

MIAMI DADE COLLEGE

Annual Financial Report



2004-2005

**District Board of Trustees
& District President**

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September 26, 2005

District Board of Trustees

Dr. Eduardo J. Padrón, District President:

Enclosed herein is the Miami Dade College Annual Financial Report for the fiscal year ended June 30, 2005. This report was prepared under generally accepted accounting principles and in our opinion, presents fairly, in all material respects, the financial position of the College and its underlying operations and financial activity for the fiscal year.

This report is a compilation of all College financial activity recorded in the various funds required by State and Federal guidelines.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'E. H. Levering', written over a light blue circular stamp.

E. H. Levering

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Miami Dade College is a multi-campus, state-supported institution of higher learning with six primary campuses and numerous outreach centers and is nationally recognized as the largest college or university in the country. It is governed by a seven-member District Board of Trustees and a College President. The College's curriculum and degree programs include Associate in Arts and Associate in Science degrees, Vocational Credit Certificates, and Continuing Workforce Education Courses, in addition to a newly established four-year degree program in Education. The College served the enrollment of approximately 56,389 full-time equivalent (FTE) students and over 164,000 unique enrollees across all programs during the fiscal year.

While State funding remains well below our needs, the financial position of the College provides for the stability to ensure continued institutional success and academic growth. With our strategic goals clearly addressed, we are focused on responding to the changing economic and workforce environment confronting the College and our students. Continued efforts to minimize the potential impact of budget cuts while improving the overall long-term effectiveness of the institution have been successful.

During the year, we achieved several key objectives that exemplify our focus on the delivery of affordable, high quality education to our students and service to the community:

- Solidified our financial position in a challenging economic environment. The current funds-unrestricted fund balance was \$26.8 million or 9.3 percent of the \$286.9 million total funds available during the year
- Increased total net assets of the College by \$67.1 million, or 11.9 percent
- Increased salaries of all full-time employees by 5.0 percent for 2004-05
- Increased revenues from auxiliary enterprises, primarily bookstore and food services operations, by 5.7 percent
- Increased Federal, State, and local grants and contracts funding by \$0.6 million, or 2.8 percent versus prior year
- Increased investment income, overall for the College, by over \$7.8 million versus prior year
- Increased capital appropriation from the State (Public Education Capital Outlay funding) by \$20.2 million versus prior year
- Honored our first graduating baccalaureate degree class in education, and enrolled our second baccalaureate class overall
- Served as primary sponsor of the Miami International Film Festival for the second year, and expanded the successful Miami Book Fair International
- Hosted a variety of unique and extraordinary artistic performances and speakers for our community
- Announced plans to formally expand from six to eight campuses with the conversion of Hialeah to campus status and the opening of the newly acquired West Campus in the Doral area.
- Continued to engage in a highly successful campaign to market the College's programs by showcasing key College graduates and employees
- Continued to aggressively develop a comprehensive approach to student recruitment and retention through our Enrollment Management program

Income Statement Analysis - Current Funds Unrestricted (Fund 1)

Revenue from State funding increased by \$11.6 million versus 2003-2004; primarily due to a \$10.8 million increase in funding from the Community College Program Fund coupled with a slight increase in Lottery funds appropriated by the Legislature versus the prior year.

Due to a declining enrollment experience partially offset by a slight increase in the student fee rate approved by the District Board of Trustees, student tuition and fees decreased \$1.2 million versus the prior year.

Short-term interest rates improved during the fiscal year, resulting in a \$2.0 million increase in Interest Income.

Overall, Revenue exceeded prior year amount by \$3.1 million.

Payroll and Benefits expenses increased by \$3.7 million versus prior year due to the effect of a 5.0 percent base salary increase partially offset by a reduction in accrued compensated absences reported by the College at June 30, 2005. Overall, the year to date amount remained below budget due to full-time residuals and the affects of the reduction in accrued compensated absences.

Total Overhead and Non-payroll expenses were \$5.0 million below prior year and \$8.3 million below budget, principally due to self-imposed spending constraints. Significant increases versus prior year were incurred in advertising and other contracted services, professional services and legal fees and capital equipment as a result of budgeted initiatives and the expansion of educational services. All other expenditure categories were at or below prior year and projected amounts, reflecting the deferral of planned costs and the continuation of cost containment measures College-wide.

**MIAMI DADE COLLEGE—CURRENT FUNDS UNRESTRICTED
UNRESTRICTED FUND OPERATIONS FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

	YTD <u>ACTUAL</u>	YTD <u>BUDGET</u>	YTD <u>PRIOR YEAR</u>	YTD ACTUAL OVER/(UNDER) <u>YTD BUDGET</u>	PRIOR <u>YEAR</u>
REVENUES					
STATE & LOCAL GOVERNMENT					
General Revenue - CCPF	\$ 134,287,413	\$ 134,287,413	\$ 123,462,046	\$ -	\$ 10,825,367
General Revenue - Lottery	15,782,082	15,782,082	15,068,366	-	713,716
General Revenue - FBB	985,809	985,809	979,326	-	6,483
SUB-TOTAL - GENERAL REVENUE	<u>151,055,304</u>	<u>151,055,304</u>	<u>139,509,738</u>	-	<u>11,545,566</u>
NWSA-Support GR, DCPS & Regents	2,243,001	2,237,744	2,229,573	5,257	13,428
Other State Government	90,304	70,000	73,644	20,304	16,660
TOTAL STATE & LOCAL GOVERNMENT	<u>153,388,609</u>	<u>153,363,048</u>	<u>141,812,955</u>	<u>25,561</u>	<u>11,575,654</u>
Student Fees	94,282,338	101,336,250	95,501,776	(7,053,912)	(1,219,438)
Transfers In/Community Endowment	-	-	9,500,000	-	(9,500,000)
Interest Income	2,809,005	2,000,000	778,125	809,005	2,030,880
Transfers In/Auxiliary Services	475,031	3,000,000	716,243	(2,524,969)	(241,212)
Indirect Cost From Federal Grants	1,215,445	800,000	1,112,496	415,445	102,949
Other Revenue	2,155,693	1,242,714	1,827,497	912,979	328,196
	<u>100,937,512</u>	<u>108,378,964</u>	<u>109,436,137</u>	<u>(7,441,452)</u>	<u>(8,498,625)</u>
TOTAL REVENUES	<u>\$ 254,326,121</u>	<u>\$ 261,742,012</u>	<u>\$ 251,249,092</u>	<u>\$ (7,415,891)</u>	<u>\$ 3,077,029</u>
EXPENDITURES					
PAYROLL & BENEFITS					
Full-Time	\$ 119,065,054	\$ 123,216,074	\$ 114,407,126	\$ (4,151,020)	\$ 4,657,928
Part-Time	43,877,358	45,226,587	43,560,147	(1,349,229)	317,211
Pension	9,453,496	9,774,190	8,913,071	(320,694)	540,425
Health & Dental	11,961,040	11,997,722	9,925,486	(36,682)	2,035,554
Payroll Tax & Other Benefits	7,982,942	11,660,052	11,836,962	(3,677,110)	(3,854,020)
TOTAL PAYROLL & BENEFITS	<u>192,339,890</u>	<u>201,874,625</u>	<u>188,642,792</u>	<u>(9,534,735)</u>	<u>3,697,098</u>
OVERHEAD EXPENSE					
Travel	1,141,252	995,458	959,431	145,794	181,821
Freight & Postage	1,115,750	1,144,455	1,129,588	(28,705)	(13,838)
Telecommunications	895,443	1,896,975	947,420	(1,001,532)	(51,977)
Printing	1,605,852	1,121,356	1,749,880	484,496	(144,028)
Repairs, Maintenance & Supplies	9,759,249	10,954,611	11,700,127	(1,195,362)	(1,940,878)
Rentals & Leases	2,199,440	1,525,246	1,557,326	674,194	642,114
Insurance	4,938,016	3,949,077	5,848,174	988,939	(910,158)
Utilities	8,076,351	7,910,109	7,743,289	166,242	333,062
Advertising & Other Contracted Services	6,298,887	8,413,706	4,702,984	(2,114,819)	1,595,903
Professional Services & Legal Fees	2,897,812	2,108,311	2,132,412	789,501	765,400
Materials & Supplies - Educational/Office	6,318,465	14,039,475	6,455,554	(7,721,010)	(137,089)
Transfers-Out	4,597,131	558,500	10,071,904	4,038,631	(5,474,773)
Other Expense	759,234	2,434,838	3,305,802	(1,675,604)	(2,546,568)
Capital Equipment	7,398,407	9,306,595	4,741,037	(1,908,188)	2,657,370
TOTAL OVERHEAD EXPENSE	<u>58,001,289</u>	<u>66,358,712</u>	<u>63,044,928</u>	<u>(8,357,423)</u>	<u>(5,043,639)</u>
TOTAL EXPENDITURES	<u>\$ 250,341,179</u>	<u>\$ 268,233,337</u>	<u>\$ 251,687,720</u>	<u>\$ (17,892,158)</u>	<u>\$ (1,346,541)</u>
Ending Fund Balance (Unallocated)	<u>\$ 26,754,180</u>		<u>\$ 26,680,931</u>		
Percentage of Total Funds Available	9.33%		9.40%		

CONSOLIDATED INCOME STATEMENT COMPARISON—REVENUE

UNRESTRICTED FUNDS

Current Funds -Unrestricted:

- Total Revenue from State and Local Government increased during the year. General Revenue funding from the Community College Program Fund increased by \$10.8 million versus prior year, while Lottery Funds increased by \$0.7 million.
- Student fees decreased by \$1.2 million. The decrease resulted from a decrease in full-time equivalent student enrollment offset by a slight increase in the student fee rate approved by the District Board of Trustees.
- Interest income increased by \$2.0 million versus prior year.
- Transfers In decreased \$9.7 million. This decrease was primarily due to the use of funds from the Wolfson Sr. Foundation for the Facilities Enhancement Matching Program.

RESTRICTED FUNDS

Current Funds-Restricted:

- Revenue from restricted contracts and grants with Federal, State and private sources increased by approximately \$2.6 million
- The Scholarship Fund Revenue decreased \$9.0 million, due primarily to a \$9.2 million decrease in Federal Pell Grant revenue reported by the College.

NONCURRENT FUNDS

Loan & Endowment Funds:

- Loan and Endowment revenue decreased by \$8.8 million primarily as a result of a declining market and the reporting of endowment investments at fair value at fiscal year ending, June 30, 2005.

Plant Funds:

- Fluctuations in revenue of the Plant Funds are fully attributable to the activity levels of State appropriations, grants and capital improvement and technology fees. Unexpended Plant Fund Revenue increased by \$14.6 million as a result of an increase in Public Education Capital Outlay funding versus prior year.

CONSOLIDATED INCOME STATEMENT COMPARISON—EXPENSES

UNRESTRICTED FUNDS

Current Funds - Unrestricted:

- Total Payroll and Benefits expenses of the Current Fund-Unrestricted increased during the 2004-2005 fiscal year by approximately \$3.7 million, partially due to a budgeted 5% salary rate increase.
- Payroll and Benefits expenses related to Institutional Support & Public Services decreased by \$2.2 million during the fiscal year principally due to a decrease in the accrued compensated absences liability recorded as of June 30, 2005. This reduction of the accumulated leave liability of the College is operationally reflected as a decrease in expenses.
- Payroll and Benefits expenses related to Physical Plant Operations & Maintenance increased by \$0.9 million during the fiscal year as a result of a continuing effort to address previously deferred initiatives related to the maintenance and improvement of College facilities.

- Payroll and Benefits expenses of the Auxiliary Operations of the College were materially unchanged versus prior year.
- Total expenditures for Overhead and Non-payroll expenditures of the Unrestricted Funds, which includes auxiliary operations, decreased by \$8.9 million during the fiscal year due to spending constraints imposed in light of mildly declining enrollment growth and the expectation of lesser increases of State support. Overhead and Non-payroll expenditures of the Auxiliary Fund decreased by \$3.8 million.
- Contracted and Professional Services, and Capital Equipment expenditures increased as a result of budgeted initiatives and the expansion of educational services during the fiscal year. All other expenditure categories remained materially at or below prior year and budgeted amounts.

RESTRICTED FUNDS

Current Funds - Restricted:

- Fluctuations in expenditures of the Current Fund - Restricted are fully attributable to the activity levels of restricted grants. The activity and funding of these programs and services are dictated by the sources of those revenues. Expenditures in the Current Fund – Restricted increased by \$1.4 million during the year.
- Restricted Scholarship Funds expenditures decreased by \$8.1 million during the fiscal year. This was primarily due to a decrease in enrolled students that were eligible for student financial assistance from Federal, State, and other third party sources.

NONCURRENT FUNDS

Loan and Endowment Funds:

- The expenditures of the Loan and Endowment Fund decreased by \$0.6 million, primarily due to a reduction in operating costs associated with the issuance of student loans; these costs historically fluctuate with enrollment levels.

Plant Funds:

- Fluctuations in expenditures of the Plant Funds are fully attributable to the activity levels of State appropriations, grants, and capital improvement and technology fees. The activity and funding of these programs and services are dictated by the sources of those revenues. In addition, expenditure totals of the Investment in Plant Fund are primarily attributable to the capitalization of College assets, and are governed by generally accepted accounting principles. Expenditures in the Unexpended Plant Fund and the Investment in Plant Fund decreased by \$3.9 million and \$41.3 million, respectively.

CONSOLIDATED BALANCE SHEET COMPARISON– ANALYSIS OF NET ASSETS

UNRESTRICTED FUNDS

Current Funds – Unrestricted:

- Unrestricted Funds net assets (fund balance) increased by \$7.0 million as a result of rebounding levels of State support and a slight reduction in operational expenditures in the Current and Auxiliary Funds.

RESTRICTED FUNDS

Current Funds – Restricted:

- Compared to a \$0.2 million decrease in prior year, the Restricted Funds ended the year with a \$0.1 million increase in net assets (fund balance). The increase resulted from an increase in restricted grant pro-

FINANCIAL HIGHLIGHTS

grams provided by the State and timing differences between the College's fiscal year and the grants period end dates. This increase was offset by a decrease in Scholarship Funds (i.e. Federal Pell Grant revenue) reported by the College during the fiscal year.

NONCURRENT FUNDS

Loan and Endowment Funds:

- Loan Funds net assets (fund balance) remained materially unchanged versus the prior year.
- Endowment Funds net assets (fund balance) increased by \$0.1 million. Realized gains and Endowment Income totaled \$9.9 million during the fiscal year, while the reporting of endowment investments at their fair value, resulted in an unrealized loss of approximately \$0.3 million. Increases to net assets in the Endowment Fund were additionally offset by a budgeted transfer to the Unexpended Plant Funds of \$9.5 million during the fiscal year.

Plant Funds:

- The combined net assets (fund balance) of the Unexpended Plant Funds, Debt Service Funds and Investment in Plant Funds increased by \$59.9 million primarily as a result of additional State (PECO) funding provided to the College in support of capital projects and an increase in capitalized assets.

INVESTMENT COMPARISON

The College pursues aggressive cash management and investment programs within the constraints imposed by Florida Statutes, State Board of Education Rules and College policy and procedure. The College maintains primary depository and checking accounts with SunTrust Bank, Miami, N.A. This allows the College to concentrate funds for investment purposes. Idle cash balances are invested on a daily basis at the best possible interest rates available. The College invests idle funds in the State Board of Administration's (SBA) Pooled Investment Account, and the State Treasury's Special Purpose Investment Account (SPIA), and other investments in accordance with the College's Investment Guidelines adopted March 2002. For the purpose of maximizing the interest-earning yield on short-term investments, cash balances of all funds are pooled, except where it is necessary to maintain a separate cash and investment accounts.

Investments with SBA and SPIA (Short-term Investments-cash equivalent):

- Short-term investments were \$73,857,920 at June 30, 2005 compared to \$82,466,055 at June 30, 2004. The decrease was primarily due to the purchase of Other Investments using funds previously invested with the Florida State Treasury. The market value of the Other Investments totaled \$92,831,761 at fiscal year end.

Endowment:

- In September 1992, the electorate of Miami-Dade County authorized the county to exceed the constitutional millage limitation by levying an ad valorem tax of $\frac{3}{4}$ of a mill, for a period of two years commencing October 1, 1992, for the maintenance, improvement, and expansion of occupational, vocational and educational programs at Miami-Dade Community College. Over the two years, the College received approximately \$94,000,000. This fund is called the Community Endowment Fund. The College is required to apply the funds, for a twenty-year period, in accordance with actions taken by the Board on December 16, 1992, or such subsequent actions concerning the application of the funds the Board may enact, provided that such actions are in accordance with the ballot question approved by the electorate. In 1993, the College adopted a formal investment policy for the investment of the Community Endowment Fund.

- From January 1, 1993 through June 30, 2005, the College has transferred \$99,972,358 from the Community Endowment Fund to the College's operating fund. At June 30, the fair value of the Community Endowment was \$109,318,136.

Investments with the State Board of Education (SBE):

- Investments with SBE are administered by the State Board of Education and are reserved to satisfy outstanding debt obligations issued on behalf of the College. The College's entitlement from License Tag Fees is used to fund these investments.

LONG-TERM DEBT COMPARISON

Bonds Payable:

- At year-end, the College had approximately \$9.3 million in bonds payable outstanding versus \$10.2 the previous year. On behalf of the College, the State Board of Education issued the State Board of Education Capital Outlay Bonds. Bonds repayment of \$0.9 million was made during the year. **More detailed information about the College's long-term debt is presented in Note 8 of the financial statement.**

Compensated Absences Payable:

- College employees may accrue annual and sick leave based on length of service but subject to certain limitations regarding the amount that will be paid upon termination. The estimated liability for compensated absences, which includes the College's share of the Florida Retirement System and FICA contributions, totaled \$28.3 million as of June 30, 2005, a decrease of approximately \$1.1 million versus the previous year.

CONSOLIDATED STATEMENT OF CASH FLOWS COMPARISON

For the purpose of cash flows, cash equivalents consist of cash on hand and cash in demand deposits, and cash invested with the State Board of Administration and the Florida State Treasury. During the fiscal year ended, cash and cash equivalents decreased by \$7.1 million. A description of the major cash inflows and outflows resulting in this reduction in cash and cash equivalents follows:

- Net cash used for operating activities decreased by \$37.1 million, or 13.3 percent. Outflows mainly responsible for the amounts reported as net cash used are related to payments made to suppliers for goods and services, payments made to employees, and loans issued to students during the fiscal year. The reduction of cash outflows is mainly attributed to the continued success of College-wide cost containment initiatives.
- Net cash provided by noncapital financing activities decreased by \$1.3 million, or 0.5 percent. The decrease primarily resulted from a decrease in Federal Pell Grants of \$8.1 million and was offset by an increase in State appropriations of \$7.6 million.
- Net cash provided by capital and related financing activities decreased by \$28.6 million. The net change in cash provided was primarily attributable to an increase in capital asset purchases of \$38.4 million versus prior year, and was partially offset by an increase in capital appropriations and grants received by the College.
- Net cash used for investing activities decreased by \$50.4 million, or 84.8 percent, principally as a result of the reduction in investment purchases made versus the prior year. Investments are reported in the financial statements at their fair value. **More detail information about the College's investments is presented in Note 2 of the financial statements.**

STATEMENT OF FUTURE CONDITION

The economic position of Miami Dade College is closely tied to that of the State of Florida. The current projection for the 2005-06 fiscal year is an \$8.9 million, or 5.8 percent, increase in State funding. In addition, the College expects a decrease in student tuition and fee revenue due primarily to a declining enrollment experience that will be partially offset by a 5.0 percent fee rate increase. The combination of mildly declining enrollment and the expectations of lesser increases of State funding in future years are expected to pose financial challenges to the College going forward.

The development of new revenue sources and aggressive cost containment initiatives have served the College well in its commitment to the growth of educational programs, improved student access, and continued overall excellence in service to its students and the community. Our accomplishments prove time and again that inspiration and effort transcend dollar limitations. The conservative economic stance taken by the College will enable it to maintain financial stability despite the uncertain economic factors that may affect the public sector of higher education in the future.

**MIAMI DADE COLLEGE—CONSOLIDATED INCOME STATEMENT COMPARISON—REVENUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2005 & 2004**

	2004-2005	2003-2004	2004-2005 Over/(Under) 2003-2004
	<u>Actual</u>	<u>Actual</u>	
REVENUES			
UNRESTRICTED FUNDS			
General Revenue - CCPF	\$ 135,273,222	\$ 124,441,372	\$ 10,831,850
Lottery - CCPF	15,782,082	15,068,366	713,716
NWSA-Support GR, DCPS & Regents	2,243,001	2,229,573	13,428
Other State Government	90,304	73,644	16,660
Student Fees	94,282,338	95,501,776	(1,219,438)
Private Cash Contributions	-	-	-
Interest Income	2,809,005	778,125	2,030,880
Transfers In	475,031	10,216,243	(9,741,212)
Indirect Cost From Federal Grants	1,215,445	1,112,496	102,949
Other Sales and Services	2,155,693	1,827,497	328,196
Auxiliary Operations	<u>5,889,834</u>	<u>5,571,155</u>	<u>318,679</u>
TOTAL REVENUES - UNRESTRICTED FUNDS	260,215,955	256,820,247	3,395,708
RESTRICTED FUNDS			
Current Fund - Restricted Revenue	32,670,167	30,050,410	2,619,757
Loan and Endowment Fund Revenue	11,142,315	19,943,400	(8,801,085)
Scholarship Fund Revenue	97,823,805	106,903,985	(9,080,180)
Unexpended Plant Fund Revenue	75,498,462	60,859,718	14,638,744
Debt Service Fund Revenue	1,347,578	1,346,787	791
Investment in Plant Revenue	<u>(68,649)</u>	<u>(21,929)</u>	<u>(46,720)</u>
TOTAL REVENUES - RESTRICTED FUNDS	218,413,678	219,082,371	(668,693)
TOTAL REVENUES	<u>\$ 478,629,633</u>	<u>\$ 475,902,618</u>	<u>\$ 2,727,015</u>

**MIAMI DADE COLLEGE—CONSOLIDATED INCOME STATEMENT COMPARISON—EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2005 & 2004**

	2004-2005 <u>Actual</u>	2003-2004 <u>Actual</u>	2004-2005 Over/(Under) <u>2003-2004</u>
EXPENDITURES			
UNRESTRICTED FUNDS			
PAYROLL & BENEFITS EXPENSE			
Direct Services to Students			
Classroom Instruction	\$ 109,902,772	\$ 107,733,813	\$ 2,168,959
Academic Support	21,194,354	20,043,625	1,150,729
Student Services	16,163,731	14,603,272	1,560,459
Student Aid	<u>534,922</u>	<u>403,983</u>	<u>130,939</u>
TOTAL DIRECT SERVICES TO STUDENTS	<u>147,795,779</u>	<u>142,784,692</u>	<u>5,011,087</u>
Institutional Support & Public Services	27,815,451	30,026,149	(2,210,698)
Physical Plant Operations & Maintenance	16,728,659	15,831,952	896,707
Auxiliary Operations	<u>1,540,583</u>	<u>1,483,005</u>	<u>57,578</u>
TOTAL PAYROLL & BENEFITS EXPENSE	<u>193,880,472</u>	<u>190,125,798</u>	<u>3,754,674</u>
OVERHEAD & NON-PAYROLL EXPENDITURES			
Utilities	8,076,351	7,743,289	333,062
Contracted and Professional Services	9,196,699	6,835,396	2,361,303
Materials & Supplies	6,318,465	6,455,554	(137,089)
Repairs & Maintenance	9,759,249	11,700,127	(1,940,878)
Rentals	2,199,440	1,557,326	642,114
Insurance	4,938,016	5,848,174	(910,158)
Telecommunications	895,443	947,420	(51,977)
Transfers-Out	4,597,131	10,071,904	(5,474,773)
Capital Equipment	7,398,407	4,741,037	2,657,370
Other Expense	4,622,088	7,144,700	(2,522,612)
Auxiliary Operations	<u>1,363,055</u>	<u>5,181,213</u>	<u>(3,818,158)</u>
TOTAL OVERHEAD & NON-PAYROLL EXPENDITURES	<u>59,364,344</u>	<u>68,226,140</u>	<u>(8,861,796)</u>
TOTAL EXPENDITURES - UNRESTRICTED FUNDS	253,244,816	258,351,938	(5,107,122)
RESTRICTED FUNDS			
Current Fund - Restricted	31,654,912	30,253,750	1,401,162
Loan and Endowment	11,075,543	11,682,148	(606,605)
Scholarship Fund	98,720,851	106,863,510	(8,142,659)
Unexpended Plant Fund	43,135,320	47,095,734	(3,960,414)
Debt Service Fund	1,370,180	1,368,352	1,828
Investment in Plant Fund	<u>(27,634,727)</u>	<u>13,665,650</u>	<u>(41,300,377)</u>
TOTAL EXPENDITURES - RESTRICTED FUNDS	158,322,079	210,929,144	(52,607,065)
TOTAL EXPENDITURES	<u>\$ 411,566,895</u>	<u>\$ 469,281,082</u>	<u>\$ (57,714,187)</u>

**MIAMI DADE COLLEGE—CONSOLIDATED BALANCE SHEET COMPARISON—ANALYSIS OF ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005 & 2004**

	<u>2004-2005</u>	<u>2003-2004</u>	2004-2005 Over/(Under) <u>2003-2004</u>
FUND BALANCE			
UNRESTRICTED FUNDS			
Current Fund - Unrestricted	\$ 18,430,184.12	\$ 14,445,241.94	\$ 3,984,942.18
Auxiliary Funds	14,179,891.12	11,193,695.47	2,986,195.65
TOTAL UNRESTRICTED FUNDS	<u>32,610,075.24</u>	<u>25,638,937.41</u>	<u>6,971,137.83</u>
RESTRICTED FUNDS			
Current Fund - Restricted	13,776,190.97	12,760,935.96	1,015,255.01
Scholarship Funds	2,562,389.14	3,459,435.60	(897,046.46)
TOTAL RESTRICTED FUNDS	<u>16,338,580.11</u>	<u>16,220,371.56</u>	<u>118,208.55</u>
NONCURRENT FUNDS			
Loan Funds	12,051,070.52	12,111,188.84	(60,118.32)
Endowment Funds	109,443,560.04	109,316,670.02	126,890.02
Unexpended Plant Funds	134,953,953.40	102,590,811.38	32,363,142.02
Debt Service Fund	208,946.74	231,548.95	(22,602.21)
Investment in Plant	324,994,612.36	297,428,534.31	27,566,078.05
TOTAL NONCURRENT FUNDS	<u>581,652,143.06</u>	<u>521,678,753.50</u>	<u>59,973,389.56</u>
TOTAL FUND BALANCE	<u>\$ 630,600,798.41</u>	<u>\$ 563,538,062.47</u>	<u>\$ 67,062,735.94</u>

**MIAMI DADE COLLEGE—CONSOLIDATED STATEMENT OF CASH FLOWS COMPARISON
FOR THE FISCAL YEAR ENDED JUNE 30, 2005 & 2004**

	<u>2004-2005</u>	<u>2003-2004</u>	2004-2005 Over/(Under) <u>2003-2004</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Tuition and fees	\$ 58,196,633.16	\$ 62,152,683.46	\$ (3,956,050.30)
Grants and contracts	27,675,728.98	19,607,456.59	8,068,272.39
Payments to suppliers for goods and services	(151,796,734.33)	(195,572,430.14)	43,775,695.81
Payments to employees	(181,880,518.10)	(173,644,352.41)	(8,236,165.69)
Loans issued to students and employees	(14,047,268.00)	(13,584,616.00)	(462,652.00)
Collection of loans to students and employees	13,943,788.34	13,416,024.10	527,764.24
Auxiliary services	2,985,287.51	2,987,535.72	(2,248.21)
Sales and service of educational	292,796.72	505,047.17	(212,250.45)
Other receipts (payments)	2,605,441.32	5,015,394.22	(2,409,952.90)
Net cash provided (used) by operating Activities	<u>(242,024,844.40)</u>	<u>(279,117,257.29)</u>	<u>37,092,412.89</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State appropriations	151,055,304.00	143,472,410.00	7,582,894.00
Gifts and grants received for other than capital or endow ment purposes	95,752,344.12	104,343,390.81	(8,591,046.69)
Private gifts for endow ment purposes	2,136,946.17	2,438,907.69	(301,961.52)
Net cash provided (used) by noncapital financing activities	<u>248,944,594.29</u>	<u>250,254,708.50</u>	<u>(1,310,114.21)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital appropriations	37,919,600.13	25,840,951.96	12,078,648.17
Capital grants and gifts received	4,186,644.52	6,372,718.57	(2,186,074.05)
Proceeds from sale of capital assets	23,148.17	53,598.23	(30,450.06)
Purchases of capital assets	(45,770,819.06)	(7,308,913.31)	(38,461,905.75)
Principal paid on capital debt and lease	(875,000.00)	(830,000.00)	(45,000.00)
Interest paid on capital debt and lease	(494,101.25)	(537,088.75)	42,987.50
Net cash provided (used) by capital and related financing activities	<u>(5,010,527.49)</u>	<u>23,591,266.70</u>	<u>(28,601,794.19)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	(347,753.99)	2,875,073.24	(3,222,827.23)
Interest on investments	13,427,595.17	8,244,171.75	5,183,423.42
Purchase of investments	(22,088,788.43)	(70,490,204.81)	48,401,416.38
Net cash provided (used) by investing activities	<u>(9,008,947.25)</u>	<u>(59,370,959.82)</u>	<u>50,362,012.57</u>
Net increases in cash	(7,099,724.85)	(64,642,241.91)	57,542,517.06
Cash - beginning of year	86,742,716.93	151,384,958.84	(64,642,241.91)
CASH - END OF YEAR	<u>\$ 79,642,992.08</u>	<u>\$ 86,742,716.93</u>	<u>\$ (7,099,724.85)</u>

**INVESTMENTS & LONG-TERM DEBT COMPARISONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005 & 2004**

	<u>2004-2005</u>	<u>2003-2004</u>	2004-2005 Over/(Under) <u>2003-2004</u>
INVESTMENTS			
Investment with State Board of Administration	\$ 1,037,925.89	\$ 1,014,877.96	\$ 23,047.93
Investments with State Treasurer, Special Purpose Investment Account	72,819,994.09	81,451,177.21	(8,631,183.12)
Endowment Investments	109,318,136.00	109,196,242.00	121,894.00
Other Investments	92,831,760.89	69,308,130.00	23,523,630.89
Investment with State Board of Education	225,922.14	248,524.35	(22,602.21)
TOTAL INVESTMENTS	<u><u>\$ 276,233,739.01</u></u>	<u><u>\$ 261,218,951.52</u></u>	<u><u>\$ 15,014,787.49</u></u>

	<u>2004-2005</u>	<u>2003-2004</u>	2004-2005 Over/(Under) <u>2003-2004</u>
LONG-TERM DEBT			
Bonds Payable	\$ 9,285,000.00	\$ 10,160,000.00	\$ (875,000.00)
Compensated Absences Payable	28,277,521.00	29,391,065.00	(1,113,544.00)
TOTAL LONG-TERM DEBT	<u><u>\$ 37,562,521.00</u></u>	<u><u>\$ 39,551,065.00</u></u>	<u><u>\$ (1,988,544.00)</u></u>

**MIAMI DADE COLLEGE—COMBINED INCOME STATEMENT (SRECNA) - BY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

	<u>Current Fund Unrestricted</u>	<u>Current Fund Restricted</u>	<u>Auxiliary Funds</u>	<u>Loan Funds</u>	<u>Endowment Funds</u>
REVENUE					
Operating Revenues					
Student Tuition and fees	\$ 94,282,338.15	\$ 6,389,311.33	\$ 379,128.56		
Federal grants and contracts	58,884.69	14,590,277.82	194,873.00	181,150.00	
State and Local grants and Contracts	2,243,000.65	4,741,816.75	83,165.88		
Nongovernmental grants and Contracts - incl. Private Support	803,008.85	598,538.32			
Sales and services of educational departments	80,037.22		212,759.50		
Transfers In	475,031.17	23,853.68		88,036.00	
Auxiliary Enterprises: (all auxiliary account)			2,985,460.51		
Other Operating Revenues	1,170,613.71	89,256.45	1,508,179.22	898,417.16	
Total Operating Revenues	<u>99,112,914.44</u>	<u>26,433,054.35</u>	<u>5,363,566.67</u>	<u>1,167,603.16</u>	<u>-</u>
EXPENSES					
Operating Expenses					
Salaries	162,942,412.04	15,469,190.08	1,326,829.34	144,715.55	
Benefits	29,397,477.41	2,147,631.93	213,753.80	42,730.13	
Scholarships and Waivers	292,159.28	3,640,178.12	29,055.08	142,074.37	
Utilities and Communications	8,971,794.27	10,530.92			
Contractual Services	9,196,699.20	3,363,964.33	188,686.50	267,641.42	
Other Services and Expenses	20,454,132.74	2,684,448.43	326,288.00	978,381.74	
Material and Supplies	13,210,293.66	4,103,560.06	343,994.53		
Transfers Out	4,597,130.94	235,408.02	475,031.17		9,500,000.00
Depreciation					
Total Operating Expenses	<u>249,062,099.54</u>	<u>31,654,911.89</u>	<u>2,903,638.42</u>	<u>1,575,543.21</u>	<u>9,500,000.00</u>
Operating Income (Loss)	<u>(149,949,185.10)</u>	<u>(5,221,857.54)</u>	<u>2,459,928.25</u>	<u>(407,940.05)</u>	<u>(9,500,000.00)</u>
NONOPERATING REVENUES (EXPENSES)					
State Appropriations	151,055,304.00				
Investment Income	2,809,005.11	560,984.27	526,267.40	347,821.73	7,715,803.84
Interest Expense on Capital Asset-related debt					
Other Non Operating Gifts and Grants	20,000.00	5,676,128.28			
Other Non Operating Revenue	23,148.17				
Gains/Loss on Sales of Assets					
Net Nonoperating Revenues	<u>153,907,457.28</u>	<u>6,237,112.55</u>	<u>526,267.40</u>	<u>347,821.73</u>	<u>7,715,803.84</u>
Income before Other Revenues, Expenses, Gains/Losses	3,958,272.18	1,015,255.01	2,986,195.65	(60,118.32)	(1,784,196.16)
Capital Appropriations	26,670.00				
Capital Grants, Gifts and Fees					
Additions to Permanent Endowments					1,911,086.18
Total Other Revenues	<u>26,670.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,911,086.18</u>
Increases in Net Assets	<u>\$ 3,984,942.18</u>	<u>\$ 1,015,255.01</u>	<u>\$ 2,986,195.65</u>	<u>\$ (60,118.32)</u>	<u>\$ 126,890.02</u>
NET ASSETS					
Net Assets - Beginning	14,445,241.94	12,760,935.96	11,193,695.47	12,111,188.84	109,316,670.02
Adj-Beginning Net Asset					
Adjusted Net Assets - Beginning of Year	14,445,241.94	12,760,935.96	11,193,695.47	12,111,188.84	109,316,670.02
Net Assets - End of Year	<u>\$ 18,430,184.12</u>	<u>\$ 13,776,190.97</u>	<u>\$ 14,179,891.12</u>	<u>\$ 12,051,070.52</u>	<u>\$ 109,443,560.04</u>

NOTES:

A	Represents scholarship funds received by the College and used to cover Student Fees.
B	Represents interfund transfers.
C	Represents interdepartmental sales from Auxiliary Operations.

**MIAMI DADE COLLEGE—COMBINED INCOME STATEMENT (SRECNA) - BY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

Scholarship Funds	Agency Funds	Unexpended Plant Funds	Retirement of Indebtedness Funds	Investment in Plant Funds	Eliminating Entries	2004-2005
\$ 3,485,464.96					A \$ (46,007,617.92)	\$ 58,528,625.08
1,296,324.64						16,321,510.15
						7,067,983.28
1,925,764.61						3,327,311.78
720,649.28		13,500,000.00			B (14,807,570.13)	292,796.72
					C (173.00)	-
138,858.47		(113,320.42)				2,985,287.51
<u>7,567,061.96</u>	<u>-</u>	<u>13,386,679.58</u>	<u>-</u>	<u>-</u>	<u>(60,815,361.05)</u>	<u>3,692,004.59</u>
						92,215,519.11
		1,968,563.77				18,185,170.78
		467,476.32				32,269,069.59
98,166,140.89					A (46,007,617.92)	56,261,989.82
		5,599.33	1,078.72			8,982,325.19
554,710.42		39,207,283.85	875,000.00	(46,833,893.63)	C (173.00)	13,023,669.50
		1,486,396.96				18,246,178.55
					B (14,807,570.13)	19,144,245.21
				19,199,166.35		-
<u>98,720,851.31</u>	<u>-</u>	<u>43,135,320.23</u>	<u>876,078.72</u>	<u>(27,634,727.28)</u>	<u>(60,815,361.05)</u>	<u>19,199,166.35</u>
<u>(91,153,789.35)</u>	<u>-</u>	<u>(29,748,640.65)</u>	<u>(876,078.72)</u>	<u>27,634,727.28</u>	<u>-</u>	<u>348,978,354.99</u>
						(256,762,835.88)
						151,055,304.00
200,527.05		2,711,208.67	2,387.24			14,874,005.31
			(494,101.25)			(494,101.25)
90,056,215.84				(68,649.23)		95,752,344.12
						(45,501.06)
						-
<u>90,256,742.89</u>	<u>-</u>	<u>2,711,208.67</u>	<u>(491,714.01)</u>	<u>(68,649.23)</u>	<u>-</u>	<u>261,142,051.12</u>
(897,046.46)		(27,037,431.98)	(1,367,792.73)	27,566,078.05		4,379,215.24
		55,213,929.48	1,345,190.52			56,585,790.00
		4,186,644.52				4,186,644.52
						1,911,086.18
<u>-</u>	<u>-</u>	<u>59,400,574.00</u>	<u>1,345,190.52</u>	<u>-</u>	<u>-</u>	<u>62,683,520.70</u>
<u>\$ (897,046.46)</u>	<u>\$ -</u>	<u>\$ 32,363,142.02</u>	<u>\$ (22,602.21)</u>	<u>\$ 27,566,078.05</u>	<u>\$ -</u>	<u>67,062,735.94</u>
						563,538,062.47
3,459,435.60		102,590,811.38	231,548.95	297,428,534.31		563,538,062.47
3,459,435.60		102,590,811.38	231,548.95	297,428,534.31		563,538,062.47
<u>\$ 2,562,389.14</u>	<u>\$ -</u>	<u>\$ 134,953,953.40</u>	<u>\$ 208,946.74</u>	<u>\$ 324,994,612.36</u>	<u>\$ -</u>	<u>\$ 630,600,798.41</u>

**MIAMI DADE COLLEGE—COMBINED BALANCE SHEET (STATEMENT OF NET ASSETS) - BY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

	Current Funds <u>Unrestricted</u>	Current Funds <u>Restricted</u>	Auxiliary <u>Funds</u>	Loan <u>Funds</u>	Endowment <u>Funds</u>
CURRENT ASSETS					
Cash & Cash Equivalents	\$ 29,163,385.86	\$ 5,217,750.25	\$ 6,220,839.79	\$ 563,566.44	
Other Short term Investments	-				
Accounts Receivable (Net)	1,916,284.98	162,056.92	73,770.00	14,787.16	
A/R from Other Gov't Agencies	730,794.01	4,272,951.56	103,599.82	264,108.00	
A/R from Primary Gov't	1,200,474.18	376,547.52	1,971.22		
A/R from Component Units-DSO	1,016,423.32				
Due from Other Funds	11,135,264.21				
Inventories			11,148.19		
Prepaid Expenses	281,463.68		2,007.94		
Deposits - Other	44,490.20				
Notes Receivable, Net				2,249,494.14	
Other Assets					
Total Current Assets	<u>45,488,580.44</u>	<u>10,029,306.25</u>	<u>6,413,336.96</u>	<u>3,091,955.74</u>	<u>-</u>
NONCURRENT ASSETS					
Restricted Cash & Cash Equivalents					55,574.00
Endowment Investments					109,318,136.00
Notes Receivable				8,645,409.53	
Other Long term Investment	31,168,480.84	8,422,044.33	7,817,940.98	708,345.41	69,850.04
Land					
Capital Assets, Net (Note 1)					
Other Assets					
Total Noncurrent Assets	<u>31,168,480.84</u>	<u>8,422,044.33</u>	<u>7,817,940.98</u>	<u>9,353,754.94</u>	<u>109,443,560.04</u>
TOTAL ASSETS	<u>76,657,061.28</u>	<u>18,451,350.58</u>	<u>14,231,277.94</u>	<u>12,445,710.68</u>	<u>109,443,560.04</u>
CURRENT LIABILITIES					
Accounts Payable	1,535,953.40	145,889.95	197.53	599.78	
Salary & Payroll Taxes Payable	25,954,911.38				
Retainage Payable					
Payable to Other Gov't Agencies	2,740.33				
Payable to Primary Gov't	138,110.67				
Payable to Component Unit					
Deferred Revenue	2,312,640.78				
Due to Other Funds		4,529,269.66	51,189.29	394,040.38	
Bonds Payable					
Comp. Absences Payable	13,466,420.60				
Deposits Held in Custody					
Total Current Liabilities	<u>43,410,777.16</u>	<u>4,675,159.61</u>	<u>51,386.82</u>	<u>394,640.16</u>	<u>-</u>
NONCURRENT LIABILITIES					
Deposits Held in Custody	5,000.00				
Bonds Payable					
Comp Absences Payable	14,811,100.00				
Total Noncurrent Liabilities	<u>14,816,100.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>58,226,877.16</u>	<u>4,675,159.61</u>	<u>51,386.82</u>	<u>394,640.16</u>	<u>-</u>
NET ASSETS	<u>\$ 18,430,184.12</u>	<u>\$ 13,776,190.97</u>	<u>\$ 14,179,891.12</u>	<u>\$ 12,051,070.52</u>	<u>\$ 109,443,560.04</u>

NOTE: **A** Represents interfund receivables / payables

**MIAMI DADE COLLEGE—COMBINED BALANCE SHEET (STATEMENT OF NET ASSETS) - BY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

Scholarship Funds	Agency Funds	Unexpended Plant Funds	Retirement of Indebtedness Funds	Investment In Plant Funds	Eliminating Entries	Total All Funds 2005	Total All Funds 2004
\$ 2,713,685.30	\$ 3,349,480.88	\$ 1,193,241.32				\$ 48,421,949.84	\$ 86,677,283.04
						-	
						2,166,899.06	779,471.33
2,250,986.81						7,622,440.20	10,794,886.67
356,314.94		69,027,984.00				70,963,291.86	49,374,582.62
1,162,743.66						2,179,166.98	1,436,314.52
					A (11,135,264.21)	-	-
						11,148.19	22,362.73
						283,471.62	283,471.62
						44,490.20	44,490.20
						2,249,494.14	9,583,866.38
						-	-
<u>6,483,730.71</u>	<u>3,349,480.88</u>	<u>70,221,225.32</u>	<u>-</u>	<u>-</u>	<u>(11,135,264.21)</u>	<u>133,942,352.09</u>	<u>158,996,729.11</u>
		30,939,546.10	225,922.14			31,221,042.24	65,433.89
						109,318,136.00	109,196,242.00
						8,645,409.53	1,207,557.63
3,066,798.94	1,195,605.36	40,382,694.99				92,831,760.89	69,308,129.94
				58,327,131.87		58,327,131.87	52,993,643.49
				274,037,945.56		274,037,945.56	252,680,355.89
						-	-
<u>3,066,798.94</u>	<u>1,195,605.36</u>	<u>71,322,241.09</u>	<u>225,922.14</u>	<u>332,365,077.43</u>	<u>-</u>	<u>574,381,426.09</u>	<u>485,451,362.84</u>
<u>9,550,529.65</u>	<u>4,545,086.24</u>	<u>141,543,466.41</u>	<u>225,922.14</u>	<u>332,365,077.43</u>	<u>(11,135,264.21)</u>	<u>708,323,778.18</u>	<u>644,448,091.95</u>
		235,831.96				1918,472.62	5,568,735.07
						25,954,911.38	26,375,521.39
		827,722.46				827,722.46	639,647.89
633,354.42						636,094.75	677,537.91
	1,363,282.72					138,110.67	226,254.65
						1,363,282.72	-
3,822,420.37		3,628,399.16			(11,135,264.21)	6,135,061.15	3,639,343.83
2,532,365.72						-	-
				915,000.00		915,000.00	875,000.00
						13,466,420.60	11,265,621.60
	3,181,803.52					3,181,803.52	4,226,923.63
<u>6,988,140.51</u>	<u>4,545,086.24</u>	<u>4,691,953.58</u>	<u>-</u>	<u>915,000.00</u>	<u>(11,135,264.21)</u>	<u>54,536,879.87</u>	<u>53,494,585.97</u>
		1,897,559.43	16,975.40	6,455,465.07		5,000.00	5,000.00
						8,369,999.90	9,284,999.90
						14,811,100.00	18,125,443.61
-	-	1,897,559.43	16,975.40	6,455,465.07	-	23,186,099.90	27,415,443.51
<u>6,988,140.51</u>	<u>4,545,086.24</u>	<u>6,589,513.01</u>	<u>16,975.40</u>	<u>7,370,465.07</u>	<u>(11,135,264.21)</u>	<u>77,722,979.77</u>	<u>80,910,029.48</u>
<u>\$ 2,562,389.14</u>	<u>\$ -</u>	<u>\$ 134,953,953.40</u>	<u>\$ 208,946.74</u>	<u>\$ 324,994,612.36</u>	<u>\$ -</u>	<u>\$ 630,600,798.41</u>	<u>\$ 563,538,062.47</u>

**MIAMI DADE COLLEGE—CONSOLIDATED INCOME STATEMENT (SRECNA)
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

REVENUES

Operating Revenues	
Student tuition and fees (net of scholarship allowances of <u>\$46,007,617.92</u>)	\$ 58,528,625.08
Federal grants and contracts	16,321,510.15
State and local grants and contracts	7,067,983.28
Nongovernmental grants and contracts - including Private support	3,327,311.78
Sales and services of educational departments	292,796.72
Auxiliary enterprises: (All auxiliary account)	2,985,287.51
Other operating revenues	3,692,004.59
Total Operating Revenues	<u>92,215,519.11</u>

EXPENSES

Operating Expenses	
Salaries	214,120,780.37
Benefits	
Scholarships and Waivers	56,261,989.82
Utilities and Communications	8,982,325.19
Contractual Services	13,023,669.50
Other Services & Expenses	18,246,178.55
Materials and Supplies	19,144,245.21
Depreciation	19,199,166.35
Total Operating Expenses	<u>348,978,354.99</u>
Operating Income (Loss)	(256,762,835.88)

NONOPERATING REVENUES (EXPENSES)

State appropriations	151,055,304.00
Investment income	14,874,005.31
Interest Expense on capital asset-related debt	(494,101.25)
Other Nonoperating Gifts & Grants	95,752,344.12
Other nonoperating revenues	(45,501.06)
Gain/Loss of Assets	-
Net Nonoperating revenues	<u>261,142,051.12</u>
Income before other revenues, expenses, gains, or losses	4,379,215.24
Capital appropriations	56,585,790.00
Capital grants, gifts, and fees	4,186,644.52
Additions to permanent endowments	1,911,086.18
Total Other Revenues	<u>62,683,520.70</u>
Increase in Net Assets	67,062,735.94

NET ASSETS

Net Assets - Beginning of Year	563,538,062.47
Adjustment - Beginning Fund Balance	-
Adjustment - Accumulated Depreciation Prior to 7/1 & Adjustment	-
Adjusted Net Assets - Beginning of Year	<u>563,538,062.47</u>
Net Assets - End of Year	<u>\$ 630,600,798.41</u>

**MIAMI DADE COLLEGE—CONSOLIDATED BALANCE SHEET (STATEMENT OF NET ASSETS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

CURRENT ASSETS		
Cash & Cash Equivalents	\$	48,421,949.84
Other Short Term Investments		-
Accounts Receivable, net		2,166,899.06
A/R from Other Govt Agencies		7,622,440.20
A/R from Primary Govt		70,963,291.86
A/R from Component Units-DSO		2,179,166.98
Inventories		11,148.19
Prepaid Expenses		283,471.62
Deposits - Other		44,490.20
Notes Receivable, net		2,249,494.14
Total Current Assets		133,942,352.09
NONCURRENT ASSETS		
Restricted Cash & Cash Equivalents		312,210,422.24
Other Investments		92,831,760.89
Endowment Investments		109,318,136.00
Notes Receivable		8,645,409.53
Nondepreciable Capital Assets		65,885,693.92
Depreciable Capital Assets, Net (Note 1)		266,479,383.51
Total Noncurrent Assets		574,381,426.09
TOTAL ASSETS		708,323,778.18
CURRENT LIABILITIES		
Accounts Payable		191,847,622.00
Salary & Payroll Taxes Payable		25,954,911.38
Retainage Payable		827,722.46
Payable to Other Governmental Agencies		636,094.75
Payable to Primary Gov't		138,110.67
Payable to Component Unit		1,363,282.72
Deferred Revenue		6,135,061.15
Bonds Payable		915,000.00
Comp. Absences Payable		13,466,420.60
Deposits Held in Custody		3,181,803.52
Total Current Liabilities		54,536,879.87
NONCURRENT LIABILITIES		
Deposits Held in Custody		5,000.00
Special Termination Benefits		-
Bonds Payable		8,369,999.90
Loans Payable		-
Notes Payable		-
Installment Lease Purchase Payable		-
Capital Leases Payable		-
Comp Absences Payable		14,811,100.00
Interest Payable		-
Total Noncurrent Liabilities		23,186,099.90
TOTAL LIABILITIES		77,722,979.77
NET ASSETS		
Invested in Capital Assets		324,994,612.36
Nonexpendable		
Endowment		109,443,560.04
Expendable		
Grants and Other		13,776,190.97
Loans		12,051,070.52
Scholarships		2,562,389.14
Capital Projects		134,953,953.40
Debt service		208,946.74
Unrestricted		32,610,075.24
Total Net Assets		630,600,798.41
TOTAL LIABILITIES AND NET ASSETS	\$	708,323,778.18

**MIAMI DADE COLLEGE—CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	\$ 58,196,633.16
Grants and Contracts	27,675,728.98
Payments to suppliers for goods and services	(15,179,734.33)
Payments to employees	(18,188,513.10)
Loans issued to students and employees	(14,047,268.00)
Collection of loans to students and employees	13,943,788.34
Auxiliary services	2,985,287.51
Sales and service of educational	292,796.72
Other Receipts (payments)	<u>2,605,441.32</u>
Net cash provided (used) by operating activities	<u>(242,024,844.40)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriations	151,055,304.00
Gifts and grants received for other than capital or endowment purposes	95,752,344.12
Private gifts for endowment purposes	<u>2,136,946.17</u>
Net Cash provided (used) by noncapital financing activities	<u>248,944,594.29</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital appropriations	37,919,600.13
Capital grants and gifts received	4,186,644.52
Proceeds from sale of capital assets	23,148.17
Purchases of capital assets	(45,770,819.06)
Principal paid on capital debt and lease	(875,000.00)
Interest paid on capital debt and lease	<u>(494,112.5)</u>
Net Cash provided (used) by capital and related financing activities	<u>(5,010,527.49)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	(347,753.99)
Interest on investments	13,427,595.17
Purchase of investments	<u>(22,088,788.43)</u>
Net Cash provided (used) by investing activities	<u>(9,008,947.25)</u>
Net Increase in cash	(7,099,724.85)
Cash—beginning of year	<u>86,742,716.93</u>
CASH - END OF YEAR	<u><u>\$ 79,642,992.08</u></u>
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (Used) BY OPERATING ACTIVITIES	
Operating Income/(Loss)	\$ (256,762,835.88)
Adjustments to reconcile net operating income (expenses) to net cash provided (Used) by operating activities:	
Depreciation expense	19,199,166.35
Prior Year Corrections	
Changes in assets and liabilities	
Receivables, net	(1,868,785.47)
Inventories	112,145.54
Other assets	
Accounts Payable	(2,837,176.88)
Deferred Revenue	2,495,717.32
Deposits held for others	(1,045,120.11)
Compensated absences	(1,113,544.61)
Loans to students and employees	<u>(103,479.66)</u>
Net Cash provided (used) by operating activities:	<u><u>\$ (242,024,844.40)</u></u>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity. The governing body of the Miami Dade College, a component unit of the State of Florida, is the District Board of Trustees. The Board constitutes a corporation and is composed of seven members appointed by the Governor and confirmed by the senate. The District Board of Trustees is under the general direction and control of the Division of Community Colleges, and is governed by law and rules of the State Board of Education. However, the District Board of Trustees is directly responsible for the day-to-day operations and control of the College within the framework of applicable State law and State Board of Education rules. Geographic boundaries of the District correspond with those of Miami-Dade County.

Basis of Presentation. The College’s accounting policies conform with accounting principles generally accepted in the United States of America applicable to colleges and universities as prescribed by the Governmental Accounting Standards Board (GASB). The National Association of College and University Business Officers (NACUBO) also provide 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 the option of reporting as a special-purpose government either engaged in only business-type activities, engaged in only governmental activities, or engaged in both governmental and business-type activities. In consultation with the Division of Community Colleges and the College Business Officers, the College elected to report as an entity engaged in only business-type activities. This election requires the adoption of the accrual basis of accounting and entity-wide reporting including the following components:

- Management’s Discussion and Analysis
- Basis Financial Statements:
 - Statement of Net Assets
 - Statement of Revenues, Expenses, and Changes in Net Assets
 - Statement of Cash Flows (presented using the direct method in compliance with GASB Statement No. 9.)
 - Notes to Financial Statements

Basis of Accounting. Basis of accounting refers to when revenues, expenses, and related assets and liabilities 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, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange activities are generally recognized when all applicable eligibility requirements, including time requirements, are met.

Interdepartmental transactions of Auxiliary Service Departments have been accounted for as reductions of expenditures and not revenues of those departments.

The College’s principal operating activity is instruction. Operating revenues and expenses include all fiscal transactions related to instruction as well as administration, academic support, student services, physical plant operations, and depreciation of capital assets. Nonoperating revenues include State appropriations, investment income and capital funding. Interest on asset-related debt is considered a nonoperating expense.

The College follows Financial Accounting Standards Board statements and interpretations issued after November 30, 1989, unless those pronouncements conflict with GASB pronouncements.

When both restricted and unrestricted resources are available to fund specific programs, it is the College’s policy to first apply the restricted resources to such programs followed by the use of the unrestricted resources.

Student tuition and fees are reported net of scholarship allowances. Scholarship allowances are the differences 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.

Cash and Cash Equivalents. The amount reported as cash and cash equivalents consists of cash on hand, cash in demand accounts, institutional cash management money market mutual fund, and cash invested with the State Board of Administration and the State Treasury. Cash and cash equivalents and investments that are externally restricted to make debt service payments, maintain sinking or reserve funds, and to purchase or construct capital or other restricted assets are classified as restricted. Banks qualified as public depositories under Florida law hold cash deposits of the College. All such deposits are insured by Federal depository insurance or collateralized with securities held in Florida's multiple financial institution collateral pool required by Chapter 280, Florida Statutes.

Under an agreement with a local bank, the amounts for outstanding checks awaiting clearance are invested in an institutional cash management money market mutual fund. This money market mutual fund invests in United States Treasury and Government Agency obligations, commercial paper and other short-term high quality corporate debt securities. Cash placed with the State Board of Administration represents the College's participation in the Local Government Surplus Funds Trust Fund external investment pool authorized by Section 218.415(17), Florida Statutes. The pool operates under investment guidelines established by Section 215.47, Florida Statutes. The College's investments in the Local Government Surplus Funds Trust Fund and the State Treasury, both Securities and Exchange Commission Rule 2a7-like external investment pool, are reported at amortized cost. The College also placed cash with the State Treasury pursuant to Section 17.61, Florida Statutes. The College's investment in the State Treasury is reported at fair value. Endowment Funds moneys may additionally be invested in securities in which the State Board of Administration is authorized to invest retirement funds pursuant to Sections 215.45 and 215.47, Florida Statutes.

Capital Assets. College capital assets consist of land; buildings; other structures and improvements; furniture, machinery, and equipment; and construction in progress, and are stated at historical cost or estimated fair value at date of acquisition in the case of gifts and surplus property acquired at nominal cost. Interest costs incurred during construction of capital assets are not considered material, and are not capitalized as part

of the cost of construction. The College has a capitalization threshold of \$5,000 for tangible personal property and \$25,000 for improvements other than buildings. Depreciation is computed on the straight-line basis over the following estimated useful lives:

- Buildings – 40 Years
- Other Structures and Improvements, Portables – 10 Years
- Furniture and Equipment:
 - Computer Equipment – 3 Years
 - Vehicles, Office Machines, Educational Equipment – 5 Years
 - Furniture – 7 Years

2. INVESTMENTS

State Board of Education Rule 6A-14.0765, Florida Administration Code, authorizes the investment of College moneys in those investments authorized under Section 218.415, Florida Statutes, which include Securities and Exchange Commission registered money market funds, direct obligations of the United States Treasury, and Federal agencies and instrumentalities. Under the provisions of this Rule, the Board of Trustees is to adopt and adhere to an investment plan as described in Section 215.475, Florida Statutes.

The Board adopted an investment policy (plan) for the management of endowment assets which includes the various elements required by Section 215.475, Florida Statutes, such as the investment objectives, permitted types of securities in which the Board may invest, and evaluation criteria necessary to measure the investment performance of the plan. Additionally, the plan 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, while generating an income stream sufficient to support the established spending requirements. The plan also provides that investment managers with different investment styles (strategies) will be used. During the 2004-2005 fiscal year, moneys of the Endowment Funds were invested by ten investment managers.

Other investments and endowment investments are reported at a fair value of \$92,831,761 and \$109,318,136, respectively. The reporting of other investments at fair value resulted in an unrealized gain

gain of \$1,434,843 reported as an increase to other investments. The reporting of endowment investments at fair value resulted in an unrealized loss of \$225,860 reported as a decrease to permanent endowments.

The College's investment policy provides guidelines to address investment risks as prescribed by govern-

ment Accounting Standards Board (GASB) Statement No. 40. These guidelines include, but are not limited to, types of securities, quality ratings, and concentration limitations.

Investments at June 30 are shown in the following table:

	Investments	
	Carrying Value	Fair Value
Obligations of United States Government Agencies and Instrumentalities	\$ 28,560,177	\$ 28,560,177
Federal Agency Obligations	49,226,159	49,226,159
Domestic Bonds and Notes	32,102,171	32,102,171
Domestic Equities (Stocks)	36,949,118	36,949,118
International Equities	16,764,767	16,764,767
Mutual Funds	29,430,288	29,430,288
Money Market Funds	9,117,217	9,117,217
Total College Investments	\$ 202,149,897	\$ 202,149,897

3. ACCOUNTS RECEIVABLE

Accounts receivable represent amounts for student fee deferments, various student services provided by the College, uncollected commissions for food service and vending machine sales, unused credit memos, and grant reimbursements due from third parties. These receivables are reported net of a \$1,331,332 allowance for uncollectible accounts.

4. NOTES RECEIVABLE

Notes receivable represent student loans made under the Federal Perkins Loan Program, Federal Nursing

Student loan Program, and short-term loan program. Notes receivable are reported net of a \$2,970,213 allowance for uncollectible notes.

5. 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.

	Beginning Balance	Additions	Reductions	Ending Balance
Nondepreciable Capital Assets:				
Land	\$ 52,993,643	\$ 5,333,489	\$	\$ 58,327,132
Construction in Progress	11,696,129	10,666,058	14,803,625	7,558,562
Total Nondepreciable Capital Assets	\$ 64,689,772	\$ 15,999,547	\$ 14,803,625	\$ 65,885,694
Depreciable Capital Assets:				
Buildings	\$ 386,838,994	\$ 42,517,263	\$	\$ 429,356,257
Other Structures and Improvements	21,460,519	1,148,193		22,608,712
Furniture, Machinery, and Equipment	58,298,484	1,097,517	2,629,861	56,766,140
Total Depreciable Capital Assets	466,597,997	44,762,973	2,629,861	508,731,109
Less Accumulated Depreciation:				
Buildings	152,600,970	15,568,746		168,169,716
Other Structures and Improvements	20,289,556	694,173		20,983,729
Furniture, Machinery, and Equipment	52,723,244	2,936,247	2,561,212	53,098,279
Total Accumulated Depreciation	225,613,770	19,199,166	2,561,212	242,251,724
Total Depreciable Capital Assets, Net	\$ 240,984,227	\$ 25,563,807	\$ 68,649	\$ 266,479,385

7. SALARIES AND PAYROLL TAXES PAYABLE

Salaries and payroll taxes payable as of June 30, 2005, totaled \$25,954,911. This amount includes \$16,783,318 of salaries and payroll taxes to be paid during the 2005-2006 fiscal year and banked point liability of \$9,171,593. Under the bank point system, faculty members are allowed to bank overload teaching assignments. The instructor may use the banked

points to offset future under loads, provide for additional leave time, or receive payment upon termination.

8. LONG-TERM LIABILITIES

Long-term liabilities of the College include bonds and compensated absences. The long-term liability activity for the year ended June 30 is presented in the following table:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds Payable	\$ 10,160,000	\$ -	\$ 875,000	9,285,000	\$ 915,000
Compensated Absences Payable	29,391,066	12,755,882	13,869,427	28,277,521	13,466,421
Total Long-Term Liabilities	\$ 39,551,066	\$ 12,755,882	\$ 14,744,427	\$ 37,562,521	\$ 14,381,421

Bonds Payable. The State Board of Education issues State Board of Education Capital Outlay Bonds on behalf of the College. These bonds mature serially, and are secured by a pledge of the College's portion of the State-assessed motor vehicle license tax and by the State's full faith and credit. The State Board of

Education and the State Board of Administration administer the principal and interest payments, investment of Retirement of Indebtedness Fund resources, and compliance with reserve requirements. Bonds payable at June 30 are shown in the following table:

Bond Type	Annual Outstanding	Interest Rates (Percent)	Annual Maturity To
State Board of Education			
Capital Outlay Bonds:			
Series 1996-A	105,000	4.60 - 6.00	2016
Series 1998-A	1,405,000	4.50 - 5.50	2018
Series 1999-A	190,000	4.00 - 4.75	2019
Series 2001-B	495,000	5.25	2007
Series 2002-B	7,090,000	3.38 - 5.38	2015
Total Bonds Payable	\$ 9,285,000		

Annual requirements to amortize all bonded debt outstanding as of June 30 are shown in the following table:

Fiscal Year Ending June 30	State Board of Education Capital Outlay Bonds		
	Principal	Interest	Total
2006	915,000	449,219	1,364,219
2007	970,000	402,469	1,372,469
2008	770,000	353,769	1,123,769
2009	820,000	326,696	1,146,696
2010	865,000	296,239	1,161,239
Later Years	4,945,000	803,824	5,748,824
Total	\$ 9,285,000	\$ 2,632,216	\$ 11,917,216

Compensated Absences. 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 appropriations fund only the portion of accrued leave that is paid in the current fiscal year. Although the College expects the liability to be funded from future appropriations, generally accepted accounting principles do not permit the recording of a receivable in anticipation of future appropriations. Consequently, the recording of a liability for compensated absences, without the corresponding recognition of such future resources, results in a reduction of current year net assets. For the fiscal year ended June 30, 2005, the estimated liability for compensated absences, which includes the employer's share of the Florida Retirement System and FICA contributions, totaled \$28,277,521. Of this amount, \$13,466,421 is considered a current liability as this is expected to be paid in the coming fiscal year, and represents a historical percentage of leave used applied to total accrued leave liability at year end.

administered by the Florida Board of Education under the provisions of Sections 1011.80 and 1011.84, Florida Statutes, respectively. In accordance with Section 1011.84, Florida Statutes, the Legislature determines each College's apportionment considering the following components: base budget, which includes the State appropriation to the Community College Program Fund in the current year plus the related student matriculation and tuition fees assigned in the current General Appropriations Act; the cost-to-continue allocation which consists of incremental changes to the base budget, including salaries, price levels, and other related costs; enrollment workload adjustments; operation costs of new facilities adjustments; and new and improved program enhancements, which shall be determined by the Legislature. Student fees in the base budget plus student fee revenues generated by increases in fee rates shall be deducted from the sum of these components to determine the net annual State apportionment to each college.

9. SCHEDULE OF STATE REVENUE SOURCES

Revenue from State sources for current operations is primarily from the Workforce Development Education Fund and the Community College Program Fund

The State allocates gross receipts taxes, generally known as Public Education Capital Outlay (PECO) money, to the Board on an annual basis. The Board is authorized to expend these resources only upon applying for and receiving an encumbrance authorization from the Florida Board of Education.

The following schedule is a summary of State revenue sources and amounts:

<u>Sources</u>	<u>Amount</u>
Community College Program Fund	\$ 134,287,413
Gross Receipts Tax (Public Education Capital Outlay)	39,770,462
Educational Enhancement Trust Fund	15,782,082
Contracts and Grants State	11,866,332
Motor Vehicle License Tax (Capital Outlay & Debt Service)	1,778,000
Performance-Based Incentive Program	985,809
Facilities Enhancement Challenge Grant	15,037,328
Baccalaureate Program	1,302,600
Interest on Investments	25,004
 Total	 <u><u>\$ 220,835,030</u></u>

10. FUNCTIONAL DISTRIBUTION OF EXPENSES

The operating expenses on the statement of revenues, expenses, and changes in net assets are presented in the natural classification. Below are those same expenses presented in functional classifications as recommended by NACUBO. The functional classification 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 exam-

ple, activities of academic departments 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 departments consists of instructional program elements, all expenses of the department are reported under the instruction classification. The functional classification of expenses is summarized below:

<u>Functional Classification</u>	<u>Amount</u>
Instruction	\$ 132,272,406
Public Services	2,174,175
Academic Support	33,711,483
Student Services	24,204,309
Institutional Support	47,884,223
Physical Plant Operation and Maintenance	27,940,063
Student Aid	57,588,380
Auxiliary Operations	2,428,607
Total	328,203,646
Depreciation Expenses	19,199,166
Loan Operating Expenses	1,575,543

11. STATE RETIREMENT PROGRAMS

Florida Retirement System. Most employees working in regularly established positions of the College are covered by the Florida Retirement System, a State-administered, cost-sharing, multiple-employer, defined benefit retirement plan (Plan). Plan provisions are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code, wherein Plan eligibility, contributions, and benefits are defined and described in detail. Essentially, all regular employees of participating employers are eligible and must enroll as members of the Plan. Benefits vest at specified ages or number of years of service depending upon the employee's classification. The Plan also includes an early retirement provision, but imposes a penalty for each year a member retires before the specified retirement age. The Plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments, as well as supplements for certain employees to cover social security benefits lost by virtue of retirement system membership.

ject to provisions of Section 121.091, Florida statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payment while continuing employment with a Florida Retirement System employer. An employee may participate in the 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 Florida Retirement System Trust Fund and accrue interest.

The Plan's financial statements and other supplemental information are included in the comprehensive annual financial report of the State of Florida, which may be obtained by contacting the State of Florida, Department of Financial Services in Tallahassee, Florida. Also, an annual report on the Plan, which includes its financial statements, required supplemental information, actuarial report, and other relevant information may be obtained from the State of Florida, Division of Retirement in Tallahassee, Florida.

The contribution rates for Plan members are established, and may be amended, by the State of Florida. Contribution rates during the 2004-2005 fiscal year, are presented in the table on the following page :

A Deferred Retirement Option Program (DROP), sub-

<u>Class or Plan</u>	Percent of Gross Salary	
	Employee	Employer (A)
Florida Retirement System, Regular	0.00	7.39
Florida Retirement System, Senior Management Service	0.00	9.37
Teachers' Retirement System, Plan E	6.25	11.35
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes or Plan	0.00	9.11
Florida Retirement System, Reemployed Retiree	(B)	(B)

Notes (A) Employer rates include the post-employment health insurance supplement of 1.11

(B) Contribution rates are depended upon retirement class or plan in which reemployed.

The College's liability for participation in the Plan is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the College. The College's contributions to the Plan (including employee contributions) for the fiscal years ended June 30, 2003, June 30, 2004, and June 30, 2005, totaled \$7,978,575, \$9,303,556 and \$10,318,592, respectively, which were equal to the required contributions for each fiscal year.

12. POSTEMPLOYMENT BENEFITS

Pursuant to Section 112.0801, Florida Statutes, the College pays the cost of health care benefits for retired former employees. All of the College's employ-

ees may become eligible for those benefits if they reach normal retirement age and have their last ten years of service with the College. At June 30, 2005, the College provided benefits to 226 retired former employees and recognized the cost of the benefits as an expense each month as premiums were paid. For the 2004-2005 fiscal year, premiums totaled \$281,259.

13. CONSTRUCTION CONTRACT COMMITMENTS

A summary of major construction contract commitments remaining at June 30 is presented in the following table:

<u>Project</u>	Contract Amount	Completed to Date	Balance Committed
North Campus			
Early Child Care Educational Center General Contractor	3,459,349	269,767	3,189,582
Kendall Campus			
Computer Center Renovation General Contractor	1,453,834	1,298,641	155,193
Total	<u>\$ 4,913,183</u>	<u>\$ 1,568,408</u>	<u>\$ 3,344,776</u>

14. RISK MANAGEMENT PROGRAMS

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The College provided coverage for these risks through the Florida Community Colleges Risk Management Consortium and commercially purchased insurance.

Consortium. The College participated in the Florida Community Colleges Risk Management Consortium which was created under authority of Section 1001.64 (27), Florida Statutes, by the Board of Trustees of the

Florida public community colleges for the purpose of joining a cooperative effort to develop, implement, and participate in a coordinated statewide community college risk management program. The Consortium shall be self-sustaining through member assessments (premiums) and will reinsure through commercial companies for claims in excess of specified amounts. 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 coverage in any of the past three fiscal years.

Other Coverage. Dental, health and hospitalization and other liability insurance coverage are being provided through purchased commercial insurance policies. For dental and health and hospitalization insurance, the Board contributes single coverage for all employees, while the employees pay for dependent coverage through payroll deductions. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

15. 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 attorneys and management, should not materially affect the financial condition of the College.

