

January 20, 2026

**Dear Supplier,**

We are pleased to provide this letter to confirm the creditworthiness and financial stability of [Florida State College at Jacksonville](#) (FSCJ). As a reputable institution of higher education, we have a long-standing history of financial responsibility and reliability in our business dealings.

Florida State College at Jacksonville is a public institution funded by the State of Florida, ensuring a stable and consistent financial foundation. Our financial operations are subject to rigorous oversight and auditing processes, which further attest to our fiscal responsibility.

To support your request for credit terms, we are providing the following FSCJ documentation:

- ***W-9 form.***
- ***Tax exemption certificate.***
- ***Purchase order terms and conditions.***
- ***2025 Financial Report***

We look forward to doing business with your company. Lastly, should you require any additional information or documentation, please do not hesitate to contact our procurement department at [purchasing@fscj.edu](mailto:purchasing@fscj.edu).

Thank you for your consideration.

Sincerely,



**Lindsey Thomas**  
**AVP of Finance & Controller**  
**Florida State College at Jacksonville**

Sincerely,



**Randi Brokvist**  
**Executive Director, Purchasing**  
**Florida State College at Jacksonville**

# Request for Taxpayer Identification Number and Certification

Go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9) for instructions and the latest information.

**Give form to the  
requester. Do not  
send to the IRS.**

**Before you begin.** For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

<b>Print or type. See Specific Instructions on page 3.</b>	<b>1</b> Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.)  <b>Florida State College at Jacksonville</b>	
	<b>2</b> Business name/disregarded entity name, if different from above.	
	<b>3a</b> Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only <b>one</b> of the following seven boxes.  <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C corporation <input type="checkbox"/> S corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) _____ <b>Note:</b> Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner. <input checked="" type="checkbox"/> Other (see instructions) <b>Educational Institution</b>	
	<b>4</b> Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):  Exempt payee code (if any) _____  Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any) _____  <i>(Applies to accounts maintained outside the United States.)</i>	
	<b>3b</b> If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions . . . . . <input type="checkbox"/>	
	<b>5</b> Address (number, street, and apt. or suite no.). See instructions. <b>501 West State Street</b>	<b>Requester's name and address (optional)</b>
	<b>6</b> City, state, and ZIP code <b>Jacksonville, FL 32202</b>	
<b>7</b> List account number(s) here (optional)		

## Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

**Note:** If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

<b>Social security number</b>									
<b>or</b>									
<b>Employer identification number</b>									
5	9	-	1	1	4	9	3	1	7

## Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and, generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

<b>Sign Here</b>	Signature of U.S. person	Date <b>01/05/26</b>
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## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9).

## What's New

Line 3a has been modified to clarify how a disregarded entity completes this line. An LLC that is a disregarded entity should check the appropriate box for the tax classification of its owner. Otherwise, it should check the "LLC" box and enter its appropriate tax classification.

New line 3b has been added to this form. A flow-through entity is required to complete this line to indicate that it has direct or indirect foreign partners, owners, or beneficiaries when it provides the Form W-9 to another flow-through entity in which it has an ownership interest. This change is intended to provide a flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can satisfy any applicable reporting requirements. For example, a partnership that has any indirect foreign partners may be required to complete Schedules K-2 and K-3. See the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

## Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS is giving you this form because they



## Consumer's Certificate of Exemption

Issued Pursuant to Chapter 212, Florida Statutes

DR-14  
R. 01/18

85-8012556864C-6	09/30/2023	09/30/2028	SCHOOL-COLLEGE-UNIV
Certificate Number	Effective Date	Expiration Date	Exemption Category

This certifies that

FLORIDA STATE COLLEGE AT JACKSONVILLE  
501 STATE ST W  
JACKSONVILLE FL 32202-4030

is exempt from the payment of Florida sales and use tax on real property rented, transient rental property rented, tangible personal property purchased or rented, or services purchased.



## Important Information for Exempt Organizations

DR-14  
R. 01/18

1. You must provide all vendors and suppliers with an exemption certificate before making tax-exempt purchases. See Rule 12A-1.038, Florida Administrative Code (F.A.C.).
2. Your *Consumer's Certificate of Exemption* is to be used solely by your organization for your organization's customary nonprofit activities.
3. Purchases made by an individual on behalf of the organization are taxable, even if the individual will be reimbursed by the organization.
4. This exemption applies only to purchases your organization makes. The sale or lease to others of tangible personal property, sleeping accommodations, or other real property is taxable. Your organization must register, and collect and remit sales and use tax on such taxable transactions. Note: Churches are exempt from this requirement except when they are the lessor of real property (Rule 12A-1.070, F.A.C.).
5. It is a criminal offense to fraudulently present this certificate to evade the payment of sales tax. Under no circumstances should this certificate be used for the personal benefit of any individual. Violators will be liable for payment of the sales tax plus a penalty of 200% of the tax, and may be subject to conviction of a third-degree felony. Any violation will require the revocation of this certificate.
6. If you have questions about your exemption certificate, please call Taxpayer Services at 850-488-6800. The mailing address is PO Box 6480, Tallahassee, FL 32314-6480.

## Florida State College at Jacksonville

### PURCHASE ORDER TERMS & CONDITIONS

1. Any change to these Terms and Conditions requires the written authorization of the Purchasing Department.
2. C.O.D. or Freight Collect Shipments will not be accepted.
3. **All shipments** are F.O.B. DESTINATION unless otherwise specified. Where F.O.B. Shipping Point has been negotiated, the shipper must prepay and add to the invoice.
4. **Purchase Order Number** must be clearly shown on the shipping label and all paperwork, including Bill of Lading, Packing Slip, and Invoice.
5. Shipment must be properly packaged. An inspection of delivery will be made at the delivery point unless otherwise specified.
6. **Billing Instructions** are at the top right on Purchase Order and must be followed explicitly to ensure proper and prompt payment. Payment may be made up to and within 40 days receipt of items/invoice by the College after the items have been received, inspected, and found to comply with the specifications, are free of damage or defects, and have been properly invoiced. Discounts will be offered if payment is made within the discount period. All invoices must bear the College purchase order number. Overdue payments may accrue a separate interest penalty (established pursuant to Section 55.03(1), Florida Statutes) on the unpaid balance payable only upon written request to FSCJ. Interest or delinquent payment penalties of less than one (1) dollar will not be enforced.
7. Do not exceed specified quantities unless a variation of quantity is specified.
8. Delivered goods shall comply with all Federal, State, and Local laws relative thereto. The supplier shall defend the actions or claims brought and save harmless the College from loss and cost of damage by reason of supplier negligence or actual/ alleged infringement of letters of patent.
9. FSCJ reserves the right to reject any shipment that does not meet the terms, conditions and specifications as stated. Rejected shipments will be returned to supplier at supplier's expense.
10. **TOXIC SUBSTANCES** must be shipped with MATERIAL SAFETY DATA SHEETS (SDS), in compliance with Chapter 442, Florida Statutes.
11. Failure to make delivery by or before the required delivery date stated in the Purchase Order shall constitute cause for cancellation of the order, or any part thereof, without further liability to FSCJ or without prejudice to FSCJ rights. The supplier's failure to adhere to any term or

condition of this order may result in cancellation within 48 hours' notice. Supplier agrees that FSCJ may return part or all of any shipment made and may charge the supplier for loss or expense sustained as a result thereof.

12. When a formal contract has been entered into by FSCJ and Supplier, the terms and conditions included in the contract shall have preference, and this Purchase Order is used solely to encumber funds and for payment purposes. In the event of any conflict or inconsistency between this Purchase Order and a formal contract and/or an invitation to bid/request for proposal, the order of priority of controlling terms shall be: (i) formal contract; (ii) invitation to bid/request for proposal; (iii) this Purchase Order.
13. This Purchase Order is not transferable or assignable by the Supplier to third parties, unless pre-approved by FSCJ in writing.
14. A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply contract with public entity for the construction or repair of a public building or public work; may not submit a bid, proposals, or replies on leases of real property of public entity; may not be awarded or perform work as contractor, supplier, subcontractor or consultant under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes, for CATEGORY TWO (i.e. \$35,000) for a period of 36 months following the date of being placed on the convicted vendor list.
15. **TAXES:** Florida State College at Jacksonville is exempt and does not pay Federal Excise, Florida Sales Taxes on direct purchases of tangible personal property. Exemption numbers will be cited on the face of the purchase order. The College is exempt from paying all federal, state, and local telecommunication taxes pursuant to Florida Statute # 202.12, 202.125, 202.19, 212.08, 365.172 or Federal USC Title 26, Subtitle D, Chapter 33, Subchapter B, Section 4253.
16. **GOVERNMENTAL RESTRICTIONS:** In the event any governmental restrictions may be imposed which would necessitate delivery of a technical equivalent alteration of the material, quality, workmanship or performance of the items defined in this PO prior to their delivery, it shall be the responsibility of supplier to promptly notify the College indicating in a letter the specific regulation which requires alteration. The College reserves the right to accept any proposed equivalent including any price adjustments occasioned thereby, or to cancel the purchase order at no expense to the College.
17. **SOVEREIGN IMMUNITY:** The parties hereto acknowledge and agree that Florida State College at Jacksonville is a political subdivision of the State of Florida. As such, pursuant to Florida Statute 768.28, the College's performance under this purchase order agreement and any amendments thereto or attachments connected there with, shall at all times be subject to any and all state laws, state regulations and College District Board of Trustee Rules which are applicable to the

College's operations, commitments and/or activities in furtherance of any terms specified in this purchase order.

18. **SAFETY REQUIREMENTS:** Supplier agrees that it shall be solely responsible for supervising its employees, that it shall comply with all rules, regulations, orders, standards and interpretations promulgated pursuant to Occupational Safety and Health Act of 1970, including but not limited to training, recordkeeping, providing personal protective equipment, lockout/tag out procedures, Material Safety Data Sheets and labeling as required by the right to know standard, 29 CFR 1910.1200.
19. **NONCONFORMANCE:** Items may be tested for compliance with specifications. Items delivered and not conforming to specifications may be rejected and returned at the supplier's expense.
20. **ASSIGNMENT:** Any monies which may become due there under this Purchase Order are not assignable except with the prior written approval of the College.
21. **INSURANCE AND INDEMNIFICATION:** Supplier agrees to indemnify and hold harmless the College, its officer's agents and employees from and against any and all claims and liabilities (including expenses) for injury or death of persons or damage to any property which may result, in whole or in part, from any act or omission on the part of the Supplier, its agents, employees or representatives, or arising from any Supplier-furnished goods or services, except to the extent that such damage is due solely and directly to the negligence of the College. Suppliers shall carry comprehensive general liability insurance, including contractual and product liability coverage, with minimum limits acceptable to the College. Buyers shall, at the request of the Buyer, supply certificates evidencing such coverage. Visit this link: [FSCJ Insurance Requirements](#)
22. **Pursuant to Florida law and notwithstanding anything to the contrary in this purchase order, as a Political Subdivision of the State of Florida, College, will not indemnify Supplier unless otherwise agreed to in writing prior.**
23. **FORCE MAJEURE:** Neither party shall not be held liable for failure of or delay in performing its obligations under this purchase order if such failure or delay is the result of events not under the control of the parties, to include, but not limited to, an act of God, such as earthquake, hurricane, tornado, flooding, or other natural disaster, or in the case of war, action of foreign enemies, terrorist activities, labor dispute or strike, government sanction, blockage, embargo, or failure of electrical service. The non-performing party must make every reasonable attempt to minimize delay of performance.
24. **The parties acknowledge that as a political subdivision of Florida, College is subject to Chapter 119, Florida Statutes ("[Florida's Public Records Act](#)").** As such, the purchase order, bill(s) of lading and invoice(s) may be considered a "public record." Any disclosure of documents resulting from this purchase order or any other information pursuant to a public records request shall not be considered a breach of any confidentiality obligations.

25. The College is a self-insured, sovereign entity of the State of Florida, and its self-insurance limitations are provided by law.
26. This purchase order shall be governed by and interpreted in accordance with the Laws of the United States of America, State of Florida, exclusive of its provisions regarding conflicts or choice of laws. Except however, as a public entity created under the constitution and laws the State of Florida, recipient's legal actions, responsibilities, rights, and obligations are governed by Florida law which cannot be waived. Those laws shall apply as applicable.
27. Pursuant to State of Florida Executive Order No. 11-116, if the supplier is headquartered in the US, the Supplier shall utilize the **U.S. Department of Homeland Security's E-Verify** system <https://www.e-verify.gov/> to verify the employment of all new employees and independent suppliers hired by the Supplier.
28. **Secure Networks Act-Section 2(a) of the Secure and Trusted Communications Networks Act of 2019, Pub. L. No. 116-124, 133 Stat. 158 (2020) (codified as amended at 47 U.S.C. §§ 1601–1609)**--List of Equipment and Services Covered by Section 2 of the Secure Networks Act. The following link provides the listing of companies determined to pose an unacceptable risk to the national security of the United States or the security and safety of United States persons. <https://www.fcc.gov/supplychain/coveredlist>
29. Florida State College at Jacksonville does not discriminate against any person based on race, disability, color, ethnicity, national origin, religion, gender, age, sex, sexual orientation/expression, marital status, veteran status, pregnancy or genetic information in its programs or activities. Inquiries regarding the non-discrimination policies may be directed to the College's Civil Rights Compliance Office, 501 West State Street, Jacksonville, Florida 32202 | (904) 632-3221 | [CRCO@fscj.edu](mailto:CRCO@fscj.edu) .
30. **Tariff Documentation** Requirement for Imported Goods. If your company is charging Florida State College at Jacksonville (FSCJ) any tariffs imposed under the International Emergency Economic Powers Act (IEEPA) on imported goods, you are required to provide documentation verifying these charges.

Specifically, please submit a copy of the U.S. Customs Entry Summary Form (CBP Form 7501). The following fields on the form will provide the necessary tariff information:

- Box 32 – Declared value of the goods.
- Box 33 – Tariff rate (%) applied to the value.
- Box 34 – Calculated tariff amount.
- Box 37 – Total duties, taxes, and fees, including tariffs.

Please note: If the goods FSCJ is purchasing are part of a larger shipment, the tariff charges may be distributed across multiple items. In such cases, a proportional calculation may be necessary to determine the tariff amount applicable to FSCJ's specific portion of the shipment. Review the

CBP link for summary information. [CBP Form 7501: Entry Summary](#)

FSCJ reserves the right to request additional documentation or clarification to ensure compliance with federal procurement and financial accountability standards.

### **31. Cybersecurity and Data Privacy Compliance**

#### **1. Cybersecurity Standards**

Supplier shall comply with all applicable cybersecurity requirements under **Florida Statutes § 282.318** and **§ 282.3185**, including adherence to statewide cybersecurity standards and frameworks such as NIST. Suppliers must implement reasonable measures to protect the confidentiality, integrity, and availability of College data and systems.

- [Florida Statute § 282.318 – Cybersecurity](#)
- [Florida Statute § 282.3185 – Vendor Cybersecurity Standards](#)

#### **2. Data Privacy and Breach Notification**

Supplier shall comply with the **Florida Information Protection Act (FIPA), Florida Statute § 501.171**, regarding the security of confidential personal information and breach notification requirements. In the event of a data breach involving College data, Supplier must notify the College within **30 days** of discovery and cooperate fully in mitigation efforts.

- [Florida Statute § 501.171 – Security of Confidential Personal Information](#)

#### **3. Vendor Responsibilities**

Supplier agrees to:

- Maintain cybersecurity controls consistent with industry best practices and applicable law.
- Ensure all subcontractors handling College data comply with these requirements.
- Provide documentation of compliance upon request by the College.  
Failure to comply with these requirements may result in termination of the Purchase Order and potential legal remedies.

#### **2. HUMAN TRAFFICKING ATTESTATION (HTA) REQUIREMENT**

As a supplier to Florida State College at Jacksonville (FSCJ), you are required to complete and submit a Human Trafficking Attestation. If your company has not yet submitted the attestation, it must be submitted to the FSCJ Purchasing Department at [purchasing@fscj.edu](mailto:purchasing@fscj.edu) prior to the commencement of any work or delivery of goods.

By submitting this attestation, you affirm that you are in compliance with all applicable laws and regulations regarding human trafficking and that you have implemented procedures to prevent human trafficking within your operations and supply chain.

Failure to submit the required attestation may result in the delay or cancellation of your purchase order. Here is a link to the attestation. [Human Trafficking Attestation](#)

Report No. 2026-075  
January 2026

**STATE OF FLORIDA AUDITOR GENERAL**

**Financial Audit**

**FLORIDA STATE COLLEGE AT  
JACKSONVILLE**

For the Fiscal Year Ended  
June 30, 2025



Sherrill F. Norman, CPA  
Auditor General

## Board of Trustees and President

During the 2024-25 fiscal year, Dr. John Avendano served as President of the Florida State College at Jacksonville and the following individuals served as Members of the Board of Trustees:

	<u>County</u>
O. Wayne Young, Chair	Duval
Roderick D. Odom, Vice Chair <sup>a</sup>	Nassau
Dr. Andrew B. Shaw, Vice Chair from 8-13-24 <sup>a, b</sup>	Duval
Dr. Jennifer D. Brown through 8-6-24, Vice Chair <sup>a, b</sup>	Duval
Michael M. Bell	Nassau
Thomas R. McGehee Jr.	Duval

<sup>a</sup> The Vice Chairs serve with equal rank and status on the Board. The purpose of the dual office is to assure leadership representation from each of the two counties served by the College.

<sup>b</sup> Vice Chair position vacant 8-7-24, through 8-12-24.

Note: Three Trustees positions were vacant the entire period and one Trustee position was vacant from 8-7-24.

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 Joel Vigen, and the audit was supervised by Ivo N. Njabe, CPA.

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

This report and other reports prepared by the Auditor General are available at:

[FLAuditor.gov](http://FLAuditor.gov)

Printed copies of our reports may be requested by contacting us at:

**State of Florida Auditor General**

**Claude Pepper Building, Suite G74 · 111 West Madison Street · Tallahassee, FL 32399-1450 · (850) 412-2722**

**FLORIDA STATE COLLEGE AT JACKSONVILLE**  
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## SUMMARY

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

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

### SUMMARY OF REPORT ON INTERNAL CONTROL AND COMPLIANCE

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

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

### AUDIT OBJECTIVES AND SCOPE

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

- Exercised professional judgment and maintained professional skepticism throughout the audit.
- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, and designed and performed audit procedures responsive to those risks.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluated the overall presentation of the financial statements.
- Concluded whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.
- Examined various transactions to determine whether they were executed, in both manner and substance, in accordance with governing provisions of laws, rules, regulations, contracts, and grant agreements.

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

### AUDIT METHODOLOGY

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



Sherrill F. Norman, CPA  
Auditor General

# AUDITOR GENERAL STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74  
111 West Madison Street  
Tallahassee, Florida 32399-1450



Phone: (850) 412-2722  
Fax: (850) 488-6975

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

## INDEPENDENT AUDITOR'S REPORT

### Report on the Audit of the Financial Statements

#### **Opinions**

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

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

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

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the **Auditor's Responsibilities for the Audit of the Financial Statements** section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical

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

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

Accounting principles generally accepted in the United States of America require that **MANAGEMENT'S DISCUSSION AND ANALYSIS**, the **Schedule of Changes in the College's Total Other Postemployment Benefits Liability and Related Ratios**, **Schedule of the College's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan**, **Schedule of College Contributions – Florida Retirement System Pension Plan**, **Schedule of the College's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan**, **Schedule of College Contributions – Health Insurance Subsidy Pension Plan**, and **Notes to Required Supplementary Information** be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2026, on our consideration of the Florida State College at Jacksonville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the

College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Respectfully submitted,



Sherrill F. Norman, CPA  
Tallahassee, Florida  
January 9, 2026

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

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

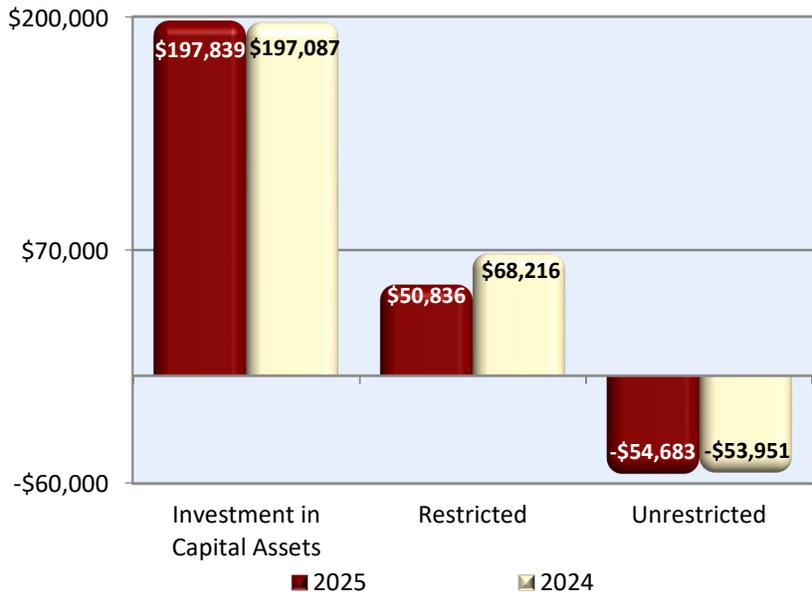
### **FINANCIAL HIGHLIGHTS**

The College's assets and deferred outflows of resources totaled \$325.2 million at June 30, 2025. This balance reflects a \$14.3 million, or 4.2 percent, decrease as compared to the 2023-24 fiscal year, resulting primarily from a decrease of \$12.2 million in amounts due from other government agencies resulting from the expenditure and drawdown of deferred maintenance funds allocated in the 2022-23 fiscal year, along with a \$5.9 million decrease in cash and equivalents and a \$0.6 million decrease in net accounts receivable, offset by a \$3.3 million increase in investments, a \$0.8 increase in net capital assets, and a \$0.6 million increase in prepaid expenses. Liabilities and deferred inflows of resources increased by \$3.1 million, or 2.4 percent, totaling \$131.2 million at June 30, 2025, resulting primarily from a \$3.8 million increase in deferred inflows of resources offset by a \$0.7 million decrease in liabilities. The decrease in total liabilities was primarily due to a \$6.4 million decrease in pension liabilities and a \$0.4 million decrease in due to component unit offset by a \$3.6 million increase in compensated absences and a \$2.4 million increase in unearned revenue. The increase in compensated absences liability was the result of implementation of GASB Statement No. 101, *Compensated Absences*. As a result, the College's net position decreased by \$17.4 million, resulting in a year-end balance of \$194 million.

The College's operating revenues totaled \$38.1 million for the 2024-25 fiscal year, representing a 0.5 percent decrease compared to the 2023-24 fiscal year due mainly to a \$1.1 million decrease in net student tuition and fees offset by a \$0.3 million increase in auxiliary enterprises and a \$0.2 million increase in grants and contracts. Operating expenses totaled \$236.3 million for the 2024-25 fiscal year, representing an increase of 5.5 percent as compared to the 2023-24 fiscal year due mainly to a \$12.5 million increase in scholarships and waivers and a \$1.8 million increase in other services and expenses offset by a decrease of \$2.1 million in personnel services and a \$1 million decrease in materials and supplies.

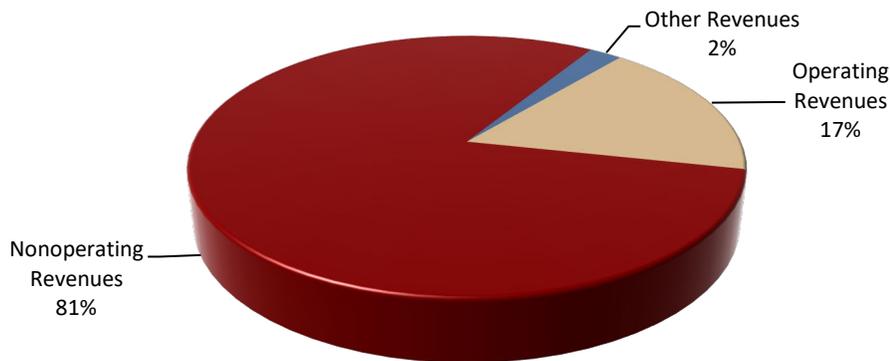
Net position represents the residual interest in the College's assets and deferred outflows of resources after deducting liabilities and deferred inflows of resources. The College's comparative total net position by category for the fiscal years ended June 30, 2025, and June 30, 2024, is shown in the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

**Net Position  
(In Thousands)**



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

**Total Revenues  
2024-25 Fiscal Year**



**OVERVIEW OF FINANCIAL STATEMENTS**

Pursuant to the Governmental Accounting Standards Board (GASB) Statement No. 35, the College’s financial report consists of three basic financial statements: the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows. The financial statements, and notes thereto, encompass the College and its component unit, Florida State College at Jacksonville Foundation, Inc. (Foundation). Based on the application of the criteria for determining component units, the Foundation is included within the College reporting entity as a discretely presented component unit.

The MD&A focuses on the College, excluding the discretely presented component unit.

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

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

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

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

(In Thousands)

	<u>2025</u>	<u>2024</u>
<b>Assets</b>		
Current Assets	\$ 54,564	\$ 57,121
Capital Assets, Net	197,839	197,087
Other Noncurrent Assets	<u>51,763</u>	<u>64,017</u>
<b>Total Assets</b>	<u>304,166</u>	<u>318,225</u>
<b>Deferred Outflows of Resources</b>	<u>21,065</u>	<u>21,284</u>
<b>Liabilities</b>		
Current Liabilities	29,594	27,235
Noncurrent Liabilities	<u>85,004</u>	<u>88,078</u>
<b>Total Liabilities</b>	<u>114,598</u>	<u>115,313</u>
<b>Deferred Inflows of Resources</b>	<u>16,641</u>	<u>12,844</u>
<b>Net Position</b>		
Investment in Capital Assets	197,839	197,087
Restricted	50,836	68,216
Unrestricted	<u>(54,683)</u>	<u>(53,951)</u>
<b>Total Net Position</b>	<u>\$ 193,992</u>	<u>\$ 211,352</u>

Total assets decreased \$14.1 million primarily from a \$12.2 million decrease in due from other governmental agencies resulting from the expenditure and drawdown of deferred maintenance funds allocated in the 2022-23 fiscal year along with a \$5.9 million decrease in cash and cash equivalents offset by a \$3.3 million increase in investments and a \$0.6 million increase in prepaid expenses. Deferred outflows of resources and deferred inflows of resources decreased \$0.2 million and increased \$3.8 million, respectively, primarily due to pension activity during the 2024-25 fiscal year. Total liabilities decreased \$0.7 million primarily due to a \$6.4 million decrease in pension liabilities offset by a \$3.6 million increase in compensated absences and a \$2.4 million increase in unearned revenue. The increase in

compensated absences liability was the result of implementation of GASB Statement No. 101. The College's ending net position decreased \$17.4 million, or 8.2 percent.

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

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

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

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

(In Thousands)

	<u>2024-25</u>	<u>2023-24</u>
Operating Revenues	\$ 38,123	\$ 38,300
Less, Operating Expenses	<u>236,261</u>	<u>223,977</u>
<b>Operating Loss</b>	(198,138)	(185,677)
Net Nonoperating Revenues	<u>177,961</u>	<u>169,154</u>
<b>Loss Before Other Revenues</b>	(20,177)	(16,523)
Other Revenues	<u>5,011</u>	<u>5,390</u>
<b>Net Decrease In Net Position</b>	<u>(15,166)</u>	<u>(11,133)</u>
Net Position, Beginning of Year	211,352	222,485
Adjustment to Beginning Net Position (1)	<u>(2,194)</u>	<u>-</u>
<b>Net Position, Beginning of Year, as Restated</b>	<u>209,158</u>	<u>222,485</u>
<b>Net Position, End of Year</b>	<u><u>\$ 193,992</u></u>	<u><u>\$ 211,352</u></u>

(1) For the 2024-25 fiscal year, the College's beginning net position was decreased due to the implementation of GASB Statement No. 101, *Compensated Absences*. Additional information can be found in Note 3. to the financial statements.

**Operating Revenues**

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

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

## Operating Revenues For the Fiscal Years

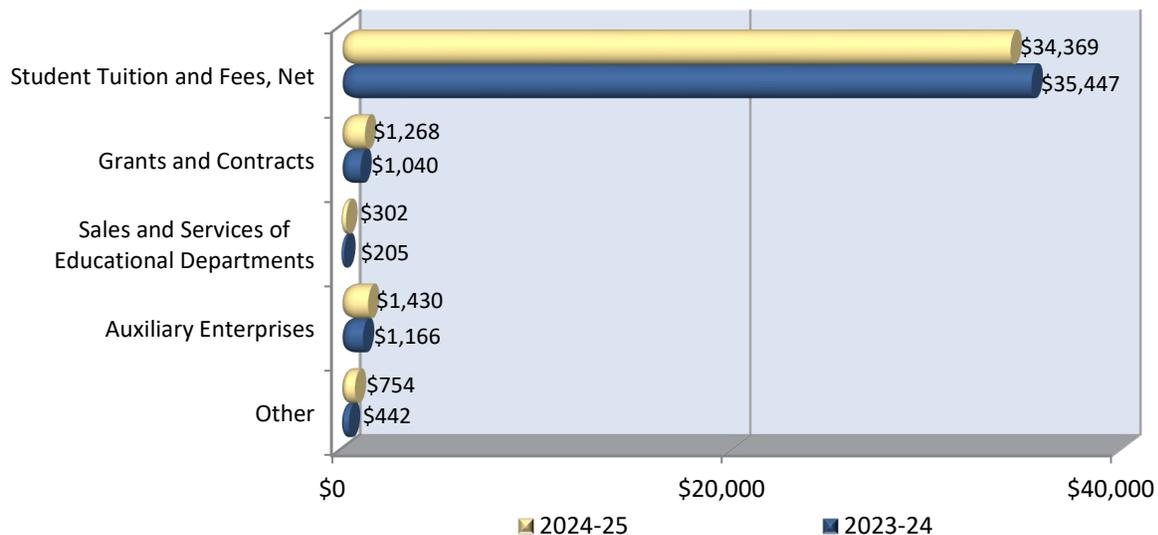
(In Thousands)

	<b>2024-25</b>	<b>2023-24</b>
Student Tuition and Fees, Net	\$ 34,369	\$ 35,447
Grants and Contracts	1,268	1,040
Sales and Services of Educational Departments	302	205
Auxiliary Enterprises	1,430	1,166
Other	754	442
<b>Total Operating Revenues</b>	<b>\$ 38,123</b>	<b>\$ 38,300</b>

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

### Operating Revenues

(In Thousands)



College operating revenues decreased \$0.2 million, or 0.5 percent. This can primarily be attributed to a \$1.1 million decrease in net student tuition and fees offset by a \$0.3 million increase in other operating revenues, a \$0.3 million increase in auxiliary enterprises, and a \$0.2 million increase in grants and contracts. The decrease in student tuition and fees is primarily from continuing workforce education.

### Operating Expenses

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

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

**Operating Expenses  
For the Fiscal Years**

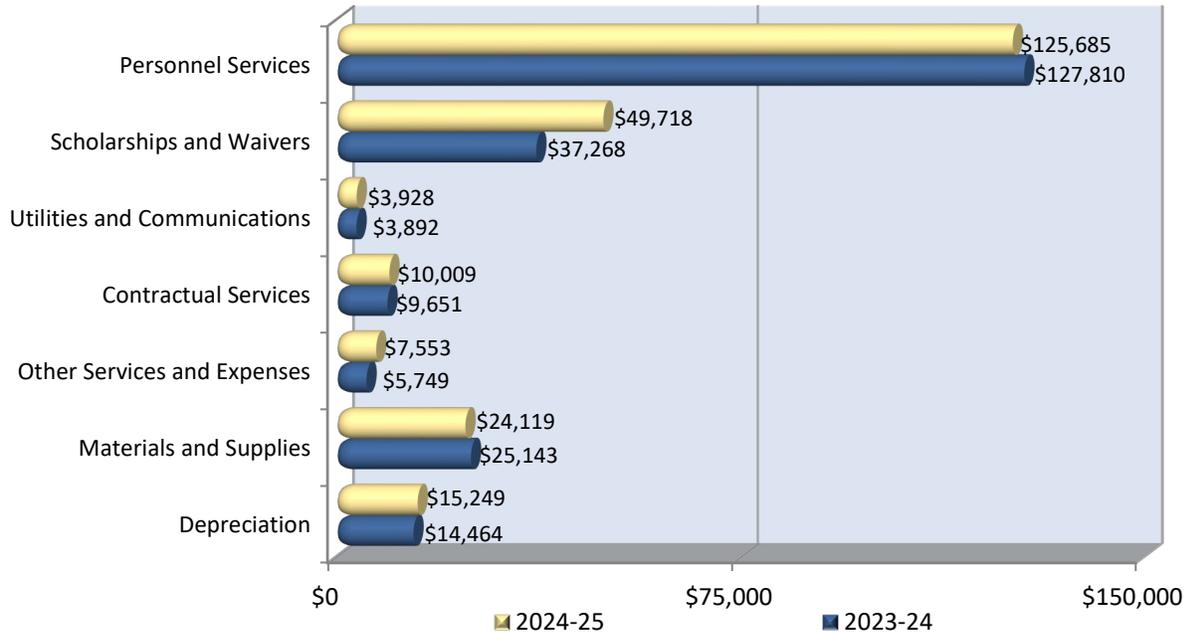
(In Thousands)

	<u>2024-25</u>	<u>2023-24</u>
Personnel Services	\$ 125,685	\$ 127,810
Scholarships and Waivers	49,718	37,268
Utilities and Communications	3,928	3,892
Contractual Services	10,009	9,651
Other Services and Expenses	7,553	5,749
Materials and Supplies	24,119	25,143
Depreciation	15,249	14,464
<b>Total Operating Expenses</b>	<b>\$ 236,261</b>	<b>\$ 223,977</b>

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

**Operating Expenses**

(In Thousands)



College operating expenses increased by \$12.3 million, or 5.5 percent, primarily as a result of a \$12.5 million increase in scholarships and waivers and a \$1.8 million increase in other services and expenses offset by a decrease of \$2.1 million in personnel services and a \$1 million decrease in materials and supplies. The decrease in personnel services was primarily due to a decrease in pension related expenses.

**Nonoperating Revenues and Expenses**

Certain revenue sources that the College relies on to provide funding for operations, including State noncapital appropriations, Federal and State student financial aid, certain gifts and grants, and investment income, are defined by GASB as nonoperating. Nonoperating expenses include capital

financing costs and other costs related to capital assets. The following summarizes the College's nonoperating revenues and expenses for the 2024-25 and 2023-24 fiscal years:

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

(In Thousands)

	2024-25	2023-24
State Noncapital Appropriations	\$ 93,722	\$ 93,639
Federal and State Student Financial Aid	68,465	52,065
Gifts and Grants	10,580	15,144
Investment Income	5,107	4,394
Other Nonoperating Revenues	87	4,692
Loss on Disposal of Capital Assets	-	(780)
<b>Net Nonoperating Revenues</b>	<b>\$ 177,961</b>	<b>\$ 169,154</b>

The \$8.8 million increase in net nonoperating revenues was primarily due to a \$16.4 increase in Federal and State student financial aid offset by a \$4.6 million decrease in gifts and grants and a \$4.6 million decrease in other nonoperating revenues related to the sale of property in the 2023-24 fiscal year.

**Other Revenues**

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

**Other Revenues  
For the Fiscal Years**

(In Thousands)

	2024-25	2023-24
State Capital Appropriations	\$ 543	\$ 1,295
Capital Grants, Contracts, Gifts, and Fees	4,468	4,095
<b>Total</b>	<b>\$ 5,011</b>	<b>\$ 5,390</b>

Other revenues decreased by \$0.4 million, or 7 percent, primarily due to the absence of a \$0.7 million State capital appropriation received in the 2023-24 fiscal year for the renovation of the Veteran Center. This decrease was partially offset by a \$0.4 million increase in capital improvement fee revenue.

**The Statement of Cash Flows**

The statement of cash flows provides information about the College's financial results by reporting the major sources and uses of cash and cash equivalents. This statement will assist in evaluating the College's ability to generate net cash flows, its ability to meet its financial obligations as they come due, and its need for external financing. Cash flows from operating activities show the net cash used by the operating activities of the College. Cash flows from capital financing activities include all plant funds and related long-term debt activities. Cash flows from investing activities show the net source and use of cash related to purchasing or selling investments, and earning income on those investments. Cash flows from noncapital financing activities include those activities not covered in other sections.

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

**Condensed Statement of Cash Flows  
For the Fiscal Years**

(In Thousands)

	<b>2024-25</b>	<b>2023-24</b>
Cash Provided (Used) by:		
Operating Activities	\$ (181,172)	\$ (157,503)
Noncapital Financing Activities	172,829	160,570
Capital and Related Financing Activities	655	2,795
Investing Activities	1,811	1,664
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(5,877)	7,526
Cash and Cash Equivalents, Beginning of Year	49,001	41,475
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 43,124</b>	<b>\$ 49,001</b>

Major sources of funds came from State noncapital appropriations (\$93.7 million), Federal and State student financial aid (\$68.5 million), Federal direct loan program receipts (\$41.1 million), net student tuition and fees (\$35.1 million), proceeds from sales and maturities of investments (\$24.9 million), State capital appropriations (\$12.1 million), and noncapital gifts and grants received for other than capital or endowment purposes (\$10.6 million). Major uses of funds were for payments to employees and for employee benefits (\$126.6 million), payments for scholarships (\$49.7 million), payments to suppliers (\$42.1 million), Federal direct loan program disbursements (\$41.1 million), purchase of investments (\$27.7 million), and purchases of capital assets (\$16 million).

The College's overall cash and cash equivalents decreased \$5.9 million, or 12 percent, as compared to the prior fiscal year due to an increase in cash used for operating activities.

<b>CAPITAL ASSETS AND CAPITAL EXPENSES AND COMMITMENTS</b>
--

**Capital Assets**

At June 30, 2025, the College had \$468 million in capital assets, less accumulated depreciation of \$270.2 million, for net capital assets of \$197.8 million. Depreciation charges for the current fiscal year totaled \$15.2 million. The following table summarizes the College's capital assets, net of accumulated depreciation, at June 30:

## Capital Assets, Net at June 30

(In Thousands)

	2025	2024
Land	\$ 8,221	\$ 8,221
Capitalized Collections	89	89
Computer Software Licenses	2,895	2,895
Construction in Progress	8,638	3,688
Buildings	144,327	147,636
Other Structures and Improvements	25,574	23,876
Furniture, Machinery, and Equipment	5,782	6,103
Computer Software	2,313	4,579
<b>Capital Assets, Net</b>	<b>\$197,839</b>	<b>\$197,087</b>

State appropriations together with local funds are expected to finance the construction, maintenance, renovation, and remodeling of facilities. Additional information about the College's capital assets is presented in the notes to financial statements.

### **Capital Expenses and Commitments**

Major capital expenses through June 30, 2025, were incurred for the URC Curtainwall Replacement. The College's major construction commitments at June 30, 2025, are as follows:

	<b>Amount (In Thousands)</b>
Total Committed	\$ 6,548
Completed to Date	(4,657)
<b>Balance Committed</b>	<b>\$ 1,891</b>

Additional information about the College's major 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. The College's current financial and capital plans indicate that there are adequate financial resources to maintain its present level of services in the short term. The College expects to revise its budget based upon student tuition and State resources available to fund operations in the next fiscal year.

### 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 the Controller, Florida State College at Jacksonville, 501 West State Street, Jacksonville, Florida 32202.

# BASIC FINANCIAL STATEMENTS

## FLORIDA STATE COLLEGE AT JACKSONVILLE A Component Unit of the State of Florida Statement of Net Position

June 30, 2025

	<u>College</u>	<u>Component Unit</u>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 33,413,719	\$ 4,664,635
Restricted Cash and Cash Equivalents	7,536,084	-
Accounts Receivable, Net	6,016,419	-
Pledges Receivable, Net	-	35,351
Notes Receivable, Net	119,865	-
Lease Receivable	5,427	-
Due from Other Governmental Agencies	3,687,942	-
Due from College	-	4,577,414
Inventories	2,158	-
Prepaid Expenses	3,782,341	548,627
<b>Total Current Assets</b>	<u>54,563,955</u>	<u>9,826,027</u>
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	2,173,750	100,577
Investments	2,999,002	84,177,476
Restricted Investments	44,977,586	-
Lease Receivable	920,904	-
Prepaid Expenses	690,797	-
Depreciable Capital Assets, Net	177,997,136	-
Nondepreciable Capital Assets	19,842,333	23,675
<b>Total Noncurrent Assets</b>	<u>249,601,508</u>	<u>84,301,728</u>
<b>TOTAL ASSETS</b>	<u>304,165,463</u>	<u>94,127,755</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Other Postemployment Benefits	332,897	-
Pensions	20,732,242	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>21,065,139</u>	<u>-</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	6,508,718	-
Salary and Payroll Taxes Payable	7,293,673	-
Retainage Payable	369,136	-
Due to College	-	967,307
Due to Component Unit	2,756,147	-
Unearned Revenue	5,680,224	4,405,981
Estimated Insurance Claims Payable	90,420	-
Deposits Held for Others	675,780	100,577
Long-Term Liabilities - Current Portion:		
Special Termination Benefits Payable	9,668	-
Compensated Absences Payable	6,058,566	-
Net Pension Liability	86,891	-
Other Postemployment Benefits Payable	64,667	-
<b>Total Current Liabilities</b>	<u>29,593,890</u>	<u>5,473,865</u>

	<u>College</u>	<u>Component Unit</u>
<b>LIABILITIES (Continued)</b>		
Noncurrent Liabilities:		
Special Termination Benefits Payable	87,010	-
Compensated Absences Payable	14,802,747	-
Net Pension Liability	68,983,011	-
Other Postemployment Benefits Payable	1,130,983	-
<b>Total Noncurrent Liabilities</b>	<u>85,003,751</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>114,597,641</u>	<u>5,473,865</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Other Postemployment Benefits	1,511,953	-
Pensions	14,210,034	-
Lease Agreements	919,461	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>16,641,448</u>	<u>-</u>
<b>NET POSITION</b>		
Investment in Capital Assets	197,839,469	-
Restricted:		
Nonexpendable:		
Endowment	-	34,766,391
Expendable:		
Endowment	9,114,505	7,098,959
Grants and Loans	847,494	-
Scholarships	783,203	-
Capital Projects	40,090,277	-
Unrestricted	<u>(54,683,435)</u>	<u>46,788,540</u>
<b>TOTAL NET POSITION</b>	<u>\$ 193,991,513</u>	<u>\$ 88,653,890</u>

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

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

	<b>College</b>	<b>Component Unit</b>
<b>REVENUES</b>		
Operating Revenues:		
Student Tuition and Fees, Net of Scholarship Allowances of \$21,813,783	\$ 34,368,859	\$ -
State and Local Grants and Contracts	1,142,199	-
Nongovernmental Grants and Contracts	125,363	-
Sales and Services of Educational Departments	302,409	-
Auxiliary Enterprises	1,430,170	10,000,680
Other Operating Revenues	754,299	-
<b>Total Operating Revenues</b>	<b>38,123,299</b>	<b>10,000,680</b>
<b>EXPENSES</b>		
Operating Expenses:		
Personnel Services	125,685,212	2,082,350
Scholarships and Waivers	49,718,005	3,029,744
Utilities and Communications	3,928,504	-
Contractual Services	10,009,189	7,936,495
Other Services and Expenses	7,553,084	293,642
Materials and Supplies	24,118,895	111,935
Depreciation	15,248,882	-
<b>Total Operating Expenses</b>	<b>236,261,771</b>	<b>13,454,166</b>
<b>Operating Loss</b>	<b>(198,138,472)</b>	<b>(3,453,486)</b>
<b>NONOPERATING REVENUES</b>		
State Noncapital Appropriations	93,722,020	-
Federal and State Student Financial Aid	68,465,265	-
Gifts and Grants	10,580,191	2,575,837
Investment Income	4,461,774	-
Realized Gain on Investments	91,060	17,028,563
Unrealized Gain on Investments	553,952	-
Gain on Disposal of Capital Assets	86,665	-
<b>Total Nonoperating Revenues</b>	<b>177,960,927</b>	<b>19,604,400</b>
<b>Income (Loss) Before Other Revenues</b>	<b>(20,177,545)</b>	<b>16,150,914</b>
State Capital Appropriations	542,800	-
Capital Grants, Contracts, Gifts, and Fees	4,467,738	-
<b>Total Other Revenues</b>	<b>5,010,538</b>	<b>-</b>
<b>Increase (Decrease) in Net Position</b>	<b>(15,167,007)</b>	<b>16,150,914</b>
Net Position, Beginning of Year	211,352,199	72,502,976
Adjustment to Beginning Net Position	(2,193,679)	-
<b>Net Position, Beginning of Year, as Restated</b>	<b>209,158,520</b>	<b>72,502,976</b>
<b>Net Position, End of Year</b>	<b>\$ 193,991,513</b>	<b>\$ 88,653,890</b>

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

**FLORIDA STATE COLLEGE AT JACKSONVILLE**  
**A Component Unit of the State of Florida**  
**Statement of Cash Flows**

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

	<b>College</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Student Tuition and Fees, Net	\$ 35,052,192
Grants and Contracts	3,962,658
Payments to Suppliers	(42,121,590)
Payments for Utilities and Communications	(3,928,504)
Payments to Employees	(92,441,981)
Payments for Employee Benefits	(34,159,582)
Payments for Scholarships	(49,706,760)
Loans Issued to Students	(4,898,913)
Collection on Loans to Students	4,889,728
Auxiliary Enterprises	1,193,738
Sales and Services of Educational Departments	302,409
Other Receipts	684,275
	<b>(181,172,330)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State Noncapital Appropriations	93,722,020
Federal and State Student Financial Aid	68,523,721
Federal Direct Loan Program Receipts	41,117,633
Federal Direct Loan Program Disbursements	(41,115,030)
Gifts and Grants Received for Other Than Capital or Endowment Purposes	10,580,191
	<b>172,828,535</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
State Capital Appropriations	12,124,971
Capital Grants and Gifts	4,467,738
Proceeds from Sale of Capital Assets	86,665
Purchases of Capital Assets	(16,024,459)
	<b>654,915</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from Sales and Maturities of Investments	24,913,700
Purchases of Investments	(27,655,123)
Investment Income	4,552,834
	<b>1,811,411</b>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(5,877,469)</b>
Cash and Cash Equivalents, Beginning of Year	49,001,022
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 43,123,553</b>

	<u>College</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>	
Operating Loss	\$ (198,138,472)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation Expense	15,248,882
Changes in Assets, Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources:	
Receivables, Net	636,799
Notes Receivable	(9,185)
Due from Other Governmental Agencies	572,111
Inventories	551
Prepaid Expenses	(617,492)
Lease Receivable (Noncurrent)	3,766
Accounts Payable	(341,531)
Salary and Payroll Taxes Payable	117,010
Unearned Revenue	2,450,535
Estimated Insurance Claims Payable	(1,733)
Deposits Held for Others	(70,024)
Special Termination Benefits Payable	34,800
Compensated Absences Payable	1,401,218
Other Postemployment Benefits Payable	(117,695)
Net Pension Liability	(6,358,804)
Deferred Outflows of Resources Related to Other Postemployment Benefits	64,272
Deferred Inflows of Resources Related to Other Postemployment Benefits	(28,964)
Deferred Outflows of Resources Related to Pensions	155,016
Deferred Inflows of Resources Related to Pensions	3,818,529
Deferred Inflows of Resources Related to Leases	8,081
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<u>\$ (181,172,330)</u>

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

Unrealized gains on investments were recognized on the statement of revenues, expenses, and changes in net position, but are not cash transactions for the statement of cash flows. \$ 553,952

Gains from the disposal of capital assets were recognized on the statement of revenues, expenses, and changes in net position, but are not cash transactions for the statement of cash flows. \$ 86,665

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

# **NOTES TO FINANCIAL STATEMENTS**

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

**Reporting Entity.** The governing body of Florida State College at Jacksonville, 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 nine 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 Duval and Nassau Counties.

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 Florida State College at Jacksonville 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 and can be obtained from the Executive Director, Florida State College at Jacksonville Foundation, Inc., 501 West State Street, Jacksonville, Florida 32202. The financial data reported on the accompanying financial statements was derived from the Foundation's audited financial statements for the fiscal year ended September 30, 2024.

**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, gifts and grants, and investment income. 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's accounting system identifies the specific amounts paid for tuition and fees from students and third parties (e.g., financial aid, scholarships, etc.). To the extent that third-party resources are used to pay student charges, the College records a scholarship allowance against tuition and fee revenue.

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

**Cash and Cash Equivalents.** Cash and cash equivalents consist of cash on hand, cash in demand accounts, and cash with the State Board of Administration (SBA) Florida PRIME investment pool. For reporting cash flows, the College considers all highly liquid investments with original maturities of 3 months or less to be cash equivalents. Under this definition, the College considers amounts invested in the SBA Florida PRIME investment pool to be cash equivalents.

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

At June 30, 2025, the College reported as cash equivalents \$31,542,361 in the Florida PRIME investment pool administered by the SBA pursuant to Section 218.405, Florida Statutes. The College's investments in the Florida PRIME investment pool, which the SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. The Florida PRIME investment pool carried a credit rating of AAAM by Standard & Poor's and had a weighted-average days to maturity (WAM) of 47 days as of June 30, 2025. A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating-rate instruments. WAM measures the sensitivity of the Florida PRIME investment pool to interest rate changes. The investments in the Florida PRIME investment pool are reported at amortized cost.

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

**Cash and Cash Equivalents – Discretely Presented Component Unit.** The amount reported for the Foundation as cash and cash equivalents consists of cash in bank demand deposit accounts.

*Custodial Credit Risk:* Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Foundation will not be able to recover deposits. The Foundation's cash deposits with the bank are insured by the FDIC up to \$250,000 for each interest-bearing account. At September 30, 2024, the Foundation's cash and cash equivalents totaled \$4,765,212, and the Foundation had deposits of \$4,014,000 in excess of the FDIC limit.

**Capital Assets.** College capital assets consist of land, artwork, construction in progress, computer software licenses and computer software, buildings, other structures and improvements, and furniture, machinery, and equipment. 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, \$250,000 for buildings and \$100,000 for 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
- Computer Software – 10 years
- Furniture, Machinery, and Equipment:
  - Computer Equipment – 3 years
  - Vehicles, Office Machines, and Educational Equipment – 5 years
  - Furniture – 7 years

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

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

## **2. Reporting Change**

For the fiscal year ended September 30, 2023, the College's component unit was reported as a governmental entity. It was determined during the fiscal year ended September 30, 2024 that the College's component unit did not qualify as a governmental entity as defined by the *Governmental Accounting Standards Board (GASB) Accounting Standards Codification* and as such, the fiscal year ended September 30, 2024 reporting period follows the *Financial Accounting Standards Board (FASB)*

*Accounting Standards Codification* and is presented under the non-profit reporting model. As a result of the change, there was no impact to the beginning net position or in the prior year change in net position.

### 3. Change in Accounting Principle

The College implemented GASB Statement No. 101, *Compensated Absences*, whose objective is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The objective was achieved by aligning the recognition and measurement guidance under a unified model and by amending previously required note disclosures. Due to the implementation on July 1, 2024, the beginning balance of the compensated absences liability was increased by \$2,193,679, which resulted in a decrease to the beginning net position by the same amount as shown in the table below.

<u>Description</u>	<u>College</u>
Beginning Net Position, as previously reported	\$ 211,352,199
Change in accounting principle (GASB Statement No. 101)	<u>(2,193,679)</u>
<b>Beginning Net Position, as Restated</b>	<b><u>\$ 209,158,520</u></b>

### 4. 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.

<u>Fund</u>	<u>Net Position</u>
Current Funds - Unrestricted	\$ (58,775,638)
Auxiliary Funds	<u>4,092,203</u>
<b>Total</b>	<b><u>\$ (54,683,435)</u></b>

This deficit can be attributed to the full recognition of long-term liabilities (i.e., compensated absences payable, other postemployment benefits (OPEB) payable, special termination benefits payable, and net pension liabilities) in the current unrestricted funds that are expected to be paid over time and financed by future appropriations. The following table shows the items comprising the difference between the College's ending net position before amount to be funded by future State appropriations and the College's ending unrestricted net position:

Total Unrestricted Net Position Before Recognition of Long-Term Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources	\$ 31,196,956
Amount Expected to be Financed in Future Years:	
Net Pension Liability and Related Deferred Outflows of Resources and Deferred Inflows of Resources	\$ (62,547,694)
Compensated Absences Payable	(20,861,313)
Net Postemployment Benefits and Related Deferred Outflows of Resources and Deferred Inflows of Resources	(2,374,706)
Special Termination Benefits Payable	<u>(96,678)</u>
Total Amount Expected to be Financed in Future Years	<u>(85,880,391)</u>
<b>Total Unrestricted Net Position</b>	<b><u>\$ (54,683,435)</u></b>

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

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

All of the College's recurring fair value measurements as of June 30, 2025, are valued using quoted market prices (Level 1 inputs), with the exception of corporate bonds which are valued using a matrix pricing model (Level 2 inputs).

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

Investments by fair value level	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
United States Treasury Securities Obligations of United States Government Agencies and Instrumentalities	\$12,230,284	\$ 12,230,284	\$ -	\$ -
Bonds and Notes	3,782,470	3,782,470	-	-
Mutual Funds	22,887,246	-	22,887,246	-
Equities	6,520,455	6,520,455	-	-
Bonds	2,387,423	-	2,387,423	-
<b>Total investments by fair value level</b>	<b>47,807,878</b>	<b>\$ 22,533,209</b>	<b>\$ 25,274,669</b>	<b>\$ -</b>
<b>Investments measured at amortized cost</b>				
Money Market Funds	168,710			
<b>Total investments measured at fair value</b>	<b>\$47,976,588</b>			

**College Investments.** The College's investments at June 30, 2025, all of which are managed by a contracted investment management firm, include \$8,928,671 of endowment fund investments and \$39,047,917 of other College investments. The following risks apply to these investments.

*Interest Rate Risk:* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The College's investment policy limits investments of current operating funds to maturities no longer than 24 months and investments of non-operating funds to maturities no longer than 5.5 years. The policy also provides that the maximum maturity of an individual security will not be greater than 5.5 years, and the effective duration of the portfolio will not be greater than 3 years. At June 30, 2025, the College had \$16,012,754 in obligations of the United States Government and its agencies, with various call dates with final maturity dates between February 2026 and April 2041, having a weighted-average maturity of 2 years. Also, at June 30, 2025, the College had \$22,887,246 in corporate securities, with various call dates with final maturity dates between July 2025 and August 2030, with weighted-average maturities of 2.21 years, and \$168,710 in money markets funds, with an average maturity of 46 days. The overall weighted-average life of the other College investments portfolio was 3.70 years as of June 30, 2025.

*Credit Risk:* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The College's investment policy addresses credit risk through the authorization of the following types of investments:

- United States Treasury and Government Guaranteed – United States Treasury obligations and obligations the principal and interest of which are backed or guaranteed by the full faith and credit of the United States Government.
- Federal Agency/Government-Sponsored Enterprise (GSE) – Debt obligations, participations or other instruments issued or fully guaranteed by any United States Federal agency, instrumentality, or GSE.
- Supranationals – United States dollar denominated debt obligations of government multilateral organizations where the United States is a shareholder and voting member.
- Corporates – United States dollar denominated corporate notes, bonds, or other debt obligations issued or guaranteed by a domestic or foreign corporation, financial institution, non-profit or other entity.
- Municipals – Obligations, including both taxable and tax-exempt, issued or guaranteed by any state, territory or possession of the United States, political subdivision, public corporation, authority, agency board, instrumentality, or other unit of local government of any state or territory.
- Agency Mortgage-Backed Securities – Mortgage-backed securities, backed by residential, multi-family or commercial mortgages, that are issued or fully guaranteed as to principal and interest by a United States Federal agency or GSE, including but not limited to pass-throughs, collateralized mortgage obligations, and Real Estate Mortgage Investment Conduits.
- Asset-Backed Securities – Asset-backed securities whose underlying collateral consists of loans, leases or receivables, including, but not limited to, auto loans and leases, credit card receivables, student loans, equipment loans and leases, or home-equity loans.

- Non-Negotiable Certificate of Deposit and Savings Accounts – Non-negotiable interest-bearing time certificates of deposit, or savings accounts in banks organized under Florida laws or in national banks organized under United States laws and doing business in Florida, provided that any such deposits are secured by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes.
- Commercial Paper – United States dollar denominated commercial paper issued or guaranteed by a domestic or foreign corporation, company, financial institution, trust or other entity, including both unsecured debt and asset-backed programs.
- Bankers’ Acceptances – Bankers’ acceptances issued, drawn on or guaranteed by a United States bank or United States branch of a foreign bank.
- Repurchase agreements meeting the requirements specified in the investment policy.
- Money Market Funds – Shares in open-end and no-load money market mutual funds, provided such funds are registered under the Investment Company Act of 1940 and operate in accordance with Rule 2a-7 of the Act.
- Local Government Investment Pools – State, local government, or privately sponsored investment pools that are authorized pursuant to State law.

United States Government obligations are not considered to have credit risk. As of June 30, 2025, the College’s investments in Federal agency obligations are rated AA+ and corporate debt securities are rated from BBB+ to AAA by Standard & Poor’s.

*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 the value of investments or collateral securities that are in the possession of an outside party. Investments purchased on behalf of the College pursuant to Section 218.415, Florida Statutes, must be properly earmarked and (1) if registered with the issuer or its agents, the investment must be immediately placed for safekeeping in a location that protects the College’s interest in the security; (2) if in a book-entry form, the investment must be held for the credit of the College by a depository chartered by the Federal Government, the State, or any other state or territory of the United States, that has a branch or principal place of business in this State, or by a national association organized and existing under the laws of the United States that is authorized to accept and execute trusts and which is doing business in this State, and must be kept by the depository in an account separate and apart from the assets of the financial institution; or (3) if physically issued to the holder but not registered with the issuer or its agents, must be immediately placed for safekeeping in a secured vault. The College’s investments of \$16,012,754 in United States Treasury Securities and obligations of United States Government agencies, and \$22,887,246 in corporate debt securities, 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 a government’s investment in a single issuer. The College’s investment policy provides that a maximum of 5 to 40 percent of the portfolio may be invested in securities of a single issuer, depending on the type of authorized investment. The policy also establishes maximum percentages for each type of authorized investment ranging from 10 to 75 percent of the investment portfolio. However, United States Treasury Securities are not subject to these limitations.

**Discretely Presented Component Unit Investments.** The College's Foundation categorizes its fair value measurements in accordance with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the inputs used to determine the fair value of each asset. The Foundation's investments in mutual funds (equity securities and real estate funds) and exchange traded funds are valued using quoted prices in active markets for identical assets (Level 1 inputs). The Foundation's artwork investments, for which little or no observable market data exists, are classified as Level 3 inputs. Artwork is recorded at fair value as of the date of donation.

Investments held by the Foundation at September 30, 2024, are reported at fair value as follows:

	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)
<b>Investments by fair value level</b>				
Mutual Funds				
Equity Securities	\$ 7,887,807	\$ 7,887,807	\$ -	\$ -
Real Estate Funds	4,509,687	4,509,687	-	-
Exchange Traded Funds	818,741	818,741	-	-
Artwork	23,675	-	-	23,675
Total investments by fair value level	13,239,910	\$ 13,216,235	\$ -	\$ 23,675
<b>Investments measured at the net asset value (NAV)</b>				
Multistrategy hedge funds	62,122,388			
Private equity funds	7,641,752			
Natural resources hedge funds	1,086,758			
Total investments by net asset value (NAV)	70,850,898			
<b>Investments measured at amortized cost</b>				
Money Market Funds	110,343			
<b>Total investments measured at fair value</b>	<u>\$ 84,201,151</u>			

## 6. Accounts Receivable

Accounts receivable totaling \$6,016,419 represent amounts for student fee deferrals, various student services provided by the College, payroll receivables, and contract and grant reimbursements due from third parties. The accounts receivable are reported net of a \$1,523,946 allowance for doubtful accounts.

## 7. Notes Receivable

Notes receivable represent student loans made under the College's short-term loan program of \$119,865. Notes receivable are reported net of a \$66,208 allowance for doubtful notes.

## 8. Due From Other Governmental Agencies

The \$3,687,942 due from other governmental agencies primarily consists of \$2,527,750 of grants and contracts receivable, \$373,887 of deferred maintenance allocation due from the State for College

facilities, and \$551,862 of Capital Outlay and Debt Service License Tag Fee Appropriations and interest from the State.

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

The \$2,756,147 reported as due to component unit consists of Foundation Artist Series program ticket sales of \$2,288,908 for the 2025-26 fiscal year Artist Series productions and \$892,102 of profits for the 2024-25 season as of June 30, 2025, reduced by \$424,863 for reimbursement of scholarships, certain personnel costs, and other expenses owed to the College as of that date. The \$4,577,414 reported as due from College consists of ticket sales in excess of expenses for the Foundation Artist Series program as of September 30, 2024. The \$967,307 reported as due to the College consists mainly of amounts that the Foundation owed to the College for reimbursement of scholarship expenses, program support and certain personnel costs as of September 30, 2024. The College's financial statements are reported for the fiscal year ended June 30, 2025, and the College's component unit's financial statements are reported for the fiscal year ended September 30, 2024. 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. Capital Assets

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

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Nondepreciable Capital Assets:				
Land	\$ 8,221,314	\$ -	\$ -	\$ 8,221,314
Artwork	88,600	-	-	88,600
Computer Software Licenses	2,894,622	-	-	2,894,622
Construction in Progress	3,688,779	6,247,799	1,298,781	8,637,797
<b>Total Nondepreciable Capital Assets</b>	<b>\$ 14,893,315</b>	<b>\$ 6,247,799</b>	<b>\$ 1,298,781</b>	<b>\$ 19,842,333</b>
Depreciable Capital Assets:				
Buildings	\$ 343,705,454	\$ 4,454,091	\$ -	\$ 348,159,545
Other Structures and Improvements	33,160,893	3,491,482	-	36,652,375
Furniture, Machinery, and Equipment	39,244,311	3,106,560	1,622,810	40,728,061
Computer Software	22,659,051	-	-	22,659,051
<b>Total Depreciable Capital Assets</b>	<b>438,769,709</b>	<b>11,052,133</b>	<b>1,622,810</b>	<b>448,199,032</b>
Less, Accumulated Depreciation:				
Buildings	196,069,501	7,762,587	-	203,832,088
Other Structures and Improvements	9,285,041	1,793,136	-	11,078,177
Furniture, Machinery, and Equipment	33,141,467	3,427,254	1,622,810	34,945,911
Computer Software	18,079,815	2,265,905	-	20,345,720
<b>Total Accumulated Depreciation</b>	<b>256,575,824</b>	<b>15,248,882</b>	<b>1,622,810</b>	<b>270,201,896</b>
<b>Total Depreciable Capital Assets, Net</b>	<b>\$ 182,193,885</b>	<b>\$ (4,196,749)</b>	<b>\$ -</b>	<b>\$ 177,997,136</b>

## 11. Unearned Revenue

Unearned revenue at June 30, 2025, includes amounts primarily received by the College for grants and contracts, student tuition and fees, and auxiliary revenues. As of June 30, 2025, the College reported the following amounts as unearned revenue:

<u>Description</u>	<u>Amount</u>
Grants and Contracts	\$ 5,102,242
Student Tuition and Fees	361,927
Auxiliary Revenues	201,537
Scholarships	14,518
<b>Total Unearned Revenue</b>	<b><u>\$ 5,680,224</u></b>

## 12. Long-Term Liabilities

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

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Special Termination Benefits Payable	\$ 61,878	\$ 34,800	\$ -	\$ 96,678	\$ 9,668
Compensated Absences Payable	17,266,416	10,077,081	6,482,184	20,861,313	6,058,566
Other Postemployment Benefits Payable	1,313,345	119,479	237,174	1,195,650	64,667
Net Pension Liability	75,428,706	28,281,848	34,640,652	69,069,902	86,891
<b>Total Long-Term Liabilities</b>	<b><u>\$ 94,070,345</u></b>	<b><u>\$ 38,513,208</u></b>	<b><u>\$ 41,360,010</u></b>	<b><u>\$ 91,223,543</u></b>	<b><u>\$ 6,219,792</u></b>

**Special Termination Benefits Payable.** Effective July 1, 2004, the Board of Trustees established a severance pay plan that is available to certain College administrative employees. The plan provides that once certain eligibility guidelines are met, benefit day credits of one-half to one full day are accrued for each month of service payable at various percentages in conjunction with the employee's daily rate of pay at the time of separation. The severance pay plan benefit is not available to an eligible employee until the date of separation from the College and must be paid as a one-time lump-sum payment. At June 30, 2025, a liability for accrued plan benefits of \$96,678 for three employees was reported by the College as Special Termination Benefits Payable.

**Compensated Absences Payable.** College employees may accrue annual and sick leave based on length of service, subject to certain limitations regarding the amount that will be paid upon termination. Compensated absences are estimated and accrued as liabilities to the extent that it is more likely than not that the leave will be used for time off or otherwise paid in cash or settled through noncash means. The College reports a liability for the accrued leave; however, State noncapital appropriations fund only the portion of accrued leave that is used or paid in the current fiscal year. Although the College expects the liability to be funded primarily from future appropriations, generally accepted accounting principles do not permit the recording of a receivable in anticipation of future appropriations. At June 30, 2025, the estimated liability for compensated absences, which includes the College's share of the Florida Retirement System and FICA contributions, totaled \$20,861,313. The current portion of the compensated absences liability, \$6,058,566, is the amount expected to be paid in the coming fiscal year and represents

the College’s estimate of leave payouts plus benefits for leave used, retirements, separations, and Deferred Retirement Option Program (DROP) participants during the 2025-26 fiscal year based on an average of actual payments over the previous 7 years.

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

**General Information about the OPEB Plan**

*Plan Description.* The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the Consortium that provides OPEB for all employees who satisfy the College’s retirement eligibility provisions. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the College are eligible to participate in the College’s 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. The College does not offer any explicit subsidies for retiree coverage. Retirees are required to enroll in the Federal Medicare (Medicare) program for their primary coverage as soon as they are eligible. The OPEB Plan contribution requirements and benefit terms of the College and the OPEB Plan members are established and may be amended by action from the Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	51
Inactive Employees Entitled to But Not Yet Receiving Benefits	47
Active Employees	1,202
<b>Total</b>	<u>1,300</u>

**Total OPEB Liability**

The College’s total OPEB liability of \$1,195,650 was measured as of June 30, 2024, and was determined by an actuarial valuation as June 30, 2023.

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

Inflation	2.40 percent
Real Wage Growth	0.85 percent
Wage Inflation	3.25 percent
Salary increases	
Regular Employees	3.65 – 6.35 percent
Senior Management	4.20 – 9.30 percent
Municipal Bond Index	
Prior Measurement Date	3.65 percent
Measurement Date	3.93 percent
Healthcare cost trend rates	
Pre-Medicare	7.00 percent for 2023, decreasing to an ultimate rate of 4.40 percent by 2034
Medicare	5.125 percent for 2023, decreasing to an ultimate rate of 4.40 percent by 2027

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

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

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

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

### ***Changes in the Total OPEB Liability***

	<b>Amount</b>
<b>Balance at 6/30/24</b>	<u>\$ 1,313,345</u>
<b>Changes for the year:</b>	
Service Cost	70,111
Interest	49,368
Changes in Assumptions or Other Inputs	(174,806)
Benefit Payments	<u>(62,368)</u>
<b>Net Changes</b>	<u>(117,695)</u>
<b>Balance at 6/30/25</b>	<u><u>\$ 1,195,650</u></u>

Changes of assumptions and other inputs since the prior measurement date are as follows:

- The discount rate changed from 3.65 percent in 2023 to 3.93 percent in 2024.
- Mortality, retirement, disability, and termination rates changed based on the updated Florida Retirement System's actuarial valuation report as of July 1, 2024.
- DROP entry assumptions changed based on the updated Florida Retirement System's actuarial valuation report as of July 1, 2024.
- Salary increases changed based on the updated Florida Retirement System's actuarial valuation report as of July 1, 2024.

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

	<u>1% Decrease (2.93%)</u>	<u>Current Discount Rate (3.93%)</u>	<u>1% Increase (4.93%)</u>
Total OPEB liability	\$1,399,789	\$1,195,650	\$1,035,193

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

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability	\$990,896	\$1,195,650	\$1,467,169

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

For the fiscal year ended June 30, 2025, the College recognized negative OPEB expense of \$17,720. At June 30, 2025, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 19,392	\$ 873,318
Change of assumptions or other inputs	248,838	638,635
Transactions subsequent to the measurement date	64,667	-
<b>Total</b>	<u>\$ 332,897</u>	<u>\$ 1,511,953</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$64,667 resulting from benefits paid subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2026	\$ (137,199)
2027	(129,108)
2028	(118,701)
2029	(141,808)
2030	(167,133)
Thereafter	<u>(549,774)</u>
<b>Total</b>	<b><u>\$ (1,243,723)</u></b>

**Net Pension Liability.** As a participating employer in the Florida Retirement System (FRS), the College recognizes its proportionate share of the collective net pension liabilities of the FRS cost-sharing multiple-employer defined benefit plans. As of June 30, 2025, the College's proportionate share of the net pension liabilities totaled \$69,069,902. Note 13. includes a complete discussion of defined benefit pension plans.

### **13. Retirement Plans – Defined Benefit Pension Plans**

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

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 121, Florida Statutes, also provides for nonintegrated, optional retirement programs in lieu of the FRS to certain members of the Senior Management Service Class employed by the State and faculty and specified employees of State colleges. Chapter 112, Florida Statutes, established the HIS Program, a cost-sharing multiple-employer defined benefit pension plan to assist retired members of any State-administered retirement system in paying the costs of health insurance.

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

The College's FRS and HIS pension expense totaled \$5,612,035 for the fiscal year ended June 30, 2025.

## **FRS Pension Plan**

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

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

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

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

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

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

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

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

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

(1) Employer rates include 2.00 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 \$6,946,236 for the fiscal year ended June 30, 2025.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At June 30, 2025, the College reported a liability of \$44,105,175 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The College's proportionate share of the net pension liability was based on the College's 2023-24 fiscal year contributions relative to the total 2023-24 fiscal year contributions of all participating members. At June 30, 2024, the College's proportionate share was

0.114011925 percent, which was a decrease of 0.006882685 from its proportionate share measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the College recognized pension expense of \$5,387,769. In addition, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,455,807	\$ -
Change of assumptions	6,045,017	-
Net difference between projected and actual earnings on FRS Plan investments	-	2,931,459
Changes in proportion and differences between College FRS contributions and proportionate share of contributions	1,094,615	5,716,699
College FRS contributions subsequent to the measurement date	6,946,236	-
<b>Total</b>	<b>\$ 18,541,675</b>	<b>\$ 8,648,158</b>

The deferred outflows of resources totaling \$6,946,236, resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2026	\$ (1,777,548)
2027	6,107,350
2028	(977,217)
2029	(681,095)
2030	275,791
<b>Total</b>	<b>\$ 2,947,281</b>

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

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

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

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

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

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

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

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

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

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

	<u>1% Decrease (5.70%)</u>	<u>Current Discount Rate (6.70%)</u>	<u>1% Increase (7.70%)</u>
College's proportionate share of the net pension liability	\$77,579,458	\$44,105,175	\$16,063,362

*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.

*Payables to the Pension Plan.* At June 30, 2025, the College reported a payable of \$947,016 for the outstanding amount of contributions to the Plan required for the fiscal year ended June 30, 2025.

### **HIS Pension Plan**

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

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

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

The College's contributions to the HIS Plan totaled \$1,507,699 for the fiscal year ended June 30, 2025.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At June 30, 2025, the College reported a net pension liability of \$24,964,727 for its proportionate share of the net pension liability. The current portion of the net pension liability is the College's proportionate share of benefit payments expected to be paid within 1 year, net of the College's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The College's proportionate share of the net pension liability was based on the College's 2023-24 fiscal year contributions relative to the total 2023-24 fiscal year contributions of all participating members. At June 30, 2024, the College's proportionate share was 0.166420677 percent, which was a decrease of 0.005202375 from its proportionate share measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the College recognized pension expense of \$224,266. In addition, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 241,051	\$ 47,936
Changes of assumptions	441,817	2,955,504
Net difference between projected and actual earnings on HIS Plan investments	-	9,029
Changes in proportion and differences between College HIS contributions and proportionate share of HIS contributions	-	2,549,407
College contributions subsequent to the measurement date	1,507,699	-
<b>Total</b>	<b>\$ 2,190,567</b>	<b>\$ 5,561,876</b>

The deferred outflows of resources totaling \$1,507,699, resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2026	\$ (1,078,081)
2027	(1,064,280)
2028	(1,231,450)
2029	(920,838)
2030	(470,873)
Thereafter	(113,486)
<b>Total</b>	<b>\$ (4,879,008)</b>

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

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

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

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

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

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

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

	<u>1% Decrease (2.93%)</u>	<u>Current Discount Rate (3.93%)</u>	<u>1% Increase (4.93%)</u>
College’s proportionate share of the net pension liability	\$28,419,133	\$24,964,727	\$22,097,012

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

*Payables to the Pension Plan.* At June 30, 2025, the College reported a payable of \$205,602 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2025.

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

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. College employees already participating in the State College System Optional Retirement Program or DROP are not eligible to participate in the Investment Plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Service retirement benefits are based upon the value of the member’s account upon retirement. Benefit terms, including contribution requirements, are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contributions rates, that are based on salary and membership class (Regular Class, Senior Management Service Class, etc.), as the FRS defined benefit plan. Contributions

are directed to individual member accounts and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. Allocations to the Investment Plan member accounts during the 2024-25 fiscal year were as follows:

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

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

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

The College’s Investment Plan pension expense totaled \$2,572,160 for the fiscal year ended June 30, 2025.

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

The Program is a defined contribution plan, which provides full and immediate vesting of all contributions submitted to the participating companies on behalf of the participant. Employees in eligible positions can make an irrevocable election to participate in the Program, rather than the FRS, and purchase retirement and death benefits through contracts provided by certain insurance carriers. The employing college contributes 5.15 percent of the participant’s salary to the participant’s account and 4.84 percent to cover the unfunded actuarial liability of the FRS pension plan, for a total of 9.99 percent, and employees contribute 3 percent of the employee’s salary. Additionally, the employee may contribute, by payroll

deduction, an amount not to exceed the percentage contributed by the college to the participant’s annuity account. The contributions are invested in the company or companies selected by the participant to create a fund for the purchase of annuities at retirement.

The College’s contributions to the Program totaled \$542,033 and employee contributions totaled \$163,412 for the 2024-25 fiscal year.

### 15. Construction Commitments

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

<u>Project Description</u>	<u>Total Commitment</u>	<u>Completed to Date</u>	<u>Balance Committed</u>
Deerwood Center - Library Renovation	\$ 1,060,202	\$ 120,525	\$ 939,677
North Campus - Buildings B, C & E Renovation	515,050	137,619	377,431
North Campus - Criminal Justice Center Pavilion	607,232	375,547	231,685
Kent Campus - Science Lab Renovation	1,236,802	1,031,070	205,732
URC Curtainwall Replacement	3,129,097	2,992,070	137,027
Total	<u>\$ 6,548,383</u>	<u>\$ 4,656,831</u>	<u>\$ 1,891,552</u>

### 16. 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), a self-insured program, and commercially purchased insurance.

**Consortium.** The College provided coverage for health and hospitalization through the 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.

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

**Self-Insured Program.** The Board has established an individual self-insured program to provide workers’ compensation coverage for its employees. The College’s liability was limited by excess reinsurance to \$1,000,000 per insured person for the 2024-25 fiscal year. The program administrator has been approved by the Florida Office of Insurance Regulation. An actuarial review has determined a present value of estimated outstanding losses, including incurred but not reported claims, in the amount of \$90,420 discounted at a rate of 3 percent at June 30, 2025.

The following schedule represents the changes in claims liability for the current and prior years for the College's self-insured program:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Fiscal Year</u>
2023-24	\$ 222,766	\$ (23,519)	\$ (107,094)	\$ 92,153
2024-25	92,153	64,259	(65,992)	90,420

Settled claims arising from the risks associated with the self-insured programs have not exceeded coverage (assessed premiums) in any of the past 3 fiscal years.

**Commercially Purchased Insurance.** The College's insurance coverage for property, boiler and machinery, general liability, automobile liability, aircraft, builder's risk, flood, athletic, cyber security, employee faithful performance, employee benefits coverages, and errors and omissions was obtained through commercially purchased insurance. The College has also reserved \$3.8 million of its unrestricted net position, and \$16 million of its restricted for capital projects net position, in recognition of its property damage deductibles and related operating and property damage costs that may be incurred in the event of a natural disaster.

Settled claims arising from these risks have not exceeded coverage in any of the past 3 fiscal years.

## **17. Functional Distribution of Operating Expenses**

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

<u>Functional Classification</u>	<u>Amount</u>
Instruction	\$ 60,690,136
Academic Support	25,034,600
Student Services	24,188,674
Institutional Support	27,853,402
Operation and Maintenance of Plant	32,336,882
Scholarships and Waivers	49,718,005
Depreciation	15,248,882
Auxiliary Enterprises	1,191,190
<b>Total Operating Expenses</b>	<b>\$ 236,261,771</b>

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## **OTHER REQUIRED SUPPLEMENTARY INFORMATION**

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Total OPEB Liability</b>					
Service cost	\$ 70,111	\$ 114,721	\$ 157,082	\$ 175,080	\$ 138,873
Interest	49,368	71,541	52,211	62,548	89,366
Difference between expected and actual experience	-	(632,245)	-	(567,071)	-
Changes of assumptions or other inputs	(174,806)	(110,020)	(485,800)	34,219	124,892
Benefit Payments	(62,368)	(73,110)	(81,799)	(117,695)	(106,855)
<b>Net change in total OPEB liability</b>	(117,695)	(629,113)	(358,306)	(412,919)	246,276
Total OPEB Liability - beginning	1,313,345	1,942,458	2,300,764	2,713,683	2,467,407
<b>Total OPEB Liability - ending</b>	<u>\$ 1,195,650</u>	<u>\$ 1,313,345</u>	<u>\$ 1,942,458</u>	<u>\$ 2,300,764</u>	<u>\$ 2,713,683</u>
Covered-Employee Payroll	\$ 67,368,483	\$ 67,368,483	\$ 67,944,217	\$ 67,944,217	\$ 62,780,073
<b>Total OPEB Liability as a percentage of covered-employee payroll</b>	1.77%	1.95%	2.86%	3.39%	4.32%
	<u>2019</u>	<u>2018</u>	<u>2017</u>		
<b>Total OPEB Liability</b>					
Service cost	\$ 105,470	\$ 108,399	\$ 117,068		
Interest	71,931	66,777	59,188		
Difference between expected and actual experience	52,734	-	-		
Changes of assumptions or other inputs	437,783	(71,323)	(133,819)		
Benefit Payments	(117,274)	(124,583)	(141,574)		
<b>Net change in total OPEB liability</b>	550,644	(20,730)	(99,137)		
Total OPEB Liability - beginning	1,916,763	1,937,493	2,036,630		
<b>Total OPEB Liability - ending</b>	<u>\$ 2,467,407</u>	<u>\$ 1,916,763</u>	<u>\$ 1,937,493</u>		
Covered-Employee Payroll	\$ 62,780,073	\$ 70,217,223	\$ 67,942,886		
<b>Total OPEB Liability as a percentage of covered-employee payroll</b>	3.93%	2.73%	2.85%		

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

	<u>2024 (1)</u>	<u>2023 (1)</u>	<u>2022 (1)</u>	<u>2021 (1)</u>
College's proportion of the FRS net pension liability	0.114011925%	0.120894610%	0.139100072%	0.143872849%
College's proportionate share of the FRS net pension liability	\$ 44,105,175	\$ 48,172,676	\$ 51,756,405	\$ 10,867,959
College's covered payroll (2)	\$ 76,158,983	\$ 73,902,912	\$ 73,731,193	\$ 74,878,474
College's proportionate share of the FRS net pension liability as a percentage of its covered payroll	57.91%	65.18%	70.20%	14.51%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	83.70%	82.38%	82.89%	96.40%

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

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

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

	<u>2025 (1)</u>	<u>2024 (1)</u>	<u>2023 (1)</u>	<u>2022 (1)</u>
Contractually required FRS contribution	\$ 6,946,236	\$ 6,911,534	\$ 6,219,715	\$ 5,643,516
FRS contributions in relation to the contractually required contribution	<u>(6,946,236)</u>	<u>(6,911,534)</u>	<u>(6,219,715)</u>	<u>(5,643,516)</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll (2)	\$ 80,788,008	\$ 76,158,983	\$ 73,902,912	\$ 73,731,193
FRS contributions as a percentage of covered payroll	8.60%	9.08%	8.42%	7.65%

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

<u>2020 (1)</u>	<u>2019 (1)</u>	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>
0.132130501%	0.133550053%	0.138990080%	0.146378500%	0.141601614%	0.166822668%
\$ 57,267,306	\$ 45,992,779	\$ 41,864,533	\$ 43,297,778	\$ 35,754,519	\$ 21,547,385
\$ 74,442,982	\$ 72,860,705	\$ 74,107,379	\$ 76,248,123	\$ 71,270,974	\$ 75,901,140
76.93%	63.12%	56.49%	56.79%	50.17%	28.39%
78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

<u>2021 (1)</u>	<u>2020 (1)</u>	<u>2019 (1)</u>	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>
\$ 5,180,491	\$ 4,177,700	\$ 4,570,423	\$ 4,014,652	\$ 3,857,239	\$ 3,290,587
(5,180,491)	(4,177,700)	(4,570,423)	(4,014,652)	(3,857,239)	(3,290,587)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 74,878,474	\$ 74,442,982	\$ 72,860,705	\$ 74,107,379	\$ 76,248,123	\$ 71,270,974
6.92%	5.61%	6.27%	5.42%	5.06%	4.62%

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

	<u>2024 (1)</u>	<u>2023 (1)</u>	<u>2022 (1)</u>	<u>2021 (1)</u>
College's proportion of the HIS net pension liability	0.166420677%	0.171623052%	0.185465595%	0.193822347%
College's proportionate share of the HIS net pension liability	\$ 24,964,727	\$ 27,256,030	\$ 19,643,769	\$ 23,775,225
College's covered payroll (2)	\$ 70,507,557	\$ 68,124,205	\$ 67,512,717	\$ 68,707,984
College's proportionate share of the HIS net pension liability as a percentage of its covered payroll	35.41%	40.01%	29.10%	34.60%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	4.80%	4.12%	4.81%	3.56%

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

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

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

	<u>2025 (1)</u>	<u>2024 (1)</u>	<u>2023 (1)</u>	<u>2022 (1)</u>
Contractually required HIS contribution	\$ 1,507,699	\$ 1,410,151	\$ 1,130,862	\$ 1,120,711
HIS contributions in relation to the contractually required HIS contribution	<u>(1,507,699)</u>	<u>(1,410,151)</u>	<u>(1,130,862)</u>	<u>(1,120,711)</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll (2)	\$ 75,384,946	\$ 70,507,557	\$ 68,124,205	\$ 67,512,717
HIS contributions as a percentage of covered payroll	2.00%	2.00%	1.66%	1.66%

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

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

<u>2020 (1)</u>	<u>2019 (1)</u>	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>
0.196166265%	0.196420953%	0.202801487%	0.212974381%	0.204816018%	0.219895113%
\$ 23,951,581	\$ 21,977,539	\$ 21,464,737	\$ 22,772,203	\$ 23,870,458	\$ 22,425,843
\$ 68,049,331	\$ 65,882,789	\$ 66,406,582	\$ 68,558,800	\$ 62,713,460	\$ 66,169,173
35.20%	33.36%	32.32%	33.22%	38.06%	33.89%
3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

<u>2021 (1)</u>	<u>2020 (1)</u>	<u>2019 (1)</u>	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>
\$ 1,140,553	\$ 1,129,619	\$ 1,093,653	\$ 1,102,349	\$ 1,138,076	\$ 1,041,043
(1,140,553)	(1,129,619)	(1,093,653)	(1,102,349)	(1,138,076)	(1,041,043)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 68,707,984	\$ 68,049,331	\$ 65,882,789	\$ 66,406,582	\$ 68,558,800	\$ 62,713,460
1.66%	1.66%	1.66%	1.66%	1.66%	1.66%

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

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

*Changes of Assumptions.* Since the prior measurement date, changes included the following:

- The discount rate increased from 3.65 percent to 3.93 percent due to a change in the Municipal Bond Index Rate.
- Changes occurred in retirement rates, termination rates, disability rates, mortality rates, DROP entry assumptions, and salary increases.

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

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

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

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



Sherrill F. Norman, CPA  
Auditor General

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Florida State College at Jacksonville, a component unit of the State of Florida, and its discretely presented component unit as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated January 9, 2026, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component unit, as described in our report on the College's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

### Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the College's financial statements will not be prevented, or detected and corrected, on

a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Sherrill F. Norman, CPA  
Tallahassee, Florida  
January 9, 2026