of financial statements and to more clearly define the responsibilities of both the auditor and management.

Effective for audits of financial statements for periods ending on or after December 15, 2021. Early implementation is permitted.

Management has fully implemented this statement effective fiscal year ended March 31, 2021.

ASU 2014-09 (Updated No. 2020-05), *Revenue from Contracts with Customers (Topic 606)*

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. The core principle of guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Certain entities that have not yet issued their financial statements (or made financial statements available for issuance) reflecting the adoption of the Revenue ASU may elect to adopt the guidance for annual reporting periods beginning after December 15, 2019, and for interim reporting periods within annual reporting periods beginning after December 15, 2020. Those entities may elect to follow the original effective date of annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019.

Management has determined that this statement has no effect on the Foundation’s financial statements.

MIAMI DADE COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

Note 2 - Summary of Significant Accounting Policies (continued)

Classification of Net Assets

Net assets are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

Net assets without donor restrictions – Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met. The governing board has determined certain amounts for board designated endowments.

Net Assets with Donor Restrictions – Amounts subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Foundation. Certain restrictions where the donor has stipulated the amounts must be held in perpetuity.

Earnings related to restricted net assets will be included in net assets without donor restrictions unless otherwise specifically required to be included in donor restricted net assets by the donor or by applicable state law.

Cash and Cash Equivalents

The Foundation considers all highly liquid instruments with a purchased maturity of three months or less to be cash equivalents, including the Foundation's investment in the Florida State Board of Administration Local Government Surplus Trust Fund Investment Pool ("SBA"). The Foundation's investments in the SBA, a Securities and Exchange Commission Rule 2a-7 like external investment pool, are similar to money market funds in which shares are owned in the fund rather than the underlying investments, which have weighted average maturities of 60 days or less. The Foundation's investment in the SBA at March 31, 2021, and 2020 amounted to \$575,110 and \$572,911, respectively.

Included in cash and cash equivalents are restricted cash balances. Amounts included in restricted cash represent those required to be set aside by a contractual agreement by donors for future scholarships and for capital projects. The Foundation's restricted cash balances were \$34,576,306 and \$55,537,183 as of March 31, 2021, and 2020, respectively. Please also see Note 5 - Liquidity and Availability of Financial Assets.

MIAMI DADE COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

Note 2 - Summary of Significant Accounting Policies (continued)

Concentrations of Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist primarily of cash and cash equivalents and investments. The Foundation maintains cash deposits at certain financial institutions, which exceed federally insured limits of \$250,000 per financial institution. The Foundation maintains a portion of their investment portfolio with the State Board of Administration of Florida and the Florida Treasury Investment Pool.

Revenue Recognition

Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Investments

The Foundation's investments are reported at their fair values in the statements of financial position. Investment return includes realized and unrealized gains and losses, interest and dividend income, net of investment fees, and is included in the statements of activities as changes in net assets. Market risk is inherent and is dependent on the future changes in market prices of the various investments held.

Securities Lending

The Foundation participates in a securities 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% 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 securities fluctuate. The collateral, which may be in the form of cash, letters of credit, or U.S. government securities, is deposited by the borrower with an independent lending agent. The collateral is recorded as an asset on the Foundation's statements 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 expense, are recorded as other income in the accompanying statements of activities.

MIAMI DADE COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

Note 2 - Summary of Significant Accounting Policies (continued)

Valuation of Investments at Fair Value - Definition and Hierarchy

Fair value is defined as the price that the Foundation would receive to sell an asset or pay to transfer a liability in an orderly transaction with an independent counter-party in the principal market or in the absence of a principal market, the most advantageous market for the asset or liability. Fair value measurements establishes a three-tier hierarchy to distinguish between (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to establish a classification of fair value measurements for disclosure purposes. The inputs are summarized in the three broad levels listed below.

Level 1—Quoted prices in active markets for identical assets or liabilities.

Level 2—Other significant observable inputs (including quoted prices for similar investments, interest rates, credit risk, etc.)

Level 3—Significant unobservable inputs (including the Foundation's own assumptions in determining the fair value of investments)

In applying the provisions of fair value measurements to the Foundation's investment activities during the year, the following valuation techniques have been employed:

Short-term Investments - Short-term investments consists primarily of cash and cash equivalents held at an investment broker. The transaction price of the short-term investments is typically the Foundation's best estimate of fair value. The Foundation's short-term investments are categorized in Level 1 of the fair value hierarchy.

Federal Agency Debt Securities - The fair value of federal agency debt securities is generally based on quoted prices in active markets. When quoted prices are not available, fair value is determined based on a valuation model that uses inputs that include interest-rate yield curves, cross-currency-basis index spreads, and country credit spreads similar to the bond in terms of issuer, maturity, and seniority. The Foundation's investments in federal agency debt securities are categorized in Level 1 of the fair value hierarchy.

MIAMI DADE COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

Note 2 - Summary of Significant Accounting Policies (continued)

Valuation of Investments at Fair Value - Definition and Hierarchy (continued)

Equity Securities - Securities and other investments traded on a national exchange or on the national market system of NASDAQ are valued at their last reported sale price or, if there has been no sale on that date, at the closing “bid” price if long, or closing “ask” price if short. Other securities or investments for which over-the-counter market quotations are available are valued at their last reported sale price or, if there had been no sale on that date, at closing “bid” price if long, or closing “ask” price if short as reported by a reputable source selected by the Foundation. The Foundation has sole and absolute discretion in valuing any positions for which market quotations are not readily available or in adjusting the valuation of any other positions. The Foundation’s investments in equity securities are categorized in Level 1 of the fair value hierarchy.

Mutual Funds - Mutual funds are valued at their net asset values, which are determined daily and are quoted on a national exchange. The Foundation’s investments in mutual funds are categorized in Level 1 of the fair value hierarchy.

Debt Securities - The fair value of debt securities is estimated using recently executed transactions, market price quotations (where observable), bond spreads or credit default swap spreads. The spread data used are for the same maturity as the bond. If the spread data does not reference the issuer, then data that references a comparable issuer is used. When observable price quotations are not available, fair value is determined based on cash flow models with yield curves, bond, or single-name credit default swap spreads and recovery rates based on collateral values as key inputs. The Foundation’s investments in debt securities are categorized in Level 2 of the fair value hierarchy.

Government Investment Pool - The Foundation invests in a government investment pool that is primarily invested in a combination of short-term liquid instruments and intermediate term fixed income securities. The Foundation records the fair value of its investment in the government investment pool based on the Foundation’s proportionate share of the underlying fair value of the government investment pool’s net asset value as a practical expedient to estimate fair value. The net asset value is provided by the government investment pool. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments.

MIAMI DADE COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

Note 2 - Summary of Significant Accounting Policies (continued)

Valuation of Investments at Fair Value - Definition and Hierarchy (continued)

Investments in Funds - Investments in investment funds (the “investee funds”), are valued, as a practical expedient, utilizing the net asset valuations provided by the underlying investee funds without adjustment, when the net asset valuations of the investments are calculated (or adjusted by the Foundation if necessary) in a manner consistent with accounting principles generally accepted in the United States of America (“GAAP”) for investment companies. The Foundation applies the practical expedient to its investments in investee funds on an investment-by-investment basis, and consistently with the Foundation’s entire position in a particular investment, unless it is probable that the Foundation will sell a portion of an investment at an amount different from the net asset valuation. If it is probable that the Foundation will sell an investment at an amount different from the net asset valuation or in other situations where practical expedient is not available, the Foundation considers other factors in addition to the net asset valuation, such as features of the investment, including subscription and redemption rights, expected discounted cash flows, transactions in secondary market, bids received from potential buyers, and overall market conditions in its determination of fair value.

The underlying investee funds value securities and other financial instruments on a mark-to-market or other estimated fair value basis. The estimated fair values of substantially all of the investments of the underlying investee funds, which may include securities for which prices are not readily available, are determined by the general partner or management of the respective underlying investee funds and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments.

Contributions Receivable

Contributions receivable are donor obligations due under normal contribution terms. The Foundation receives contributions primarily from donors who have pledged wills, unconditional promises, and endowments as a result of the Foundation’s fundraising efforts. Contributions receivable due in the next year are recorded at their net realizable value. Contributions receivable due in subsequent years are reported at their net realizable value using risk-free interest rates applicable to the maturity of the contributions receivable, which approximates fair value. Management reviews contributions receivable on a regular basis to determine collectability and includes any contribution receivable balances that are determined to be uncollectible, along with a general reserve, in its overall allowance for doubtful accounts. After all attempts to collect a receivable have failed, the receivable is written off against the allowance. At March 31, 2021, and 2020, net contributions receivable from two donors amounted to approximately 61% and 57% of total net contributions receivable, respectively.

MIAMI DADE COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

Note 2 - Summary of Significant Accounting Policies (continued)

Due from the College

Amounts due from the College are stated at the outstanding balance of funds due. The carrying amount may be reduced by an allowance that reflects management's best estimate of the amounts that will not be collected. As management believes that the amounts are fully collectible and are therefore stated at net realizable value, management has not recorded an allowance for doubtful accounts.

Collections of Artwork

The Foundation has adopted a policy of not capitalizing collections of artwork in its financial statements. Accordingly, no collection items are recognized as assets when they are received as a donation. The Foundation does acknowledge its donors and the items are administered and inventoried by the College.

Contributions

Contributions, including unconditional promises are recognized as revenue when the donor's commitment is received. Unconditional promises are recognized at the estimated present value of the future cash flows, net of allowances, which approximates fair value. Promises made and collected in the same accounting period are recorded when received in the appropriate net asset category. Promises of non-cash assets are recorded at their fair value. Conditional promises are recorded when donor stipulations are substantially met.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are recorded as net assets without donor restriction support. For the year ended March 31, 2021, and 2020, net revenue from two donors accounted for approximately 59% and 40% of total revenue and support, respectively.

Contributed Services

The College provides certain services to the Foundation, primarily the use of office space and employees. For the years ended March 31, 2021, and 2020, the value of such services amounted to \$121,145 and \$197,396 including office space valued at \$121,145 and \$118,770, respectively. These services have been recognized as contributed services revenue and expenses in the accompanying statements of activities.

MIAMI DADE COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

Note 2 - Summary of Significant Accounting Policies (continued)

Advertising and Promotion

Advertising and promotion costs are primarily related to cultural and educational events held by the College. These costs are expensed as incurred. For the year ended March 31, 2021, and 2020, advertising and promotion expenses amounted to \$207,915 and \$335,265, respectively.

Fair Value of Financial Instruments

The Foundation is required to disclose estimated fair values for their financial instruments. The following methods and assumptions were used by the Foundation in estimating the fair values of each class of financial instruments disclosed herein:

Cash and cash equivalents, and securities lending invested collateral – Based on their short-term nature, the carrying amounts reported in the statements of financial position are reasonable estimates of their fair value.

Contributions receivable – Contributions receivable are recorded at the present value of the discounted future cash flow, based on current market interest rates. The carrying value of contribution receivable, therefore approximates their fair value.

Due from the College – Based on its short-term nature, the carrying amount reported in the statements of financial position is a reasonable estimate of its fair value.

Securities lending payable – Based on their short-term nature, the carrying amounts reported in the statements of financial position are reasonable estimates of their fair value.

Due to the College – Based on their short-term nature, the carrying amounts reported in the statements of financial position are reasonable estimates of their fair value.

Income Taxes

The Foundation is exempt from Federal income taxes under Section 501(c)(3) of the United States Internal Revenue Code and is not a private foundation. Gifts to the Foundation are tax deductible. Certain activities not directly related to the Foundation's tax-exempt purpose could be subject to taxation as unrelated business income.

MIAMI DADE COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
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Note 2 - Summary of Significant Accounting Policies (continued)

Income Taxes (continued)

The Foundation assesses its tax position in accordance with “*Accounting for Uncertainties in Income Taxes*” as prescribed by the *Accounting Standards Codification*, which provides guidance for financial statement recognition and measurement of uncertain tax positions taken or expected to be taken in a tax return for open tax years (generally a period of three years from the later of each return’s due date or the date filed) that remain subject to examination by the Foundation’s major tax jurisdictions.

The Foundation assesses its tax positions and determines whether it has material unrecognized liabilities for uncertain tax positions. The Foundation records these liabilities to the extent that it deems them more likely than not to be incurred. Interest and penalties related to uncertain tax positions, if any, would be classified as a component of income tax expense.

The Foundation believes that it does not have any significant uncertain tax positions requiring recognition or measurement in the accompanying financial statements.

Use of Estimates in the Preparation of Financial Statements

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

Reclassifications

Certain reclassifications have been made to the 2020 financial statements herein to conform to the 2021 presentation. These reclassifications had no effect on the total net assets or the total change in net assets for 2020.

MIAMI DADE COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
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Note 3 - Investments and Fair Value Measurements

The Foundation's investments recorded at fair value have been categorized based upon a fair value hierarchy in accordance with the fair value measurements and the Foundation's accounting policies as disclosed in Note 1. The following tables present information about the Foundation's investments measured at fair value as of March 31, 2021 and 2020:

	2021			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments, at fair value				
Short-term investments	\$ 4,427,452	\$ -	\$ -	\$ 4,427,452
Equity securities	130,095,548	-	-	130,095,548
Debt securities	-	3,446,665	-	3,446,665
Federal agency debt securities	<u>12,898,649</u>	<u>-</u>	<u>-</u>	<u>12,898,649</u>
Total investments in the fair value hierarchy	<u>\$ 147,421,649</u>	<u>\$ 3,446,665</u>	<u>\$ -</u>	150,868,314
Investments in funds, measured at NAV ^(a)				33,781,605
Government investment pool, measured at NAV ^(a)				<u>30,181,028</u>
Total investments measured at fair value				<u>\$ 214,830,947</u>

(a) In accordance with ASU 2015-07, certain investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

	2020			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments, at fair value				
Short-term investments	\$ 5,289,492	\$ -	\$ -	\$ 5,289,492
Equity securities	85,807,205	-	-	85,807,205
Debt securities	-	3,299,388	-	3,299,388
Federal agency debt securities	<u>10,734,497</u>	<u>-</u>	<u>-</u>	<u>10,734,497</u>
Total investments in the fair value hierarchy	<u>\$ 101,831,194</u>	<u>\$ 3,299,388</u>	<u>\$ -</u>	105,130,582
Investments in funds, measured at NAV ^(a)				28,492,099
Government investment pool, measured at NAV ^(a)				<u>5,133,023</u>
Total investments measured at fair value				<u>\$ 138,755,704</u>

(a) In accordance with ASU 2015-07, certain investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

MIAMI DADE COLLEGE FOUNDATION, INC.
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Note 3 - Investments and Fair Value Measurements (continued)

The following table presents information about the Foundation's investments measured at fair value based on net asset value per share as of March 31, 2021 and 2020:

Investments, measured at NAV	2021				
	Fair Value	Unfunded Commitments	Redemptions Permitted	Redemptions Notice Period	Liquidity Restrictions*
Investment in funds					
Ironwood International Ltd.-Class A ⁽¹⁾	\$ 13,493,577	N/A	Quarterly	95 Days	None
Ironwood International Ltd.-Class A4 ⁽¹⁾	4,168,826	N/A	Semi-annual Fund's	95 Days	None
American Strategic Value Realty Fund, LP ⁽²⁾	6,154,677	N/A	discretion	90 Days	One year
DTC Private Equity II-Q, LP ⁽³⁾	253,299	N/A	Not permitted	N/A	None
Highbrook Property Fund III, LP ⁽⁴⁾	4,296,319	999,463	Not permitted	N/A	October 5, 2025
Renaissance Institutional Equities Fund LLC ⁽⁵⁾	<u>5,414,907</u>	N/A	Quarterly	45 Days	None
	<u>\$ 33,781,605</u>				
Government investment pool					
Special Purpose Investment Account in the Florida Treasury Investment Pool ⁽⁶⁾	<u>\$ 30,181,028</u>	N/A	Daily	N/A	None

* Liquidity restrictions indicate lock-up period for open-end funds and fund termination date for closed-end funds

- (1) Investment Objective: Capital appreciation with limited variability of returns
- (2) Investment Objective: Value added real estate opportunities
- (3) Investment Objective: Private equity investments in venture capital, buy-out, mezzanine financing, and distressed securities
- (4) Investment Objective: Value oriented real estate
- (5) Investment Objective: Diversified portfolio of listed global equity securities that are publicly traded on US securities exchanges
- (6) Investment Objective: Seeks to preserve principal while providing monthly earnings, it is not a guaranteed investment

Investments, measured at NAV	2020				
	Fair Value	Unfunded Commitments	Redemptions Permitted	Redemptions Notice Period	Liquidity Restrictions*
Investment in funds					
Ironwood International Ltd.-Class A ⁽¹⁾	\$ 11,202,655	N/A	Quarterly	95 Days	None
Ironwood International Ltd.-Class A4 ⁽¹⁾	2,333,388	N/A	Semi-annual Fund's	95 Days	None
American Strategic Value Realty Fund, LP ⁽²⁾	5,956,535	N/A	discretion	90 Days	One year
DTC Private Equity II-Q, LP ⁽³⁾	725,769	300,000	Not permitted	N/A	December 31, 2020
Highbrook Property Fund III, LP ⁽⁴⁾	2,267,327	2,623,139	Not permitted	N/A	October 5, 2025
Renaissance Institutional Equities Fund LLC ⁽⁵⁾	<u>6,006,425</u>	N/A	Quarterly	45 Days	None
	<u>\$ 28,492,099</u>				
Government investment pool					
Special Purpose Investment Account in the Florida Treasury Investment Pool ⁽⁶⁾	<u>\$ 5,133,023</u>	N/A	Daily	N/A	None

* Liquidity restrictions indicate lock-up period for open-end funds and fund termination date for closed-end funds

- (1) Investment Objective: Capital appreciation with limited variability of returns
- (2) Investment Objective: Value added real estate opportunities
- (3) Investment Objective: Private equity investments in venture capital, buy-out, mezzanine financing, and distressed securities
- (4) Investment Objective: Value oriented real estate
- (5) Investment Objective: Diversified portfolio of listed global equity securities that are publicly traded on US securities exchanges
- (6) Investment Objective: Seeks to preserve principal while providing monthly earnings, it is not a guaranteed investment

MIAMI DADE COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

Note 4 - Endowment

The Foundation follows the Florida Uniform Prudent Management of Institutional Funds Act (“FUPMIFA”) and its own governing documents. FUPMIFA requires the Foundation to prudently manage its funds. In the absence of donor restrictions, the net appreciation on a donor-restricted endowment fund is spendable under FUPMIFA. The majority of the Foundation’s donors have placed restrictions on the use of the investment income or net appreciation resulting from the donor-restricted endowment funds.

Management has determined that the majority of the Foundation’s contributions are subject to the terms of its governing documents. Certain contributions are received subject to other gift instruments or are subject to specific agreements with the Foundation.

The Foundation’s investment guidelines and policies are overseen by members of the investment committee reporting to the Foundation’s board of directors. The Foundation has adopted investment and endowment spending policies, approved by the board of directors, to achieve, at a minimum, a real (inflation adjusted) total return, net of investment management fees, that is consistent with endowment spending policy requirements. The Foundation’s investment and endowment spending policies work together to achieve this objective.

The strategic (long-term) asset allocation strategy of the Foundation is to maximize total return within acceptable risk parameters. The strategic asset allocation targets and the accompanying tolerance ranges are recommended by the investment committee and approved by the board of directors, in an effort to reflect the financial needs of the Foundation as outlined in the endowment spending policy.

The endowment spending policy calculates the amount of money annually distributed from the Foundation’s endowment fund, primarily for scholarships and program support. The board approves the annual spending rate and administrative fee, which have been set at 5% and 2% respectively in recent years. The spending rate and administrative fee are applied to the endowed donor account’s spending base, which ranges from 85-95% of the endowed donor account’s market value averaged over 3 years. All excess earnings and spending appropriations not distributed will remain as part of the endowment fund to hedge against inflation and other threats to loss of purchasing power. Earnings from accounts established during the fiscal year will not be available for distribution until the beginning of the following fiscal year.

The Foundation’s budget and finance committee, may, at its discretion, have the flexibility to allow additional sums of reinvested corpus earnings to be transferred to expenditure and/or interest earning accounts for unexpected or infrequent circumstances on a case by case basis. This is consistent with the Foundation’s objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

MIAMI DADE COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

Note 4 - Endowment (continued)

Board Designated Endowment Funds – In fiscal year 2020, the Foundation became aware of a misallocation of investment returns among donor accounts. It was determined that certain endowed donor accounts had been over-allocated investment returns. The over-allocated investment returns represented earnings that should have been designated for the Foundation’s general spending purposes and classified as unrestricted funds. The Foundation’s board of directors has decided to maintain the balances within these over-allocated endowed donor accounts at their previously over-allocated balances by designating unrestricted funds to be used for the purposes of the endowed donors’ original intent.

In fiscal year 2021, the Foundation’s board of directors designated additional unrestricted funds for endowed donor account purposes.

Total endowment funds for the year ended March 31, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated Endowment Funds	\$ 7,463,790	\$ -	\$ 7,463,790
Donor-restricted Endowment Funds	-	93,955,560	93,955,560
Total Endowment Funds	<u>\$ 7,463,790</u>	<u>\$ 93,955,560</u>	<u>\$ 101,419,350</u>

Total endowment funds for the year ended March 31, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated Endowment Funds	\$ 4,442,455	\$ -	\$ 4,442,455
Donor-restricted Endowment Funds	-	73,041,903	73,041,903
Total Endowment Funds	<u>\$ 4,442,455</u>	<u>\$ 73,041,903</u>	<u>\$ 77,484,358</u>

Changes in endowment net assets are as follows for the year ended March 31, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year - restated	4,442,455	73,041,903	77,484,358
Board-designated amounts for endowment	1,163,770	-	1,163,770
Contributions	-	1,279,394	1,279,394
Net investment return	1,857,565	23,961,423	25,818,988
Amounts appropriated for expenditure	-	(4,327,160)	(4,327,160)
Endowment net assets, end of year	<u>\$ 7,463,790</u>	<u>\$ 93,955,560</u>	<u>\$ 101,419,350</u>

MIAMI DADE COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
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Note 4 - Endowment (continued)

Changes in endowment net assets are as follows for the year ended March 31, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year - restated	\$ 4,653,778	\$ 77,096,632	\$ 81,750,410
Contributions	-	3,599,210	3,599,210
Net investment return	(211,323)	(3,469,524)	(3,680,847)
Amounts appropriated for expenditure	<u>-</u>	<u>(4,184,415)</u>	<u>(4,184,415)</u>
Endowment net assets, end of year	<u>\$ 4,442,455</u>	<u>\$ 73,041,903</u>	<u>\$ 77,484,358</u>

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). These deficiencies can result from unfavorable market fluctuations and continued appropriation by the Foundation. As of March 31, 2021 and 2020, funds with an original gift value of \$9,037,669 and \$21,975,512, were underwater by \$1,523,135 and \$3,826,560, respectively.

Note 5 - Liquidity and Availability of Financial Assets

The Foundation's financial assets as of March 31, 2021 and 2020 that are available for general expenditure, that is, without donor restrictions limiting their use, within one year of the statement of financial position date ending March 31, 2021 and 2020, comprise the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 18,490,672	\$ 47,605,239
Contributions receivable – current portion	949,997	4,061,462
Investments	214,830,947	138,755,704
Due from the College	<u>3,928,291</u>	<u>2,331,416</u>
Financial assets, at year end	238,199,907	192,753,821
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions	(87,762,628)	(90,268,056)
Subject to appropriation and satisfaction of endowed donor restrictions	<u>(99,474,897)</u>	<u>(74,737,840)</u>
	50,962,382	27,747,925
Board designations (Note 4)	<u>(7,463,790)</u>	<u>(4,442,455)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 43,498,592</u>	<u>\$ 23,305,470</u>

MIAMI DADE COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

Note 5 - Liquidity and Availability of Financial Assets (continued)

As part of the Foundation's liquidity management, the Foundation invests cash in excess of daily requirements in interest bearing accounts, short-term investments and investment securities that are liquid in nature. In addition to the above, per its endowment spending policy, the Foundation receives a 2% administration fee on the moving three-year average of the endowment fair value that is calculated as of September 30 and received on April 1 and is available for general expenditure. For the year ending March 31, 2021 and 2020, this amount totaled \$1,558,532 and \$1,560,321, respectively.

Note 6 - Contributions Receivable

The following schedule summarizes the Foundation's contributions receivable as of March 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Receivable in less than one year	\$ 949,997	\$ 1,908,462
Receivable in one to five years	1,599,171	2,579,250
Receivable in more than five years	<u>300,000</u>	<u>425,000</u>
	2,849,168	4,912,712
Less: allowance for uncollectible contributions receivable	(296,608)	(500,000)
Less: amount representing interest	<u>(90,671)</u>	<u>(29,946)</u>
	<u>\$ 2,461,889</u>	<u>\$ 4,382,766</u>

The interest rate used in computing discounts on the present value of estimated future cash flow is the 5-year treasury yield at March 31, 2021 and 2020 of 0.92% and 0.39%, respectively.

Contributions receivable appear as follows in the Statement of Financial Position:

	<u>2021</u>	<u>2020</u>
Contributions receivable - current portion	\$ 949,997	\$ 4,061,462
Contributions receivable - noncurrent portion	<u>1,511,892</u>	<u>321,304</u>
	<u>\$ 2,461,889</u>	<u>\$ 4,382,766</u>

MIAMI DADE COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

Note 7 - Due From (To) The College

In connection with an arrangement between the College and Foundation, certain amounts are held at the College to facilitate purchases and other scholarship and program support transactions on behalf of the Foundation. Additionally, from time to time, it is advantageous to purchase supplies and equipment through the College's procurement office. The Foundation has funds on deposit with the College for this purpose. When purchases or other transactions are made, the expense is recognized, and the receivable reduced. The amount receivable from the College was \$3,928,291 and \$2,331,416 as of March 31, 2021 and 2020, respectively.

The amount due to the College totaled \$ 7,953,195 and \$14,534,832 as of March 31, 2021 and 2020, respectively. These balances relate to monies due to the College for scholarships and student aid, endowed teaching chair commitments and other program enhancement support and are settled in the ordinary course of activities.

Note 8 - Transfers and Adjustments

In accordance with their endowment spending policy (Note 4), the Foundation annually records a transfer from net assets with donor restrictions to net assets without donor restrictions for the payment of administrative expenses. Additionally, on occasion donors modify the original restrictions imposed on their contributions, which can result in transfers from net assets with donor restrictions.

Note 9 - Net Assets

At March 31, 2021 and 2020, net assets with donor restrictions are as follows. Balances at March 31, 2020 have been restated. Refer to Note 11.

	<u>2021</u>	<u>2020</u>
Scholarships and student aid	\$ 59,582,497	\$ 47,810,051
Program support for the College	61,731,722	50,253,830
Held in perpetuity for endowment - scholarships	30,616,916	29,537,522
Held in perpetuity for endowment - program support	<u>23,279,091</u>	<u>23,079,091</u>
	<u>\$ 175,210,226</u>	<u>\$ 150,680,494</u>

At March 31, 2021 and 2020, net assets without donor restrictions are as follows:

	<u>2021</u>	<u>2020</u>
Undesignated	\$ 48,463,217	\$ 23,405,725
Board-designated net assets	<u>7,463,790</u>	<u>4,442,455</u>
	<u>\$ 55,927,007</u>	<u>\$ 27,848,180</u>

The Foundation's board of directors has designated funds as quasi-endowed to support student scholarships and financial aid and college program support.

MIAMI DADE COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

Note 10 - Commitments and Contingencies

Economic Conditions

The Foundation depends substantially on contributions and contributed services for its revenues. The ability of certain Foundation contributors to continue giving amounts comparable with prior years may be dependent upon current and future overall economic conditions and the continued deductibility for income tax purposes of contributions to the Foundation. While the Foundation's board of directors believes the organization has the resources to continue its programs, its ability to do so and the extent to which it continues, may be dependent on the above factors.

Note 11 - Prior Period Adjustments

During the fiscal year ended March 31, 2021, certain errors relating to prior periods were identified. Prior period adjustments were made to the Statement of Financial Position balances as of March 31, 2020 and summarized as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Assets</u>
Net assets, beginning	\$ 30,201,288	\$ 151,063,316	\$ 181,264,604
Prior period adjustments	<u>410,862</u>	<u>1,426,100</u>	<u>1,836,962</u>
Net assets, beginning - restated	<u>\$ 30,612,150</u>	<u>\$ 152,489,416</u>	<u>\$ 183,101,566</u>

Receivable from College

After the issuance of the Foundation's fiscal year 2020 financial statements, the College determined \$1,959,662 was due to the Foundation at period ending March 31, 2020. The amount of the receivable has been reflected in a prior period adjustment with a corresponding adjustment to Net Assets.

Interest Receivable Adjustment

In addition to the other prior period adjustment, the Foundation made a net adjustment impacting interest receivable balance by (\$122,700).

Reclassification of Funds With Donor Restrictions

The Foundation determined that a net \$429,613 should be reclassified from funds with donor restrictions to funds without donor restrictions. This adjustment did not result in an impact to total net assets.

MIAMI DADE COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

Note 11 - Prior Period Adjustments (continued)

Reclassification of Funds With Donor Restrictions (continued)

During the fiscal year ended March 31, 2020, certain errors relating to prior periods were identified. Prior period adjustments were made to the Statement of Financial Position balances as of March 31, 2019 and summarized as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Net assets, beginning	\$ 4,925,867	\$ 143,789,597	\$ 148,715,464
Prior period adjustments	<u>25,275,421</u>	<u>7,273,719</u>	<u>32,549,140</u>
Net assets, beginning - restated	<u>\$ 30,201,288</u>	<u>\$ 151,063,316</u>	<u>\$ 181,264,604</u>

Receipt of Donation from College

The Foundation received contributions due from the College in the amount of \$35,200,000 within fiscal year 2020. These contributions had been received by the College from a donor in prior years. The contributions were not recorded by the Foundation as a contribution or a receivable. As \$31,988,000 of these contributions related to prior years, a prior period adjustment was made to the Net Assets balance with a corresponding adjustment to the Due from College balance as of March 31, 2019. The remaining \$3,212,000 related to fiscal year 2020 and was included in contributions.

Miscellaneous Adjustments

In addition to the other prior period adjustments, certain miscellaneous adjustments were made to the net assets balance as of March 31, 2019. These miscellaneous adjustments include corrections for misclassified amounts as contributions rather than fiscal agent liabilities, under-accrued prepaid assets, and fair value adjustments for certain investments as of March 31, 2019. The net impact of these miscellaneous adjustments results in an increase of \$561,140 in the total net assets balance as of March 31, 2019.

Reclassification of Endowed and Non-Endowed Balances

Within fiscal year 2020, the Foundation became aware that certain funds were misclassified as endowments and certain funds qualified as endowments but were not classified as such. The Foundation made adjustments to appropriately classify these funds as of March 31, 2019. Although, these adjustments did not have an impact on total net assets, \$9,926,788 was reclassified from donor restricted to unrestricted net assets.

In addition to the reclassification from donor restricted to unrestricted net asset, the Foundation reclassified \$12,912,013 from donor restricted for endowment to donor restricted non-endowed in the amount of \$10,000,032 and \$2,905,981 to unrestricted funds.

MIAMI DADE COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
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Note 12 - Subsequent Events

The Foundation evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through August 6, 2021, which is the date the accompanying financial statements were available to be issued.

The novel coronavirus (“COVID-19”), persists as a global pandemic and public health emergency with a recent surge in the delta variant. At this point, the Foundation cannot reasonably estimate the length or severity of this pandemic, or the extent to which this disruption may impact the Foundation’s financial statements and future results of operations. The Foundation will continue to monitor and evaluate the nature and extent of the impact on our ongoing activities and the potential effect on future contributions or funding and expenses, financial condition, and liquidity.

Note 13 - Functional Expenses

Certain administrative personnel perform duties which benefit both program and support functions. The expenses associated with these personnel are allocated based on the estimated hours devoted to each function. Other common administrative expenses are allocated based on the estimated utilization by the respective function. As a result, certain costs have been allocated among the program and supporting services benefited. The allocation of costs is based on management’s estimate, which is periodically reviewed to assess the appropriateness of the cost allocation.

The cost of providing program and supporting services for the years end March 31, 2021, and 2020 has been summarized on a functional basis in the tables below:

	2021				
	Program Services		Supporting Services		Total
	Scholarships and Student Aid	Program Support for the College	Fundraising	Administrative and General	
Activities and events	\$ -	\$ 100,318	\$ 280	\$ 3,974	
Direct program support	-	4,397,332	-	165	4,397,497
Marketing and advertising	-	126,331	-	81,583	207,914
Occupancy	2,473	17,308	53,159	60,290	133,230
Office expenses	-	130,370	19,951	47,060	197,381
Professional fees	-	422,593	43,848	922,069	1,388,510
Salaries and benefits	38,944	272,607	837,293	798,350	1,947,194
Scholarships and awards	8,483,380	-	-	-	8,483,380
Travel and training	-	1,600	1,422	3,923	6,945
Provision for doubtful accounts	-	-	-	-	-
Computer software and maintenance	-	380,333	118,529	10,370	509,232
Total	<u>\$ 8,524,797</u>	<u>\$ 5,848,792</u>	<u>\$ 1,074,482</u>	<u>\$ 1,927,784</u>	<u>\$ 17,375,855</u>

MIAMI DADE COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

Note 13 - Functional Expenses (continued)

	2020				
	Program Services		Supporting Services		
	Scholarships and Student Aid	Program Support for the College	Fundraising	Administrative and General	Total
Activities and events	\$ -	\$ 1,047,273	\$ 12,822	\$ 1,662	\$ 1,061,757
Direct program support	-	4,651,837	-	-	4,651,837
Marketing and advertising	-	238,774	96,491	-	335,265
Occupancy	2,874	23,769	70,891	76,610	174,144
Office expenses	-	123,146	4,981	72,069	200,196
Professional fees	-	478,150	40,656	295,364	814,170
Salaries and benefits	65,763	262,063	781,582	737,385	1,846,793
Scholarships and awards	8,449,423	23,868	-	-	8,473,291
Travel and training	-	91,206	1,938	9,941	103,085
Provision for doubtful accounts	-	-	-	1,041,502	1,041,502
Computer software and maintenance	-	37,012	130,871	5,104	172,987
Total	<u>\$ 8,518,060</u>	<u>\$ 6,977,098</u>	<u>\$ 1,140,232</u>	<u>\$ 2,239,637</u>	<u>\$ 18,875,027</u>