STATE OF FLORIDA AUDITOR GENERAL

Financial Audit

Report No. 2022-172
March 2022

MIAMI DADE COLLEGE

For the Fiscal Year Ended
June 30, 2021

Sherrill F. Norman, CPA
Auditor General

Board of Trustees and President

During the 2020-21 fiscal year, Madeline Pumariega served as President of Miami Dade College from January 1, 2021, and, before that date, Dr. Rolando Montoya served as Interim President. The following individuals served as Members of the Board of Trustees:

[a] Vice Chair position vacant 12-5-20, through 12-14-20.
[b] Trustee position vacant 6-1-21, through 6-30-21.
[c] Trustee position vacant 12-5-20, through 6-17-21.
[d] Trustee position vacant 7-1-20.

The Auditor General conducts audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

The team leader was Kristina L. Tinkler, CPA, and the audit was supervised by Hector J. Quevedo, CPA.

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

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MIAMI DADE COLLEGE

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SUMMARY

Summary of Report on 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 determine whether Miami Dade College and its officers with administrative and stewardship responsibilities for College operations had:

- Presented the College's basic financial statements in accordance with generally accepted accounting principles;
- Established and implemented internal control over financial reporting and compliance with requirements that could have a direct and material effect on the financial statements; and
- Complied with the various provisions of laws, rules, regulations, contracts, and grant agreements that are material to the financial statements.

The scope of this audit included an examination of the College's basic financial statements as of and for the fiscal year ended June 30, 2021. We obtained an understanding of the College's environment, including its internal control, and assessed the risk of material misstatement necessary to plan the audit of the basic financial statements. We also 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.

AUDITOR GENERAL
STATE OF FLORIDA

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

Report on the Financial Statements

We have audited the accompanying 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, 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. 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. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the 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, 2021, 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.

Other Matter

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** as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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 24, 2022, 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 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 Miami Dade College's internal control over financial reporting and compliance.

Respectfully submitted,

Sherrill F. Norman

Sherrill F. Norman, CPA
Tallahassee, Florida
March 24, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

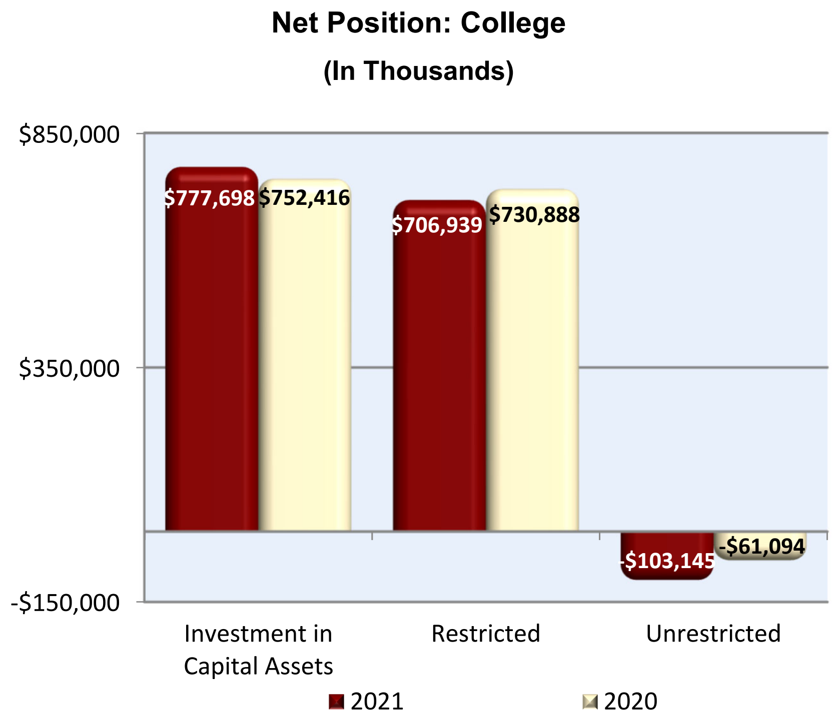
Management's discussion and analysis (MD&A) provides an overview of the financial position and activities of the College for the fiscal year ended June 30, 2021, and should be read in conjunction with the financial statements and notes thereto. The MD&A, and financial statements and notes thereto, are the responsibility of College management. The MD&A contains financial activity of the College for the fiscal years ended June 30, 2021, and June 30, 2020, and its component unit, the Miami Dade College Foundation, Inc. for the fiscal years ended March 31, 2021, and March 31, 2020.

FINANCIAL HIGHLIGHTS

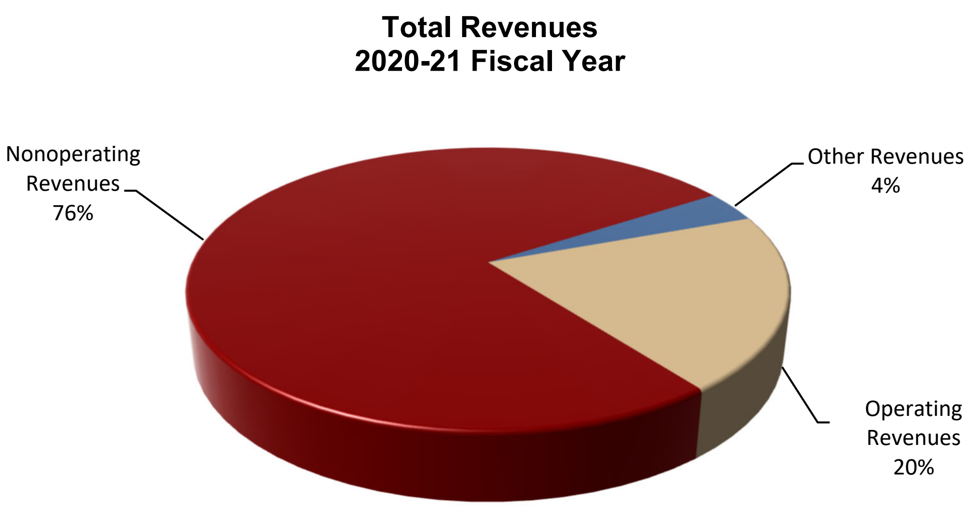
The College's assets and deferred outflows of resources totaled $1.8 billion at June 30, 2021. This balance reflects a $54.9 million, or 3.1 percent, increase as compared to the 2019-20 fiscal year, resulting primarily from increases in cash collateral securities lending of $60.4 million, endowment investments of $37.5 million, net capital assets of $25.3 million, and due from other governmental agencies of $7 million offset by a decrease in noncurrent restricted cash and cash equivalents of $71.3 million. Liabilities and deferred inflows of resources increased by $95.6 million, or 26.1 percent, totaling $461.9 million at June 30, 2021, resulting from increases in total liabilities of $102 million, offset by decreases in deferred inflows of resources of $6.3 million. As a result, the College's net position decreased by $40.7 million, resulting in a year-end balance of $1.4 billion.

The College's operating revenues totaled $123 million for the 2020-21 fiscal year, representing a 0.7 percent decrease compared to the 2019-20 fiscal year, due mainly to decreases in auxiliary enterprises and student tuition and fees offset by an increase in nongovernmental grants and contracts. Nonoperating revenues represent 76 percent of total revenues and are primarily comprised of State noncapital appropriations and Federal and State student financial aid with a purpose of supporting operating activities. Operating expenses totaled $653.6 million for the 2020-21 fiscal year, representing an increase 22.9 percent as compared to the 2019-20 fiscal year, due mainly to increases in scholarships and waivers, and other services and expenses.

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, 2021, and June 30, 2020, is shown in the following graph:



The following chart provides a graphical presentation of College revenues by category for the 2020-21 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 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	
	06-30-21	**06-30-20**	**03-31-21**	**03-31-20**
Assets				
Current Assets	$ 278,315	$ 242,584	$ 45,492	$ 64,454
Capital Assets, Net	777,698	752,416	-	-
Other Noncurrent Assets	700,480	721,533	214,831	138,619
Total Assets	1,756,493	1,716,533	260,323	203,073
Deferred Outflows of Resources	86,864	71,904	-	-
Liabilities				
Current Liabilities	169,794	114,077	29,186	26,381
Noncurrent Liabilities	275,257	229,010	-	-
Total Liabilities	445,051	343,087	29,186	26,381
Deferred Inflows of Resources	16,814	23,140	-	-
Net Position				
Investment in Capital Assets	777,698	752,416	-	-
Restricted	706,939	730,888	175,210	149,254
Unrestricted (Deficit)	(103,145)	(61,094)	55,927	27,438
Total Net Position	$ 1,381,492	$ 1,422,210	$ 231,137	$ 176,692

The College's net position decreased by $40.7 million, or 2.9 percent. Changes in the College's net position were the result of the following factors:

- Investment in capital assets increased by $25.3 million, or 3.4 percent, mainly due to the acquisition of capital assets.
- Restricted net position decreased by $23.9 million, or 3.3 percent, mainly due to a decrease in funds restricted for the construction of capital projects.
- Unrestricted deficit in net position increased by $42.1 million, or 68.8 percent, from normal operations.

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:

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

(In Thousands)

	College		Component Unit	
	06-30-21	**06-30-20**	**03-31-21**	**03-31-20**
Operating Revenues	$ 123,010	$ 123,840	$ 18,429	$ 21,371
Less, Operating Expenses	653,630	531,947	17,376	18,875
Operating Income (Loss)	(530,620)	(408,107)	1,053	2,496
Net Nonoperating Revenues (Expenses)	468,143	366,746	51,555	(7,068)
Income (Loss) Before Other Revenues	(62,477)	(41,361)	52,608	(4,572)
Other Revenues	21,759	22,386	-	-
Net Increase (Decrease) In Net Position	(40,718)	(18,975)	52,608	(4,572)
Net Position, Beginning of Year	1,422,210	1,455,577	176,692	148,715
Adjustments to Beginning Net Position (1) (2)	-	(14,392)	1,837	32,549
Net Position, Beginning of Year, as Restated	1,422,210	1,441,185	178,529	181,264
Net Position, End of Year	$ 1,381,492	$ 1,422,210	$ 231,137	$ 176,692

(1) For the 2020-21 fiscal year, the component unit's beginning net position was increased to correct an understatement of receivables from the College and other accounting errors made in the prior fiscal year.

(2) For the 2019-20 fiscal year, the College's beginning net position was decreased to reclassify operating expenses incorrectly capitalized as construction in progress in prior fiscal years. The component unit's beginning net position was increased to correct an understatement of receivables and other accounting errors made in prior fiscal years.

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

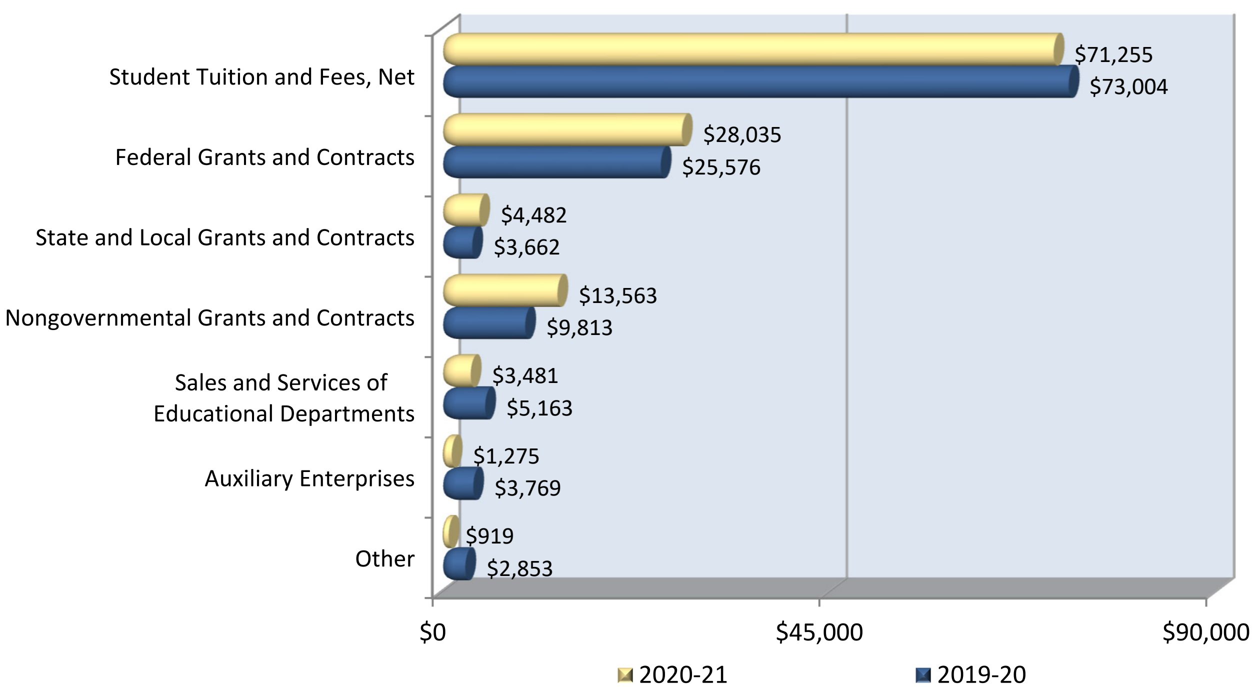
(In Thousands)

	College		**Component Unit**	
	06-30-21	**06-30-20**	**03-31-21**	**03-31-20**
Student Tuition and Fees, Net	$ 71,255	$ 73,004	$ -	$ -
Federal Grants and Contracts	28,035	25,576	-	-
State and Local Grants and Contracts	4,482	3,662	-	-
Nongovernmental Grants and Contracts	13,563	9,813	-	-
Sales and Services of Educational Departments	3,481	5,163	-	-
Auxiliary Enterprises	1,275	3,769	-	-
Other	919	2,853	18,429	21,371
Total Operating Revenues	$ 123,010	$ 123,840	$ 18,429	$ 21,371

The following chart presents the College's operating revenues for the 2020-21 and 2019-20 fiscal years:

Operating Revenues: College

(In Thousands)



College operating revenue decreased by $0.8 million, or 0.7 percent, compared to the 2019-20 fiscal year, primarily as a result of the following factors:

- Auxiliary Enterprises decreased by $2.5 million, or 66.2 percent due to COVID-19 related closures of auxiliary enterprise activities.

- Student tuition and fees, net of scholarship allowance, decreased by $1.7 million, or 2.4 percent, mainly due to a decline in enrollment.
- Nongovernmental grants and contracts increased by $3.8 million, or 38.2 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:

Operating Expenses
For the Fiscal Years Ended

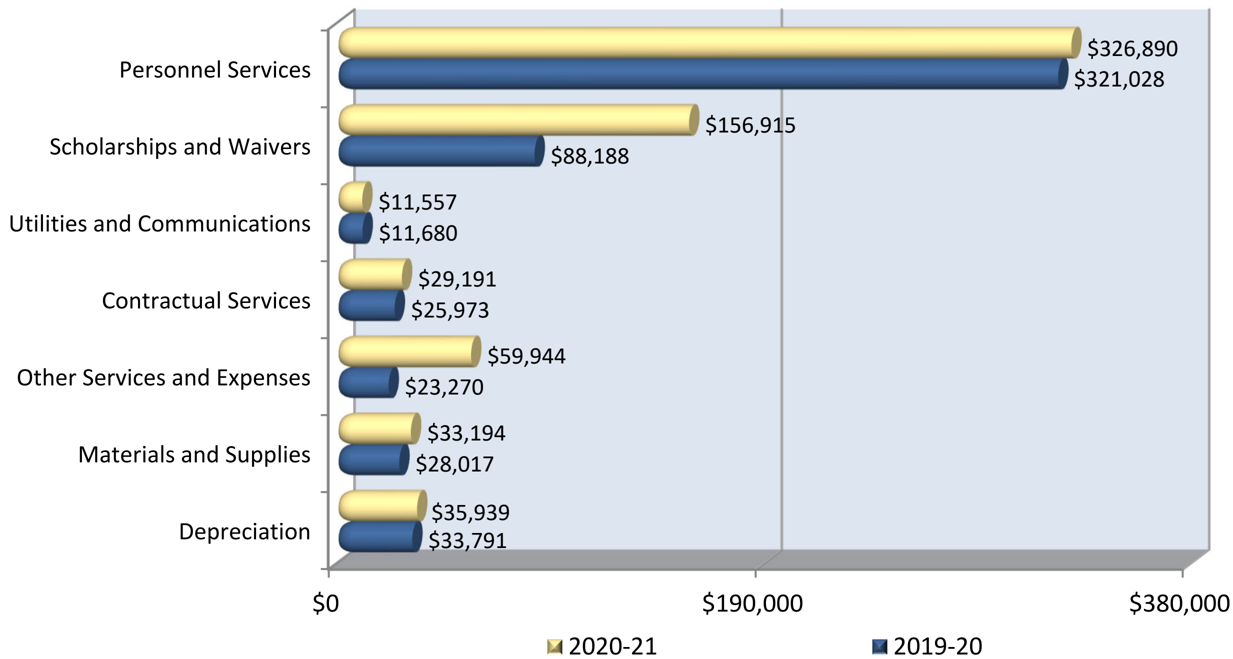
(In Thousands)

	College		Component Unit	
	06-30-21	**06-30-20**	**03-31-21**	**03-31-20**
Personnel Services	$ 326,890	$ 321,028	$ 1,928	$ 2,240
Scholarships and Waivers	156,915	88,188	8,525	8,518
Utilities and Communications	11,557	11,680	-	-
Contractual Services	29,191	25,973	-	-
Other Services and Expenses	59,944	23,270	6,923	8,117
Materials and Supplies	33,194	28,017	-	-
Depreciation	35,939	33,791	-	-
Total Operating Expenses	$ 653,630	$ 531,947	$ 17,376	$ 18,875

The following chart presents the College's operating expenses for the 2020-21 and 2019-20 fiscal years:

Operating Expenses: College

(In Thousands)



College operating expense increased by $121.7 million, or 22.9 percent, compared to the 2019-20 fiscal year, primarily as a result of the following factors:

- Scholarship and waivers increased by $68.7 million, or 77.9 percent, mainly as a result of $39.1 million in expenses funded from the Coronavirus Aid, Relief, and Economic Security (CARES) Act and $29.2 million in financial incentives disbursed to students.
- Other services and expenses increased by $36.7 million, or 157.6 percent, primarily due to increases in noncapital repairs and maintenance expenses.
- Personnel services increased by $5.9 million, 1.8 percent, primarily due to an increase in the number of full-time employees.
- Materials and supplies increased by $5.2 million, or 18.5 percent, mainly from increases in janitorial supplies and other materials such as face masks, hand sanitizers, all of which are attributable to the COVID-19 pandemic.

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 capital financing costs. The following summarizes the College's nonoperating revenues and expenses for the 2020-21 and 2019-20 fiscal years:

Nonoperating Revenues (Expenses): College
For the Fiscal Years

(In Thousands)

	2020-21	**2019-20**
State Noncapital Appropriations	$ 180,421	$ 179,274
Federal and State Student Financial Aid	183,472	169,529
Gifts and Grants	56,459	-
Investment Income	20,075	15,160
Net Realized and Unrealized Gain on Investments	27,071	1,638
Other Nonoperating Revenues	645	1,146
Interest on Capital Asset-Related Debt	-	(1)
Net Nonoperating Revenues	$ 468,143	$ 366,746

Net nonoperating revenues increased by $101.4 million, or 27.6 percent, compared to the 2019-20 fiscal year, as a result of the following factors:

- Gifts and grants increased by $56.5 million, or 100 percent due to Higher Education Emergency Relief Fund (HEERF) received during the fiscal year.
- Federal and State student financial aid increased by $13.9 million, or 8.2 percent, primarily due to an increase in funding of the Education Stabilization Fund program.
- Net realized and unrealized gain on investments increased by $25.4 million, or 1,553 percent primarily due to changes in market conditions.
- Investment income increased by $4.9 million, or 32.4 percent, due to favorable investment market conditions.

Other Revenues

This category is composed of State capital appropriations and capital grants, contracts, gifts, and fees. The following summarizes the College's other revenues for the 2020-21 and 2019-20 fiscal years:

Other Revenues: College
For the Fiscal Years

(In Thousands)

	2020-21	**2019-20**
State Capital Appropriations	$ 1,527	$ 1,680
Capital Grants, Contracts, Gifts, and Fees	20,232	20,706
Total	$ 21,759	$ 22,386

Other revenues decreased by $0.6 million, or 2.8 percent, compared to the 2019-20 fiscal year, mainly due to a decrease in capital grants, contracts, gifts and fees of $0.5 million or 2.3 percent, when compared to the prior fiscal year, as a result of decreased revenues from capital improvement fees assessed to students.

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 2020-21 and 2019-20 fiscal years:

Condensed Statement of Cash Flows
For the Fiscal Years

(In Thousands)

	2020-21	2019-20
Cash Provided (Used) by:		
Operating Activities	$ (465,043)	$ (384,447)
Noncapital Financing Activities	413,626	331,114
Capital and Related Financing Activities	(34,936)	(39,122)
Investing Activities	(3,949)	(42,061)
Net Decrease in Cash and Cash Equivalents	(90,302)	(134,516)
Cash and Cash Equivalents, Beginning of Year	356,230	490,746
Cash and Cash Equivalents, End of Year	$ 265,928	$ 356,230

Major sources of funds came from Federal and State student financial aid ($198.6 million), State noncapital appropriations ($187.8 million), net student tuition and fees ($85.1 million), proceeds from sales and maturities of investments ($76.6 million) operating grants and contracts ($45.5 million), investment income ($27.5 million), noncapital gifts and grants ($27.3 million), and capital grants and gifts ($20.2 million). Major uses of funds were for payments to employees and for employee benefits ($302.3 million), payments for scholarships ($156.4 million), payments to suppliers of goods and services ($133.3 million), purchases of investments ($108 million), and purchases of capital assets ($57.3 million).

During the 2020-21 fiscal year, cash and cash equivalents decreased by $90.3 million when compared to the prior fiscal year. The decrease in cash and cash equivalents and a discussion of the categories of cash flows are as follows:

- Net cash used for operating activities was $465.1 million, which represents an increase of $80.6 million as compared to the 2019-20 fiscal year. The net increase in cash used was primarily the result of increases in payments to suppliers of $41.2 million, and increase in payments for scholarships of $33.7 million, a decrease in other receipts of $23.7 million and an increase in payments for employee benefits of $9.7 million, offset by an increase in cash received for tuition and fees of $23.6 million.
- Net cash provided by noncapital financing activities was $413.6 million, which represents an increase of $82.5 million as compared to the 2019-20 fiscal year. The net increase was a result

of an increase in cash received from Federal and State student financial aid of $43.8 million, an increase in gifts and grants of $27.3 million, an increase in State noncapital appropriations of $12.2 million, and a decrease in Federal Direct Loan Program disbursements of $5.4 million, offset by a decrease in Federal Direct Loan Program receipts of $6.2 million.

- Net cash used by capital and related financing activities was $34.9 million, which represents a decrease of $4.2 million, when compared to the 2019-20 fiscal year. The net decrease in cash used was primarily due to a decrease in purchases of capital assets of $9.6 million, offset by decreases in cash received from State capital appropriations of $4.1 million, in capital grants and gifts of $0.8 million, and in proceeds from sale of capital assets of $0.5 million.
- Net cash used by investing activities was $3.9 million, which represents a decrease of $38.1 million in cash used by investing activities as compared to the 2019-20 fiscal year. The net decrease in cash used was primarily the result of a decrease in purchases of investments of $69.4 million, an increase in investment income of $2.8 million, offset by a decrease in proceeds from sales and maturities of investments of $34.1 million.

CAPITAL ASSETS AND CAPITAL EXPENSES AND COMMITMENTS

Capital Assets

At June 30, 2021, the College had $1.4 billion in capital assets, less accumulated depreciation of $592.5 million, for net capital assets of $777.7 million. Depreciation charges for the current fiscal year totaled $35.9 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)

	2021	2020
Land	$ 96,950	$ 96,950
Works of Art	501	478
Construction in Progress	87,367	45,065
Buildings	1,012,440	997,546
Other Structures and Improvements	35,984	35,984
Furniture, Machinery, and Equipment	82,550	81,018
Computer Software	54,384	54,218
Total	1,370,176	1,311,259
Less: Accumulated Depreciation		
Buildings	458,311	433,500
Other Structures and Improvements	33,148	32,273
Furniture, Machinery, and Equipment	72,539	70,027
Computer Software	28,480	23,043
Total	592,478	558,843
Capital Assets, Net	$ 777,698	$ 752,416

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

Capital Expenses and Commitments

The College had $132.2 million in major construction commitments at June 30, 2021. The commitments are for projects that include classrooms. State capital appropriations together with local funds are expected to finance these projects. The College's major construction commitments at June 30, 2021, are as follows:

	Amount (In Thousands)
Total Committed	$ 158,046
Completed to Date	(25,839)
Balance Committed	$ 132,207

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 2021-22 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 Jayson Iroff, Senior Vice Provost of Business Affairs and Chief Financial Officer, Miami Dade College, 11011 S.W. 104th Street, Miami, Florida 33176.

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MIAMI DADE COLLEGE
A Component Unit of the State of Florida
Statement of Net Position

June 30, 2021

	College	Component Unit
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 54,644,990	$ 18,490,672
Restricted Cash and Cash Equivalents	37,763,708	-
Cash Collateral Securities Lending	75,752,370	20,122,800
Accounts Receivable, Net	6,673,656	2,461,889
Notes Receivable, Net	416,576	-
Due from Other Governmental Agencies	84,982,507	-
Due from Component Unit/College	16,424,326	3,928,291
Inventories	50,574	-
Prepaid Expenses	1,525,798	-
Deposits	80,148	-
Other Current Assets	438	488,633
Total Current Assets	278,315,091	45,492,285
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	173,519,366	30,181,028
Endowment Investments	171,423,703	101,419,350
Restricted Other Investments	312,338,646	-
Other Investments	36,912,365	83,230,569
Notes Receivable, Net	6,285,615	-
Depreciable Capital Assets, Net	592,879,983	-
Nondepreciable Capital Assets	184,818,160	-
Other Noncurrent Assets	150	-
Total Noncurrent Assets	1,478,177,988	214,830,947
TOTAL ASSETS	1,756,493,079	260,323,232
DEFERRED OUTFLOWS OF RESOURCES		
Other Postemployment Benefits	5,174,782	-
Pensions	81,689,521	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	86,864,303	-
LIABILITIES		
Current Liabilities:		
Accounts Payable	22,621,983	1,110,002
Salary and Payroll Taxes Payable	14,961,459	-
Retainage Payable	3,547,385	-
Due to Other Governmental Agencies	194,697	-
Due to Component Unit/College	695,355	7,953,197
Unearned Revenue	5,244,146	-
Liability for Cash Collateral Securities Lending	75,752,370	20,122,800
Long-Term Liabilities - Current Portion:		
Deposits Held for Others	26,409,470	-
Compensated Absences Payable	18,769,303	-
Other Postemployment Benefits Payable	876,241	-
Net Pension Liability	722,096	-
Total Current Liabilities	169,794,505	29,185,999

	College	Component Unit
LIABILITIES (Continued)		
Noncurrent Liabilities:		
Deposits Held for Others	5,000	-
Compensated Absences Payable	13,480,358	-
Other Postemployment Benefits Payable	25,559,631	-
Net Pension Liability	236,211,697	-
Total Noncurrent Liabilities	275,256,686	-
TOTAL LIABILITIES	445,051,191	29,185,999
DEFERRED INFLOWS OF RESOURCES		
Other Postemployment Benefits	6,671,395	-
Pensions	10,142,732	-
TOTAL DEFERRED INFLOWS OF RESOURCES	16,814,127	-
NET POSITION		
Investment in Capital Assets	777,698,143	-
Restricted:		
Nonexpendable:		
Endowment	2,706,872	53,896,007
Expendable:		
Endowment	169,537,104	-
Grants and Loans	43,976,307	-
Scholarships	8,515,423	121,314,219
Capital Projects	482,203,444	-
Unrestricted	(103,145,229)	55,927,007
TOTAL NET POSITION	$ 1,381,492,064	$ 231,137,233

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, 2021

	College	Component Unit
REVENUES		
Operating Revenues:		
Student Tuition and Fees, Net of Scholarship Allowances of $73,787,129	$ 71,255,370	$ -
Federal Grants and Contracts	28,035,085	-
State and Local Grants and Contracts	4,482,128	-
Nongovernmental Grants and Contracts	13,563,171	-
Sales and Services of Educational Departments	3,480,680	-
Auxiliary Enterprises	1,274,373	-
Other Operating Revenues	919,229	18,429,251
Total Operating Revenues	123,010,036	18,429,251
EXPENSES		
Operating Expenses:		
Personnel Services	326,889,737	1,927,784
Scholarships and Waivers	156,914,999	8,524,797
Utilities and Communications	11,556,580	-
Contractual Services	29,190,878	-
Other Services and Expenses	59,944,801	6,923,274
Materials and Supplies	33,193,766	-
Depreciation	35,939,417	-
Total Operating Expenses	653,630,178	17,375,855
Operating Income (Loss)	(530,620,142)	1,053,396
NONOPERATING REVENUES		
State Noncapital Appropriations	180,421,158	-
Federal and State Student Financial Aid	183,472,045	-
Gifts and Grants	56,458,675	-
Investment Income	20,075,358	-
Net Realized and Unrealized Gain on Investments	27,071,110	51,555,163
Other Nonoperating Revenues	645,390	-
Nonoperating Revenues	468,143,736	51,555,163
Income (Loss) Before Other Revenues	(62,476,406)	52,608,559
State Capital Appropriations	1,526,400	-
Capital Grants, Contracts, Gifts, and Fees	20,232,356	-
Total Other Revenues	21,758,756	-
Increase (Decrease) in Net Position	(40,717,650)	52,608,559
Net Position, Beginning of Year	1,422,209,714	176,691,712
Adjustment to Beginning Net Position	-	1,836,962
Net Position, Beginning of Year, as Restated	1,422,209,714	178,528,674
Net Position, End of Year	$ 1,381,492,064	$ 231,137,233

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, 2021

	College
CASH FLOWS FROM OPERATING ACTIVITIES	
Student Tuition and Fees, Net	$ 85,098,551
Grants and Contracts	45,511,787
Payments to Suppliers	(121,705,429)
Payments for Utilities and Communications	(11,556,580)
Payments to Employees	(237,379,368)
Payments for Employee Benefits	(64,958,505)
Payments for Scholarships	(156,352,480)
Loans Issued to Students	(129,951)
Collection on Loans to Students	1,014,573
Auxiliary Enterprises	1,387,167
Sales and Services of Educational Departments	3,193,497
Other Payments	(9,166,530)
Net Cash Used by Operating Activities	(465,043,268)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Noncapital Appropriations	187,750,820
Federal and State Student Financial Aid	198,644,112
Federal Direct Loan Program Receipts	10,672,877
Federal Direct Loan Program Disbursements	(10,763,213)
Gifts and Grants Received for Other Than Capital or Endowment Purposes	27,321,377
Net Cash Provided by Noncapital Financing Activities	413,625,973
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
State Capital Appropriations	1,529,636
Capital Grants and Gifts	20,187,040
Proceeds from Sale of Capital Assets	625,706
Purchases of Capital Assets	(57,298,287)
Insurance Recoveries	19,684
Net Cash Used by Capital and Related Financing Activities	(34,936,221)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	76,555,262
Purchases of Investments	(107,991,112)
Investment Income	27,487,257
Net Cash Used by Investing Activities	(3,948,593)
Net Decrease in Cash and Cash Equivalents	(90,302,109)
Cash and Cash Equivalents, Beginning of Year	356,230,173
Cash and Cash Equivalents, End of Year	$ 265,928,064

	College
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	$ (530,620,142)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation Expense	35,939,417
Changes in Assets, Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources:	
Receivables, Net	14,685,494
Notes Receivable, Net	884,622
Due from Other Governmental Agencies	(287,183)
Due from Component Unit	(1,787,343)
Inventories	4,741
Prepaid Expenses	(225,722)
Other Assets	24
Accounts Payable	899,429
Salaries and Payroll Taxes Payable	(998,929)
Due to Other Governmental Agencies	(550,213)
Due to Component Unit	(2,095,768)
Unearned Revenue	984,322
Deposits Held for Others	(7,426,810)
Compensated Absences Payable	2,591,025
Other Postemployment Benefits Payable	(3,451,240)
Net Pension Liability	47,697,687
Deferred Outflows of Resources Related to Other Postemployment Benefits	500,497
Deferred Inflows of Resources Related to Other Postemployment Benefits	4,004,808
Deferred Outflows of Resources Related to Pensions	(15,461,135)
Deferred Inflows of Resources Related to Pensions	(10,330,849)
NET CASH USED BY OPERATING ACTIVITIES	$ (465,043,268)

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.	$ 19,659,211
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.	$ 8,078

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

NOTES TO FINANCIAL STATEMENTS

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, 2021.

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, and investment income, net realized and unrealized gains and 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 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, 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 Federal depository insurance, 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 purchase or construct capital or other restricted assets are classified as restricted.

At June 30, 2021, the College reported as cash equivalents at fair value $157,225,674 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 2.6 years and fair value factor of 0.984 at June 30, 2021. 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, 2021, the College reported as cash equivalents $1,614,786 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

50 days as of June 30, 2021. 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, 2021, 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, 2021, the College reported as cash equivalents $109,642,048 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 is primarily composed of corporate bonds, commercial paper, and certificates of deposit; and, the FL-FIT Enhanced Cash Pool carried a credit rating of AAA-f 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 Enhanced Cash pool 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; 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
- Computer Software – 10 years

Noncurrent Liabilities. Noncurrent liabilities include 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. Adjustments to Beginning Net Position – Component Unit

The following is a summary of adjustments to the beginning net position of the Foundation reported in the statement of revenues, expenses, and changes in net position:

Description	Component Unit
To Increase Beginning Net Position Balance for Prior Year Understatement of Scholarship Funds Received at College	$ 1,959,662
To Decrease Beginning Net Position Balance for Prior Year Overstatement of Interest Receivables	(122,700)
Total	$ 1,836,962

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, OPEB payable, and net pension liabilities) in the current unrestricted funds.

Fund	Net Position
Current Funds - Unrestricted	$ (118,313,441)
Auxiliary Funds	15,168,212
Total	$ (103,145,229)

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 2020-21 fiscal year, moneys of the Endowment Fund were invested by 14 investment managers, and other investments were invested by 6 investment managers.

Endowment investments and other investments are reported at a fair value of $171,423,703 and $349,251,011, respectively. The reporting of endowment investments at fair value resulted in an unrealized gain of $27,722,714. The reporting of other investments at fair value resulted in an unrealized loss of $8,063,503.

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, 2021, 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 of the measurement date, are measured at net asset value.

The College's investments at June 30, 2021, are reported as follows:

		Fair Value Measurements Using		
Investments by fair value level	**Amount**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Federal Agency Obligations	$ 35,532,965	$ 35,532,965	$ -	$ -
Obligations of United States Government				
Agencies and Instrumentalities - Domestic	75,318,064	75,318,064	-	-
International Government Obligations	6,949,914	6,949,914	-	-
Real Estate	11,434,399	11,434,399	-	-
Bonds and Notes - Domestic	127,147,879	-	127,147,879	-
Bonds and Notes - International	13,140,969	-	13,140,969	-
Stocks and Other Equity Securities - Domestic	61,355,704	61,355,704	-	-
Stocks and Other Equity Securities - International	71,068,903	71,068,903	-	-
Total investments by fair value level	$ 401,948,797	$ 261,659,949	$ 140,288,848	$ -
Investments measured at the net asset value (NAV)				
Short-term Investments	40,153,741			
Alternative Hedge Funds (1)	78,572,176			
Total investments measured at NAV	118,725,917			
Total investments measured at fair value	$ 520,674,714			

(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, those 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	$ 40,153,741	$ -	Daily	1 Day
Alternative Hedge Funds:				
Carolina Securitized Credit Opportunities	42,680,780	-	Monthly	60 days
Morgan Stanley Opportunistic Mortgage Income	35,891,396	-	Quarterly	60 days
Total investments measured at the NAV	$ 118,725,917			

<u>Net Asset Value</u>.

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.

Carolina Securitized Credit Opportunities Fund: The primary objective of this fund is to generate an attractive absolute return through investing and trading in the full opportunity set of securitized and structured credit securities, including non-agency and agency residential and commercial mortgage-backed securities, asset-backed securities, and other structured credit fixed-income securities. The fair value of the Trading Company's assets and liabilities which qualify as financial instruments approximates the carrying amounts presented in the Trading Company's Statement of Financial Condition.

Morgan Stanley Opportunistic Mortgage Income Funds: These funds invest primarily in residential mortgage-backed securities, commercial mortgage-backed securities, and derivatives related thereto. Valuation of the assets are based on prices provided by a pricing service. Alternatively, if a valuation is not available from an outside pricing service, the security may be valued at its latest reported sale price. All other securities for which market values are not readily available are valued at fair value as determined in good faith under procedures adopted by the General Partner.

Component Unit Investments.

All of the College's component unit's recurring fair value measurements as of March 31, 2021, are valued using quoted market prices (Level 1 inputs), with the exception of debt securities and fund of funds investments. Debt securities are valued using recently executed transactions, market price quotations (where observable), bond spreads or credit default swap spreads or cash flow models with yield curves, bond, or single-name credit default swap spreads and recovery rates based on collateral values as key inputs (Level 2 inputs). As of March 31, 2021, the component unit did not have investments valued using 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, 2021, 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	$ 4,427,452	$ 4,427,452	$ -	$ -
Federal Agency Obligations	12,898,649	12,898,649	-	-
Debt Securities	3,446,665	-	3,446,665	-
Equity Securities	130,095,548	130,095,548	-	-
Total investments by fair value level	$ 150,868,314	$ 147,421,649	$ 3,446,665	$ -
Investments measured at the net asset value (NAV)				
Fund of Funds - Domestic	33,781,605			
Total investments measured at NAV	33,781,605			
Total investments measured at fair value	$ 184,649,919			

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):					
Renaissance	$ 5,414,907	$ -	Quarterly	45 Days	None
American Strategic Value Realty Fund	6,154,677	-	Fund's Discretion	90 Days	One Year
Ironwood	13,493,577	-	Quarterly	95 Days	None
Ironwood	4,168,826	-	Semi-annual	95 Days	None
Mutual Fund:					
Equities	4,549,618	-			
Total investments measured at the NAV	$ 33,781,605				

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:

Investments by liquidation restrictions	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period	Liquidity Restrictions
Private Equity Funds:					
DTC Private Equity II-Q, LP	$ 253,299	$ -	Not Permitted	Not Applicable	None
Highbrook Property Fund III, LP	4,296,319	999,463	Not Permitted	Not Applicable	10/5/2025
Total Private Equity Fund investments	$ 4,549,618				

Net Asset Value – Component Unit.

Fund of Funds: The component unit invests in fund of funds. Each fund of funds allocated 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 prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs. At June 30, 2021, the College had investments in debt securities and short-term investments as follows:

College Investment Durations

		Investment Types (1)					
Average Duration	Fair Value	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:							
90 Days	$ 19,965,899	$ -	$ -	$ -	$ -	$ -	$ 19,965,899
2.24 Years	6,433,186	-	6,433,186	-	-	-	-
6.20 Years	12,266,679	4,418,510	-	3,460,312	4,155,182	232,675	-
Other Investments:							
90 Days	20,042,316	-	-	-	-	-	20,042,316
3.91 Years	56,698,386	17,545,236	516,728	11,477,683	23,666,556	3,492,183	-
4.20 Years	130,729,759	53,354,318	-	20,594,970	47,364,360	9,416,111	-
Total	$ 246,136,225	$ 75,318,064	$ 6,949,914	$ 35,532,965	$ 75,186,098	$ 13,140,969	$ 40,008,215

(1) These duration investments 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, 2021, the College had investments with quality rating by nationally recognized rating agencies (e.g., Standard & Poor's) as follows:

College Investments Quality Rating

Investment Type (1)	**Fair Value**	**Aa2**	**AA-/Aa3/AA-**	**Rating Unavailable**
Endowment Investments:				
Domestic Corporate Bonds and Notes	$ 4,155,182	$ 4,155,182	$ -	$ -
International Corporate Bonds and Notes	232,675	232,675	-	-
Federal Agency Obligations	3,234,463	3,234,463	-	-
International Government Obligations	6,433,186	-	6,433,186	-
Short-Term Investments	506,291	-	-	506,291
Other Investments:				
Domestic Corporate Bonds and Notes	71,030,916	47,364,360	23,666,556	-
International Corporate Bonds and Notes	12,908,294	9,416,111	3,492,183	-
Federal Agency Obligations	31,398,325	19,926,567	11,471,758	-
International Government Obligations	516,728	-	516,728	-
Short-Term Investments	5,912,847	-	-	5,912,847
Total	$ 136,328,907	$ 84,329,358	$ 45,580,411	$ 6,419,138

(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 418.415, 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 investment of $78,572,176 in alternative hedge funds, $13,215,500 in domestic stock and equities, $66,201,822 in international equities, $6,433,186 in international government obligations, as well as $17,899,552 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 investments 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 and 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, 2021, the College had loaned certain securities, with fair value of $618,835 and $70,859,352 and had received cash and noncash collateral of $635,220 and $75,117,150, respectively for the loaned securities. As of June 30, 2021, the College had net investment income of $69,711 for securities lending transactions.

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

Securities Lent	Fair Value of Underlying Securities (Cash Collateral)	Cash Collateral Investment Value	Fair Value of Underlying Securities (Non Cash Collateral)	Non Cash Collateral Investment Value
For Cash Collateral (Endowment):				
Stock and Other Equity Securities	$ 211,818	$ 217,977	$ 6,421,475	$ 6,796,735
U.S. Government Fixed	-	-	2,804,125	2,981,488
Corporate Bonds	-	-	169,008	175,044
For Cash Collateral (Other Investments):				
Corporate Bonds	407,017	417,243	2,485,392	2,577,863
U.S. Government Fixed	-	-	58,979,352	62,586,020
Total	$ 618,835	$ 635,220	$ 70,859,352	$ 75,117,150

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 the 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, 2021, 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 levy an ad valorem tax of ¾ 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, 2021, the College reported quasi-endowment investments of approximately $171 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 $5,028,304 for doubtful accounts.

7. Notes Receivable

Notes receivable represent student loans made under the Federal Perkins Loan Program of $7,177,536, a short-term loan program of $189,581, and an emergency loan program of $7,332. Notes receivable are reported net of a $672,258 allowance for doubtful notes.

8. Due From Other Governmental Agencies

The amount due from other governmental agencies primarily consists of $34,234,054 of Coronavirus Aid, Relief, and Economic Security (CARES) Act funding due from the Federal government, $25,836,014 due from Federal and State governments for reimbursement of expenditures for grants and contracts, and

$21,815,685 of Public Education Capital Outlay allocations due from the State for construction of College facilities.

9. Due From and To Component Unit/College

The $16,424,326 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 $695,355 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, 2021. The College's component unit financial statements are reported for the fiscal year ended March 31, 2021. 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, 2021, is shown in the following table:

Description	Beginning Balance	Additions	Reductions	Ending Balance
Nondepreciable Capital Assets:				
Land	$ 96,949,942	$ -	$ -	$ 96,949,942
Works of Art	477,850	23,375	-	501,225
Construction in Progress	45,065,360	61,005,652	18,704,019	87,366,993
Total Nondepreciable Capital Assets	$ 142,493,152	$ 61,029,027	$ 18,704,019	$ 184,818,160
Depreciable Capital Assets:				
Buildings	$ 997,545,985	$ 18,704,019	$ 3,809,681	$ 1,012,440,323
Other Structures and Improvements	35,983,825	-	-	35,983,825
Furniture, Machinery, and Equipment	81,017,448	2,758,922	1,226,656	82,549,714
Computer Software	54,218,288	166,197	-	54,384,485
Total Depreciable Capital Assets	1,168,765,546	21,629,138	5,036,337	1,185,358,347
Less, Accumulated Depreciation:				
Buildings	433,500,239	25,916,736	1,105,751	458,311,224
Other Structures and Improvements	32,273,440	874,507	-	33,147,947
Furniture, Machinery, and Equipment	70,026,580	3,710,817	1,198,333	72,539,064
Computer Software	23,042,772	5,437,357	-	28,480,129
Total Accumulated Depreciation	558,843,031	35,939,417	2,304,084	592,478,364
Total Depreciable Capital Assets, Net	$ 609,922,515	$ (14,310,279)	$ 2,732,253	$ 592,879,983

12. Salary and Payroll Taxes Payable

Salary and payroll taxes payable as of June 30, 2021, totaled $14,961,459. This amount includes $9,928,262 of salary and payroll taxes and $5,033,197 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, 2021, the College reported $5,244,146 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, 2021, is shown in the following table:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Deposits Held for Others	$ 33,841,280	$ 663,186,251	$ 670,613,061	$ 26,414,470	$ 26,409,470
Compensated Absences Payable	29,658,636	28,631,758	26,040,733	32,249,661	18,769,303
Other Postemployment Benefits Payable	29,887,112	2,528,128	5,979,368	26,435,872	876,241
Net Pension Liability	189,236,106	122,302,923	74,605,236	236,933,793	722,096
Total Long-Term Liabilities	$ 282,623,134	$ 816,649,060	$ 777,238,398	$ 322,033,796	$ 46,777,110

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, 2021, the College reported a total liability of $26,414,470, of which $26,409,470 is considered a current liability as this amount is expected to be used in the coming 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. 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, 2021, the estimated liability for compensated absences, which includes the College's share of the Florida Retirement System and FICA contributions, totaled $32,249,661. The current portion of the compensated absences liability, $18,769,303, 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, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	123
Inactive Employees Entitled to But Not Yet Receiving Benefits	150
Active Employees	2,290
Total	2,563

Total OPEB Liability

The College's total OPEB liability of $26,435,872 was measured as of June 30, 2020, and was determined by an actuarial valuation as of June 30, 2019.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2019, 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	3.40 percent – 7.80 percent
Senior Management	4.10 percent – 8.20 percent
Discount rate	3.50 percent – At Prior Measurement Date 2.21 percent – At Measurement Date
Healthcare cost trend rates	Pre-Medicare – 7.00 percent for 2019, decreasing to an ultimate rate of 4.60 percent by 2026 Medicare – 5.00 percent for 2019, decreasing to an ultimate rate of 4.60 percent by 2021

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

Mortality rates were based on the PUB-2010 mortality tables, with adjustments for FRS experience and generational mortality improvements using Scale MP-2018.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018, 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, 2020, valuation were based on a review of recent plan experience done concurrently with the June 30, 2019, valuation.

Changes in the Total OPEB Liability

	Amount
Balance at 6/30/20	$ 29,887,112
Changes for the year:	
Service Cost	1,300,536
Interest	1,070,056
Differences Between Expected and Actual Experience	157,536
Changes in Assumptions or Other Inputs	(4,739,420)
Benefit Payments	(1,239,948)
Net Changes	(3,451,240)
Balance at 6/30/21	$ 26,435,872

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50 percent in 2019 to 2.21 percent in 2020.

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 (1.21 percent) or 1 percentage point higher (3.21 percent) than the current rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB liability	$28,617,493	$26,435,872	$24,475,063

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:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	$22,673,163	$26,435,872	$31,207,745

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

For the fiscal year ended June 30, 2021, the College recognized OPEB expense of $2,294,013. At June 30, 2021, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,174,782	$ -
Change of assumptions or other inputs	-	6,671,395
Total	$ 5,174,782	$ 6,671,395

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30	Amount
2022	$ (76,579)
2023	(76,579)
2024	(76,579)
2025	(76,579)
2026	(76,579)
Thereafter	(1,113,718)
Total	$ (1,496,613)

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, 2021, the College's proportionate share of the net pension liabilities totaled $236,933,793. 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 112, Florida Statutes, established the HIS Program, a cost-sharing multiple-employer defined benefit pension plan to assist retired members of any State-administered retirement system in paying the costs of health insurance.

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

The College's FRS and HIS pension expense totaled $40,589,288 for the fiscal year ended June 30, 2021.

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* (SMSC) – 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 60 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:

Class, Initial Enrollment, and Retirement Age/Years of Service	% Value
Regular Class members initially enrolled before July 1, 2011	
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
Regular Class members initially enrolled on or after July 1, 2011	
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
Senior Management Service Class	2.00

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 2020-21 fiscal year were:

Class	Percent of Gross Salary Employee	Employer (1)
FRS, Regular	3.00	10.00
FRS, Senior Management Service	3.00	27.29
Deferred Retirement Option Program (applicable to members from all of the above classes)	0.00	16.98
FRS, Reemployed Retiree	(2)	(2)

(1) Employer rates include 1.66 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 $15,474,768 for the fiscal year ended June 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2021, the College reported a liability of $167,668,211 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The College's proportionate share of the net pension liability was based on the College's 2019-20 fiscal year contributions relative to the total 2019-20 fiscal year contributions of all participating members. At June 30, 2020, the College's proportionate share was 0.386853969 percent, which was an increase of 0.015205916 from its proportionate share measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the College recognized pension expense of $34,639,490. In addition, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 6,417,004	$ -
Change of assumptions	30,353,280	-
Net difference between projected and actual earnings on FRS Plan investments	9,983,127	-
Changes in proportion and differences between College FRS contributions and proportionate share of contributions	3,253,884	3,874,493
College FRS contributions subsequent to the measurement date	15,474,768	-
Total	$ 65,482,063	$ 3,874,493

The deferred outflows of resources totaling $15,474,768, 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2022	$ 8,716,328
2023	14,483,707
2024	12,641,581
2025	7,982,153
2026	2,309,033
Total	$ 46,132,802

Actuarial Assumptions. The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	3.25 percent, average, including inflation
Investment rate of return	6.80 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

The actuarial assumptions used in the July 1, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

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:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.2%	2.2%	1.2%
Fixed Income	19.0%	3.0%	2.9%	3.5%
Global Equity	54.2%	8.0%	6.7%	17.1%
Real Estate (Property)	10.3%	6.4%	5.8%	11.7%
Private Equity	11.1%	10.8%	8.1%	25.7%
Strategic Investments	4.4%	5.5%	5.3%	6.9%
Total	100.0%			
Assumed inflation - Mean			2.4%	1.7%

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

Discount Rate. The discount rate used to measure the total pension liability was 6.80 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 2020 valuation was updated from 6.90 percent to 6.80 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 6.80 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 (5.80 percent) or 1 percentage point higher (7.80 percent) than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
College's proportionate share of the net pension liability	$267,737,956	$167,668,211	$84,089,525

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. 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, 2021, eligible retirees and beneficiaries received a monthly HIS payment of $5 for each year of creditable service completed at the time of retirement with a minimum HIS payment of $30 and a maximum HIS payment of $150 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, 2021, the contribution rate was 1.66 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 $3,205,321 for the fiscal year ended June 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2021, the College reported a net pension liability of $69,265,582 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, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The College's proportionate share of the net pension liability was based on the College's 2019-20 fiscal year contributions relative to the total 2019-20 fiscal year contributions of all participating members. At June 30, 2020, the College's proportionate share was 0.567293255 percent, which was an increase of 0.019919096 from its proportionate share measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the College recognized pension expense of $5,949,798. In addition, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,833,380	$ 53,435
Change of assumptions	7,448,023	4,027,523
Net difference between projected and actual earnings on HIS Plan investments	55,302	-
Changes in proportion and differences between College HIS contributions and proportionate share of HIS contributions	2,665,432	2,187,281
College contributions subsequent to the measurement date	3,205,321	-
Total	$ 16,207,458	$ 6,268,239

The deferred outflows of resources totaling $3,205,321, 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2022	$ 1,836,346
2023	1,187,006
2024	185,373
2025	770,995
2026	1,416,639
Thereafter	1,337,539
Total	$ 6,733,898

Actuarial Assumptions. The total pension liability at July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	3.25 percent, average, including inflation
Municipal bond rate	2.21 percent

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018. This is a change from the prior year mortality assumption which was based on the Generational RP-2000 with Projection Scale BB tables.

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 2.21 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 used in the 2020 valuation was updated from 3.50 percent to 2.21 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 2.21 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 (1.21 percent) or 1 percentage point higher (3.21 percent) than the current rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
College's proportionate share of the net pension liability	$80,067,922	$69,265,582	$60,423,899

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 2020-21 fiscal year were as follows:

Class	Percent of Gross Compensation
FRS, Regular	6.30
FRS, Senior Management Service	7.67

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, 2021, 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 $5,460,692 for the fiscal year ended June 30, 2021.

17. Construction Commitments

The College's major construction commitments at June 30, 2021, were as follows:

Project Description	Total Commitment	Completed to Date	Balance Committed
Wolfson Campus:			
Dyer Courthouse Building	$ 60,000,000	$ 12,474,420	$ 47,525,580
Homestead Campus:			
Student Success Center	36,112,262	1,837,434	34,274,828
North Campus:			
School of Justice Tactical Training Facility	37,559,708	5,966,013	31,593,695
West Campus:			
Building 2 Renovation/Remodeling Phase III	24,373,988	5,560,633	18,813,355
Total	$ 158,045,958	$ 25,838,500	$ 132,207,458

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 $110 million from July 1, 2020, to February 28, 2021, and up to $100 million from March 1, 2021, to June 30, 2021, 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.

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:

Functional Classification	**Amount**
Instruction	$ 157,993,145
Public Services	5,754,815
Academic Support	50,995,145
Student Services	78,646,530
Institutional Support	48,574,865
Operation and Maintenance of Plant	74,877,164
Scholarships and Waivers	156,914,999
Depreciation	35,939,417
Auxiliary Enterprises	43,934,098
Total Operating Expenses	$ 653,630,178

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

	2020	2019	2018	2017
Total OPEB Liability				
Service cost	$ 1,300,536	$ 1,242,190	$ 1,270,808	$ 1,357,417
Interest	1,070,056	919,607	828,098	703,303
Difference between expected and actual experience	157,536	5,997,713	208,072	171,021
Changes of assumptions or other inputs	(4,739,420)	(1,477,948)	(652,307)	(1,186,587)
Benefit Payments	(1,239,948)	(1,103,312)	(1,203,480)	(1,097,907)
Net change in total OPEB liability	(3,451,240)	5,578,250	451,191	(52,753)
Total OPEB Liability - beginning	29,887,112	24,308,862	23,857,671	23,910,424
Total OPEB Liability - ending	$ 26,435,872	$ 29,887,112	$ 24,308,862	$ 23,857,671
Covered-Employee Payroll	$ 143,813,096	$ 143,813,096	$ 137,099,284	$ 137,099,284
Total OPEB Liability as a percentage of covered-employee payroll	18.38%	20.78%	17.73%	17.40%

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

	2020 (1)	**2019** (1)	**2018** (1)	**2017** (1)
College's proportion of the FRS net pension liability	0.386853969%	0.371648053%	0.372885114%	0.396241426%
College's proportionate share of the FRS net pension liability	$ 167,668,211	$ 127,990,415	$ 112,314,929	$ 117,205,555
College's covered payroll (2)	$ 197,453,011	$ 183,771,078	$ 177,331,748	$ 182,278,330
College's proportionate share of the FRS net pension liability as a percentage of its covered payroll	84.92%	69.65%	63.34%	64.30%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	78.85%	82.61%	84.26%	83.89%

(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

	2021 (1)	**2020** (1)	**2019** (1)	**2018** (1)
Contractually required FRS contribution	$ 15,474,768	$ 12,853,443	$ 11,523,771	$ 10,626,926
FRS contributions in relation to the contractually required contribution	(15,474,768)	(12,853,443)	(11,523,771)	(10,626,926)
FRS contribution deficiency (excess)	$ -	$ -	$ -	$ -
College's covered payroll (2)	$ 193,930,774	$ 197,453,011	$ 183,771,078	$ 177,331,748
FRS contributions as a percentage of covered payroll	7.98%	6.51%	6.27%	5.99%

(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.

2016 (1)	**2015** (1)	**2014** (1)	**2013** (1)
0.404501013%	0.437300896%	0.432379370%	0.400564282%
$ 102,136,823	$ 56,483,276	$ 26,381,500	$ 68,954,941
$ 179,535,484	$ 175,597,041	$ 166,967,034	$ 158,914,601
56.89%	32.17%	15.80%	43.39%
84.88%	92.00%	96.09%	88.54%

2017 (1)	**2016** (1)	**2015** (1)	**2014** (1)
$ 10,315,140	$ 9,864,402	$ 10,661,767	$ 9,470,943
(10,315,140)	(9,864,402)	(10,661,767)	(9,470,943)
$ -	$ -	$ -	$ -
$ 182,278,330	$ 179,535,484	$ 175,597,041	$ 166,967,034
5.66%	5.49%	6.07%	5.67%

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

	2020 (1)	**2019** (1)	**2018** (1)	**2017** (1)
College's proportion of the HIS net pension liability	0.567293255%	0.547374159%	0.541037303%	0.569362581%
College's proportionate share of the HIS net pension liability	$ 69,265,582	$ 61,245,691	$ 57,263,995	$ 60,878,874
College's covered payroll (2)	$ 197,453,011	$ 183,771,078	$ 177,331,748	$ 182,278,330
College's proportionate share of the HIS net pension liability as a percentage of its covered payroll	35.08%	33.33%	32.29%	33.40%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	3.00%	2.63%	2.15%	1.64%

(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

	2021 (1)	**2020** (1)	**2019** (1)	**2018** (1)
Contractually required HIS contribution	$ 3,205,321	$ 3,269,045	$ 3,039,516	$ 2,934,059
HIS contributions in relation to the contractually required HIS contribution	(3,205,321)	(3,269,045)	(3,039,516)	(2,934,059)
HIS contribution deficiency (excess)	$ -	$ -	$ -	$ -
College's covered payroll (2)	$ 193,930,774	$ 197,453,011	$ 183,771,078	$ 177,331,748
HIS contributions as a percentage of covered payroll	1.65%	1.66%	1.65%	1.65%

(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.

	2016 (1)	2015 (1)	2014 (1)	2013 (1)
	0.581095007%	0.578531220%	0.561934377%	0.547020762%
	$ 67,724,216	$ 59,001,084	$ 52,542,236	$ 47,625,350
	$ 179,535,484	$ 175,597,041	$ 166,967,034	$ 158,914,601
	37.72%	33.60%	31.47%	29.97%
	0.97%	0.50%	0.99%	1.78%

	2017 (1)	2016 (1)	2015 (1)	2014 (1)
	$ 3,013,231	$ 2,978,482	$ 2,211,506	$ 1,924,998
	(3,013,231)	(2,978,482)	(2,211,506)	(1,924,998)
	$ -	$ -	$ -	$ -
	$ 182,278,330	$ 179,535,484	$ 175,597,041	$ 166,967,034
	1.65%	1.66%	1.26%	1.15%

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

No assets are accumulated in a trust that meet 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 total OPEB liability decreased from 3.50 percent at the prior measurement date to 2.21 percent at the current measurement date.

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

Changes of Assumptions. The long-term expected rate of return was decreased from 6.90 percent to 6.80 percent.

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

Changes of Assumptions. The municipal rate used to determine total pension liability decreased from 3.50 percent to 2.21 percent, and the active member mortality assumption was updated.

Sherrill F. Norman, CPA
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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, 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, 2021, 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 24, 2022, 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.

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 may exist that have not been identified.

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

Sherrill F. Norman, CPA
Tallahassee, Florida
March 24, 2022