New College of Florida
Board of Trustees
Finance and Administration Committee Meeting
April 2, 2025, 10:00 – 11:00 A.M. (EST)

To Join Virtually Visit:
https://ncf.zoom.us/j/95407255175?pwd=kcoJC9WgfK4NVeziusa5blcpMwzrRO.1
Passcode:105034

Meeting Agenda

1. **Call to Order – Roll Call, Establish Quorum, Confirm Notice of Public Meeting**
   Committee members: Ron Christaldi, Chair; Trustee Karp; Trustee Mackie; Trustee Kesler; Trustee Patterson; Trustee Jenks, Chair of BOT (Ex-Officio)

2. **Approval of August 12, 2024 Committee Meeting Minutes (Action Item)**

3. **Approval of Temporary Student Housing Agreement (Action Item)**

4. **Proposed Amendment to Regulation 3-1002 Tuition and Fees (Action Item)**

5. **Proposed Amendment to Regulation 3-4012 Employee Bonus Plans (Action Item)**

6. **FY 2024 Financial Audit (Information Only)**

7. **Closing Remarks and Adjournment**

New College of Florida Board of Trustees
Finance and Administration Committee Meeting
Draft Minutes for August 12, 2024

In attendance via Zoom:
Trustee Christaldi (Committee Chair), Board of Trustees Chair Debra Jenks (Ex-Officio), Trustee Karp, Trustee Kesler, and Trustee Mackie
Not in attendance: Trustee Patterson

In addition, in attendance were: David Brickhouse, Richard Corcoran, Christie Fitz-Patrick, Alexandra Islas, Manuel Lopez, Trustee Mikkelsen, David Rancourt, Trustee Reid, and Melissa Shippee.

Call to Order
Chair Christaldi called the meeting to order at 2:31 p.m. Roll call was taken and quorum was established. The meeting has been publicly noticed.

Approval of June 12, 2024 Committee Meeting Minutes
A motion to approve the minutes was made by Trustee Kesler, seconded by Trustee Karp, and was approved by voice vote unanimously.

End of the Year Reporting - 2023-2024 E&G Carryforward Spending Plan
Chair Christaldi requested Acting Vice President of Finance & Administration, Christie Fitz-Patrick, to present the End of the Year Reporting-2023-2024 E&G Carryforward Spending Plan as an informational item.

Approval of University E&G Carryforward Spending Plans FY 2024-25
A motion to approve the University E&G Carryforward Spending Plans FY 2024-25 and allow the president to make adjustments as necessary during the operating year was made by Trustee Karp, seconded by Trustee Mackie, and was approved by voice vote unanimously.

Approval of Operating Budget University Summary Schedule I (July 2024 - June 2025)
A motion to approve the Operating Budget University Summary Schedule I (July 2024 - June 2025) and allow the president to make adjustments as necessary during the operating year was made by Trustee Jenks, seconded by Trustee Mackie, and was approved by voice vote unanimously.

Approval of New College of Florida Textbook and Instructional Materials Affordability Annual Report for Fall 2023 and Spring 2024
A motion to approve the New College of Florida Textbook and Instructional Materials Affordability Annual Report for Fall 2023 and Spring 2024 was made by Trustee Karp, seconded by Trustee Kesler, and was approved by voice vote unanimously.

Approval of Ratification of Updated Collective Bargaining Agreement between New College of Florida and the American Federation of State, County and Municipal Employees

Acting Vice President of Finance & Administration, Christie FitzPatrick, stated that this item will be tabled until the full Board of Trustees meeting on August 15, 2024.

Closing Remarks and Adjournment

The meeting adjourned at 2:57 p.m.

Respectfully submitted,
Christie Fitz-Patrick
Chief of Staff/Vice President of Finance & Administration

NEW COLLEGE OF FLORIDA BOARD OF TRUSTEES

Meeting Date: April 9, 2025

SUBJECT: Approve Student Temporary Housing Purchase Orders – Hotel Purchase Agreement

PROPOSED BOARD ACTION
Authorize the President to execute a contract with Home2Suites for temporary student housing for the Summer 2025 through Spring 2026 terms not to exceed $5,700,000.

BACKGROUND
Due to both the overwhelming demand for on campus housing, and prudent decision to take certain rooms offline until facility conditions can be addressed, the College is in an oversubscribed situation. This situation was caused by both a surge enrollment, as well as removing of all of the PEI dorms due to safety concerns.

The total cost of this agreement is $5,600,932.30 for 109 rooms including (85) singles and (24) doubles from May 26, 2025 – May 26, 2026.

Supporting Documentation: Home2Suites Contract

Facilitator(s)/Presenter(s): Christie Fitz-Patrick, *Chief of Staff and Acting Vice President of Finance and Administration*, Almeda Jacks, *Vice President of Student Affairs*

NEW COLLEGE OF FLORIDA BOARD OF TRUSTEES

Meeting Date: April 9, 2025

SUBJECT: Approval of Regulation Amendment – 3-1002 Tuition and Fees

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PROPOSED BOARD ACTION

Approve the amendments to New College of Florida Regulation 3-1002 Tuition and Fees

BACKGROUND INFORMATION

The proposed regulation amendment updates several fees including housing rates, meal plans and parking.

Housing Rate Adjustments (FY 25-26):

- Addition of single room rate for Banyans Modular Units. (new lower rate)
- Addition of preferred singles for the hotel and Atala Hall. (same rate as Dort, and Goldstein just adding the hotel and Atala Hall)
- Addition of preferred doubles for Dort, Goldstein, Hotel, and Atala Hall. (same rates)
- Removal of the PEI double room rate. (PEI dorms offline)
- All adjusted rates are the same as previously charged or lower.

Meal Plan Rate Adjustments:

- Increase of 3.6%.
- Increase is in accordance with the agreement with Aramark, the college is subject to an annual increase in meal plan rates set forth by greater of (i) 3% or (ii) the greater percentage change, if any, during the previous calendar in (A) the Consumer Price Index published by the United States Department of Labor and Bureau of Labor Statistics, Food Away from Home, or a comparable index if the index is not available, or (B) the Employment Cost Index public by the United States Bureau of Labor Statistics (June 1989= 100% base period), total Compensation for Private Industry Workers in Business Services or a comparable index if that index is not available.
- New College will still have the lowest meal plan rates within the State University System.

Parking Rate Adjustments:

- Changes to visitor daily parking rates.
- Addition of visitor parking semester and annual pass options.

Supporting Documentation Included: Notice of Proposed Regulation Amendment 3.1002

Facilitators/Presenters: David Brickhouse, *Vice President, Legal Affairs & Human Resources* and Christie Fitz-Patrick*, Chief of Staff and Vice President of Finance and Administration*

NOTICE OF PROPOSED REGULATION DEVELOPMENT
The New College of Florida Board of Trustees

Date: March 10, 2025

REGULATION CHAPTER NUMBER:
Chapter 3 – Administrative Affairs

REGULATION NUMBER AND TITLE:
3-1002: Tuition and Fees Schedule

AUTHORITY: Article IX, Sec. 7, Fla. Constitution; Chapters 1001 and 1009, Florida Statutes; BOG Regulations 1.001, 7.001, 7.002, and 7.005.

SUMMARY OF PROPOSED REGULATION AMENDMENT:
3-1002: The proposed regulation amendment provides technical amendments, updates references to room types for student housing to reflect current options, and establishes fees for visitor parking.

TEXT OF PROPOSED REGULATIONS:
The full text of the proposed regulation is set out following this notice.

NEW COLLEGE OFFICIAL INITIATING THE REGULATION:
Christie Fitz-Patrick, Vice President for Finance and Administration

PROCEDURE FOR COMMENTING ON PROPOSED REGULATION:

Comments concerning the proposed regulation should be submitted **within 14 days of the date of this notice** to David Brickhouse, Vice President for Legal Affairs, 5800 Bay Shore Road, Sarasota, Florida 34243, (941)-487-4106 office, generalcounsel@ncf.edu. Comments provided to Mr. Brickhouse will be presented to the Board of Trustees for consideration.

THE FULL TEXT OF THE PROPOSED REGULATION IS BELOW
~~Strikethrough~~ indicates deletion; Underlining indicates addition

NEW COLLEGE OF FLORIDA REGULATIONS MANUAL

CHAPTER 3 - Administrative Affairs

3-1002 Tuition and Fees Schedule

(1) Purpose. This regulation establishes tuition and fees to be assessed at New College of Florida for the 2020-2021 Academic Year and all future years pursuant to Florida Board of Governors' Resolutions adopted on January 7, 2003 and July 21, 2005; Section 1009.24, Florida Statutes; and the Florida General Appropriations Act.

(2) Definitions

(a) Tuition. Tuition shall be defined as fees assessed to students for enrollment in credit courses at the College. Tuition consists of the following fees, depending on whether a student is a Florida resident or non-resident:

1. Florida resident tuition, comprised of the following, shall be defined as the fees charged an enrolled student who qualifies as a Florida resident as defined in Chapter 1009.21, Florida Statutes:

a. Matriculation Fee
b. Tuition Differential Fee
c. Student Financial Aid Fee
d. Capital Improvement Trust Fund Fee
e. Health Fee
f. Athletic Fee
g. Activity and Service Fee
h. Technology Fee
i. Sustainability "Green" Fee

2. Non-Florida resident tuition, comprised of the following, shall be defined as the fees charged an enrolled student who does not qualify as a Florida resident as defined in Chapter 1009.21, Florida Statutes:

a. Matriculation Fee
b. Tuition Differential Fee
c. Non-Resident Fee
d. Student Financial Aid Fee
e. Non-Resident Student Financial Aid Fee
f. Capital Improvement Trust Fund Fee
g. Health Fee
h. Athletic Fee
i. Activity and Service Fee
j. Technology Fee

k. Sustainability "Green" Fee

(b) Fees. Fees shall be defined as assessments for particular services provided by the College that do not relate directly to enrollment in credit courses. Fees include housing rental fees; housing room fees and damage fees; meal plan rates; parking permit rates; parking fines; course material and supply fees, including laboratory fees; off-campus fees; technology fees; and special fees, fines and penalties.

(3) Tuition for 2020-2021 Academic Year and each year thereafter. The following tuition shall be levied and collected for the fall semester 2020 and the spring semester 2021 for each student regularly enrolled, unless otherwise provided for herein:

	Undergraduate		**Graduate**	
Fee per Student Credit Hour (SCH)	Florida Resident	Non-Florida Resident	Florida Resident	Non-Florida Resident
Matriculation	$105.07	$105.07	$398.13	$398.13
Tuition Differential	$40.13	$ 40.13	-	-
Non-Florida Resident Fee	-	$609.23	-	$662.04
Student Financial Aid Fee	$5.25	$5.25	$19.90	$19.90
Non-Florida Resident Student Financial Aid Fee		$30.46		$33.10
Capital Improvement Fee	$6.14	$6.14	$6.14	$6.14
Activity and Service Fee	$14.25	$14.25	$14.25	$14.25
Health Fee	$6.30	$6.30	$6.30	$6.30
Athletic Fee	$8.71	$8.71	$8.71	$8.71
Technology Fee	$5.25	$5.25	$19.90	$19.90
Sustainability "Green" Fee	$1.00	$1.00	$1.00	$1.00
TOTAL PER SCH	**$192.10**	**$831.79**	**$474.33**	**$1,169.47**

Undergraduate Tuition Calculation Example:

	Florida Resident	**Non-Florida Resident**
Fall Semester – with individual study (20 SCH)	$3,842.00	$16,635.80
Spring Semester (16 SCH)	$3,073.60	$13,332.64
Total Annual Tuition	$6,915.60	$29,944.44

Note: Undergraduate tuition for students enrolled for their eighth semester contract is based on 12 SCH.

Graduate Tuition Calculation Example:

	Florida Resident	**Non-Florida Resident**
Total Annual Tuition (24 SCH)	$11,383.92	$28,067.28

(b) Each student enrolled in the same undergraduate college-credit course more than twice, shall be assessed an additional $189.76 per credit hour charge in addition to the matriculation fees outlined above for each such course.

(4) Housing Rental Rates**.** All housing contracts are inclusive of the Fall and Spring Terms. Rates set out below are per person. Effective for July 1, 2022, in those instances where a room classification has been modified based on this amendment, the President is hereby delegated authority to phase in the new classification room rates, based on market demand, with the goal of achieving full occupancy. This delegation of authority to the President expires effective July 1, 2026~~5~~.

Room Type	**Authorized Annual Rental Rate**

Triple Room (Offered at the College's Discretion) $5,200
Single Room (Banyans Modular Units) $6,000
~~Double Room (Pei B) $7,000~~
Single Room (Letter ~~Dorms~~ Residence Hall, Palmer B) $9,000
Studio Double (Letter ~~Dorms~~ Residence Hall, Palmer B) $7,500
Preferred Single (Dort, Goldstein, Hotel, Atala Hall) ~~Palmer B, Pei, Letter Dorms)~~
$10,500
~~Resident Assistant, All Rooms $1,600~~
Preferred Double (Dort, Goldstein, Hotel, Atala Hall) $9,000

(5) Housing Room Fees Including Damage Fees:

(a) Housing Deposit Fee $100.00
(b) Student Initiated Room Change Charge $20.00
(c) Improper, Check-in, Check-out Fee $100.00
(d) Failure to vacate room by designated checkout date............ $200.00 plus appropriate daily rate
(e) Unauthorized pet in room .... $100.00 plus cleaning
(f) Winter Break Housing Rates .... Daily rate of current Fall/ISP room rates
(g) Summer School Housing Rates .... Daily rate of current Spring room rates
(h) Student Employee Summer Housing Rates, plus sales tax 13.48-25.00/person/day
(i) Conference Housing Rate, plus sales tax $25.00-40.00/person/day
(j) Early Arrival Rate $150.00/person/day
(k) Grant-Funded Housing Rate .... Rates will be determined on a grant by grant basis
(l) Food Service Conference Rate, plus sales tax .... Varies, based on menu selected and quantity

(m) Occupant Induced Fumigation .... $25.00-50.00 for each treatment
(n) Lockout fee $5.00/lockout
(o) Replacement Key (during the academic year) $24.00
(p) Replace Lock Core

1. Pei/Viking/Palmer B (includes 2 replacement keys) $148.00
2. Dort/Goldstein (includes 4 replacement keys) $196.00

(q) Paint Room ....

1. Whole room, prorated otherwise $640.00
2. High ceiling rooms $640.00/wall
3. Extra treatment required .... Materials plus labor

(r) Slats for blinds (each) $15.00
(s) Damaged/Missing Furniture .... Repair/Replacement Cost

1. Waste Baskets $25.00
2. Smoke Detectors $100.00
3. Screens $175.00
4. Light Fixtures $175.00-1,000.00
5. Toilet Tissue Dispensers $60.00
6. Robe Hooks $35.00
7. Closet Racks $100.00
8. Door Signs $25.00
9. Light Switch and Outlet Plates $15.00

(t) Damaged Carpet .... Repair/Replacement Cost, $50.00/carpet square
(u) Items on Doors/Windows/Mirrors (per item removed) $5.00
(v) Extra Cleaning ....$25.00/hour, minimum $25.00
(w) Trash Removal $10.00/hour
(x) Carpet Cleaning .... Cost to clean, minimum $75.00
(y) Broken/Cracked Window or Door Glass .... Materials plus labor
(z) Damaged Bathroom Fixtures .... Materials plus labor
(aa) Room Door Damage .... Materials plus labor
(bb) Graffiti/Art Removal – Cement/Brick Surfaces .... Materials plus labor
(cc) Furniture Removal

1. Heavy ....$25.00/hour, $75.00 minimum
2. Light ....$25.00/hour, $25.00 minimum

(6) Meal Plan Rates**.** All meal plan contracts are inclusive of Fall and Spring Terms. <u>The rates below are subject to increase by at least 3% each year</u>.

Base Meal Plan	**Fall**	**Spring**	**Total**	**ISP**

Residential <u>Bronze</u>	**$ ~~1,528~~ <u>1978.76</u>**	**$ ~~1,528~~ <u>1978.76</u>**	**$ ~~3,056~~<u>3,957.52</u>**	**$ ~~486~~ 554.26**
Commuter ~~25 Block~~ <u>Basic 60</u>	**$ ~~425~~<u>518</u>**	**$ ~~425~~<u>518</u>**	**$ ~~850~~ <u>1036</u>**	
Commuter ~~50 Block~~<u>120 Block</u>	**$ ~~600~~ <u>1025</u>**	**$ ~~600~~<u>1025</u>**	**$ ~~1,200~~<u>2050</u>**	
Commuter ~~100 Block~~<u>All Access</u>	**$ ~~900~~ <u>1706.70</u>**	**$ ~~900~~ <u>1706.70</u>**	**$ ~~1,800~~<u>3413.40</u>**	

Students may increase their buying power above the mandatory base rates through the purchase of supplementary meal plans.

Fees include buying power in the dining hall and sales tax, if applicable

(7) Parking Permit Rates

<u>Type</u> **<u>Amount</u>**

Staff – Annual $75.00
Staff – Semester $37.50
Student – Annual $75.00
Student – Semester $37.50
Motorcycle, Annual, motorcycle only spaces $5.00
Motorcycle, Annual, regular vehicle spaces $75.00
~~Monthly~~
<u>Visitor -- Daily</u>~~Permits~~ ....<u>$5.00</u>
~~$10.00~~
<u>Visitor – Semester …………………………………………………… $75.00</u>
<u>Visitor – Annual……………………………………………………….. $150.00</u>
Replacement Cost for Lost or Stolen Permits
First Replacement: .... $10.00 or full permit price, whichever is less
Second Replacement: .... $10.00 or full permit price, whichever is less
Third Replacement: .... Full Permit Price

(8) Parking Fines

Violation Description: .... Amount
Unauthorized parking in disabled space $275.00
Blocking access to disabled space or ramp $275.00
Unauthorized parking in a reserved space – 1st time $35.00
Unauthorized parking in a reserved space – 2nd time, subsequent offenses .... $75.00, plus
.... immediate immobilization or tow
Unauthorized parking in a service drive $25.00
Unauthorized parking on grass $25.00
No current permit displayed .... $25.00 w/ first citation dismissed
.... upon permit purchase
Unauthorized parking in state vehicle space $30.00

Parking out of assigned area during restricted hours $30.00
Blocking traffic $30.00
Parking in a "no parking zone" or barricaded area $30.00

Unauthorized removal and/or damage to a clamp .... $125.00, plus replacement or repair .... cost to device and parking privileges restricted or revoked for one year.
Displaying a revoked, altered, lost, stolen or counterfeit permit .... $125.00, plus immediate immobilization or tow and parking restricted or revoked for one year
Blocking a ramp $75.00
Double parked or parked over the line $15.00
Overtime violation $15.00
Improper parking permit display $15.00
Parking in an angled parking space facing traffic $15.00
Late payment of violation $10.00
All bicycle parking violations $15.00

(9) Use of College Property.
(a) The President or their designee may establish fees and costs related to the licensing or use of College property, including public and non-public areas, in accordance with NCF Regulation 5-001 "Use of NCF Space."
(b) The President or their designee shall be responsible for implementing this subsection by written policy, which shall be published on the NCF website.
(c) The President or their designee, upon good cause shown, may grant a variance or a waiver of this subsection to NCF students, faculty, and community members.

(10) Material and Supply Fees including Laboratory Fees. The following fees are assessed per student per course.
(a) Organic Chemistry $85.00
(b) Biochemistry $135.00
(c) Physical Chemistry $50.00
(d) Field Ecology $20.00
(e) Cell Biology $150.00
(f) Organismic Biology $150.00
(g) Toxicology Lab $35.00
(h) Advanced Physics Lab $35.00
(i) Optics/Laser $35.00
(j) Drawing I $10.00
(k) Painting I $50.00
(l) Painting II .... $50.00 (m) Sculpture – Beginning $65.00
(n) Sculpture– Intermediate/Advanced $75.00
(o) Mold Making and Casting .... $75.00 (p) Woodworking $75.00
(q) Welding $50.00

(r) Printmaking $50.00
(s) Time & Movement: Stop Motion Animation $50.00
(t) Experimental Imaging $50.00
(u) Kinetic Art $50.00
(v) Plant Physiology $50.00
(w) All other labs $25.00
(x) Entomology Lab $50.00
(y) Genetics – Part 1 & 2 .... $75.00
(z) Neurobiology/Behavior $130.00
(aa) Organic Chemistry Inquiry Lab .... $75.00 (bb)
Inorganic Lab $200.00
(cc) Analog Electronics Lab $80.00
(dd) Thesis/Tutorial ISP $65.00
(ee) Invertebrate Zoology $150.00
(ff) Molecular Biology $110.00
(gg) General Chemistry $35.00
(hh) Fish Biology .... $65.00 (ii)
Modern Physics Lab (previously in Other Labs) $50.00
(jj) Animal Behavior Lab (previously in Other Labs) $50.00
(kk) Intro to Biology – Techniques Laboratory $50.00
(ll) Biology of Sharks, Skates and Rays Laboratory .... $115.00 (mm)
Sensory Biology of Fishes Laboratory .... $40.00 (nn)
Biology of Climate Change $50.00
(oo) Botany Lab (previously in Other Labs) $50.00
(pp) Coral Reef Issues $50.00
(qq) Ecology Lab $40.00
(rr) Foundations of Biology I (previously in Other Labs) .... $20.00 (ss)
Foundations of Biology II (previously in Other Labs) $20.00

(11) Special Fees, Fines and Penalties. The following special fees, fines and penalties shall be levied and collected as provided hereafter:

(a) Application Fee – Individuals who make application for admission to the College shall pay a nonrefundable Application Fee of $30.00.
(b) Admissions Deposit Fee – Individuals who are accepted to the College shall pay a non-refundable admissions deposit fee of $200.00 that shall be applied to the student's tuition upon enrollment. If the student does not enroll, the fee shall be applied to financial aid, scholarships, financial assistance or student academic and career counseling services.
(c) Late Registration Fee – Students who fail to initiate registration in the regular registration period shall be assessed a late Registration Fee of $50.00.
(d) Late Payment Fee – Students who fail to pay, or make appropriate arrangements for payment (installment payment, deferment, or third-party billing), of tuition by the deadline set by the College, which shall be no later than the end of the first week of classes, shall be assessed a Late Payment Fee of $100.00
(e) Late Contract Fee $50.00

(f) Returned Check Fee $25.00
(g) Overdue Library Book – $0.25 per book/unit, per day, to a maximum of $10.00, non-refundable (declared lost after 40 days)
(h) Overdue Reserve Library Book- $0.25 per item, per hour to a maximum of $10.00, nonrefundable
(i) Overdue Recalled Book or Unit $2.50 per item, per day
(j) Lost/Damaged Book or Unit –
$100.00 or the cost to replace the lost or irreparably damaged material if greater than $100, plus a $5.00 non-refundable administration fee, and the amount of the overdue fine, if any
(k) Security/Access/Identification Card
1. Initial $10.00
2. First and Second Duplicates within an academic year if original damaged and returned ...... Free
2. Third and all subsequent duplicates .... $15.00 (l) Overdue Laptop Computer (per hour) $5.00
(m) Lost or Damaged Laptop Computer
(Repair/Replacement Cost not to exceed $2,000.00 plus $20.00 Service Charge)
(n) Lost key – (includes cylinder charge) $124.00
(o) Equipment Damage or Loss .... $50.00/hr labor + repair/replacement cost (p) Interlibrary Loans (overdue out-of-state materials)
At 7 days overdue: non-refundable $10.00 overdue fine.
At 30 days day overdue: non-refundable replacement cost, as determined by lending library
(q) Transcript Fee $10.00
(r) Diploma Replacement Fee $10.00
(s) Failure to appear at a meeting scheduled to address student disciplinary issues or failure to follow lawful instructions of College officials $10.00
(t) Student disciplinary fines ranging from $5.00 to $100.00 may be assessed when a student fails to perform disciplinary measures directed by the Office of the Dean of Students. In determining the amount of an assessment, the Dean of Students or the Judicial Officer shall consider the extent to which the disciplinary measure related to activities that threatened the health and safety of others; resulted in property damage; insulted or threatened others on account of race, national origin, religion, gender, sexual orientation, gender identity, or gender expression; or was hostile or demeaning to another member of the College community.
(u) Installment Payment Plan $15.00
(v) Library Guest Borrower Fee .... $75.00 (annual)
(w) Thesis Electronic Copy Fee .... $25.00 + tax
(x) Archives Duplication Fee $.50 per page photocopied, with a minimum charge of $15
$5.00 per page scanned, with a minimum charge of $15 $15.00 per photograph, scanned or photocopied
$15.00 minimum charge for the creation of CDs/DVDs
$5.00 administrative processing fee
$4.00 mailing fee, if required (all fees plus tax)
(y) Fitness Center Fee .... Daily: $2.00
Fall or spring semester: $50.00
Summer: $30.00
Annual: $120.00
(z) Late Course Request Fine $100.00
(aa) Convenience Fee will be charged when paying for tuition and fees by credit cards. The charge will be equal to 2.5% of the transaction amount.

Authority: Article IX, Sec. 7, Fla. Constitution; Fla Stat. Chapters 1001 and 1009; Florida General Appropriations Act; Fla. Board of Governors Regulations 1.001, 7.001, 7.002, and 7.005

History: Adopted as Emergency Regulation 2005-01 and as Emergency Rule 6C-11 ER05-01; Revised and renumbered 10-30-05; Revised 06-13-09, 06-29-10, 06-18-11, 06-16-12, 06-15-13, 05-31-14, 061315, 06-11-16, 02-17-17 (technical amendment), 07-10-17, 06-06-20, 01-05-2022, 01-11-22, 06-22-22; Revised 11-19-24; Revised 04-09-25

NEW COLLEGE OF FLORIDA BOARD OF TRUSTEES

Meeting Date: April 9, 2025

SUBJECT: Approval of Regulation Amendment – 3-4012 Employee Bonus Plans

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PROPOSED BOARD ACTION

Approve the amendments to New College of Florida Regulation 3-4012 Employee Bonus Plans

BACKGROUND INFORMATION

The proposed regulation amendment establishes employee bonus plans, as authorized by Florida Board of Governors Regulation 9.015.

Supporting Documentation Included: Notice of Proposed Regulation Amendment 3-4012

Facilitators/Presenters: David Brickhouse, *Vice President, Legal Affairs & Human Resources*

NOTICE OF PROPOSED REGULATION DEVELOPMENT
The New College of Florida Board of Trustees

Date: March 10, 2025

REGULATION CHAPTER NUMBER:
Chapter 3 – Administrative Affairs

REGULATION NUMBER AND TITLE:
3-4012: Employee Bonus Plans

AUTHORITY: Article IX, Sec. 7, Fla. Constitution; sec. 1012.978, Florida Statutes; BOG Regulations 1.001, 7and 9.015.

SUMMARY OF PROPOSED REGULATION AMENDMENT:
<u>3-4012</u>: The proposed regulation amendment establishes employee bonus plans, as authorized by Florida Board of Governors Regulation 9.015.

TEXT OF PROPOSED REGULATIONS:
The full text of the proposed regulation is set out following this notice.

NEW COLLEGE OFFICIAL INITIATING THE REGULATION:
Christie Fitz-Patrick, Chief of Staff and Vice President for Finance and Administration

PROCEDURE FOR COMMENTING ON PROPOSED REGULATION:

Comments concerning the proposed regulation should be submitted **<u>within 14 days of the date of this notice</u>** to David Brickhouse, Vice President for Legal Affairs, 5800 Bay Shore Road, Sarasota, Florida 34243, (941)-487-4106 office, generalcounsel@ncf.edu. Comments provided to Mr. Brickhouse will be presented to the Board of Trustees for consideration.

THE FULL TEXT OF THE PROPOSED REGULATION IS BELOW
~~Strikethrough~~ indicates deletion; <u>Underlining</u> indicates addition

CHAPTER 3 - Administrative Affairs

3-4012 Employee Bonus Plans ~~Recognition Program~~

(1) The New College of Florida bonus plan is designed to comply with Section 1012.978, Florida Statutes, and the Florida Board of Governors (BOG) Regulation 9.015. Bonuses may be awarded to Executive Service, Administrative and Professional, Faculty, and USPS employees when specific criteria and/or conditions are met. The New College of Florida Board of Trustees (BOT) delegates authority to the President or the President's designee to establish procedures to implement this bonus plan, including levels of approvals and compensation for specific bonuses described in this bonus plan.

(2) Definition: Bonuses are lump sum payments which are nonrecurring compensation, and the amount will not be included in the compensation upon which State retirement benefits are calculated. Bonuses are subject to the availability of funds and will be subject to tax and FICA withholding as required by law. Proposed bonus payments must include written justification and be approved by the President or designee.

(3) Criteria for Awarding Bonus Payments Based on *Employee Work Performance* may include:

a) Variable Compensation Plan Award. The Variable Compensation Plan (VCP) Award is a pre-approved plan that provides for a lump-sum award based on successful attainment of established goals. A VCP establishes the eligible faculty or staff's contribution to departmental objectives, which typically includes revenue generation, and specific targets to be achieved with a pay-out schedule based on achieving the stated goals within the fiscal year. There must be an evaluation on file for the faculty or staff to be eligible for this bonus.

(4) The President or designee shall develop written procedures establishing the submission and approval process, and such other requirements as may be necessary or desirable.

(5) Bonus payments may be approved once within a 12-month period per employee. Requests for exceptions must include additional written justification and be approved by the President or designee.

(6) Reporting: In the first quarter of each fiscal year, the President or designee shall report to the Board of Trustees the total amount paid during the prior fiscal year for performance bonuses. The report shall include the President's certification that any bonuses paid during the reporting period complied with the University's bonus plan criteria and were paid from funds contained within the University's budget as approved by the Board of Trustees.

~~(1) The New College of Florida Employee Recognition Program shall provide for recognition of eligible employees.~~

~~(2) The College is authorized to expend State funds for recognition and awards to employees in compliance with this rule. Any award will be contingent upon the availability of funds. Nothing in this rule is intended to govern the expenditure of private funds to which the College may have access.~~

~~(3) The awards provided for herein shall acknowledge employee achievement in the~~

~~following components:~~

~~(a) Superior Accomplishment – Exemplary performance by faculty members, Administrative and Professional (A&P), or USPS employees that is deemed to have significantly contributed to their respective field, thereby reflecting positively on the caliber of the State University System.~~

~~(b) Service – Sustained satisfactory service with the State University System by faculty members, A&P, or USPS employees.~~

~~1. Eligible employees may be recognized for service upon retirement.~~

~~2. Eligible employees will be recognized upon achieving increments of five continuous years of satisfactory service at the College.~~

~~(4) Superior Accomplishment Component~~

~~(a) Awards for superior accomplishment may be presented to eligible employees on an individual basis or collectively for outstanding group performance. The Human Resources Director coordinates the selection process for the College-wide Outstanding Staff Awards. The Equal Opportunity Affairs officer coordinates the selection process for the Affirmative Action awards. Divisional awards may be presented by Deans or Directors.~~

~~(b) Awards for superior accomplishment, whether College-wide or division, shall be in accordance with the following provisions:~~

~~1. No cash award granted under the superior accomplishment component shall exceed $1,000, excluding applicable taxes. Savings Bonds or other items in lieu of cash may be awarded, provided the cost of such item does not exceed $1,000.~~
~~2. Certificates, pins, plaques, letters of commendation, or other appropriate tokens of recognition of superior service may be awarded, provided the cost of the token does not exceed $50.~~
~~3. Lump sum bonuses based solely on performance will not be awarded.~~
~~4. All divisional award activity must be reported to the Human Resources Director.~~

~~(5) Service Award Component~~

~~(a) Divisions may recognize retiring employees or appointed members of a state board or commission upon the expiration of his or her term whose service has been satisfactory. Awards may take the form of suitable framed certificates, pins, or other tokens of recognition and appreciation, provided such awards do not cost in excess of $50 each. All service awards shall be reported to the Human Resources Director.~~

~~(b) The Human Resources Director shall be responsible for the administration and coordination of the continuous satisfactory service awards program. The College shall recognize employees~~

~~who have attained continuous satisfactory service in increments of five years.~~

~~(6) The College shall prepare an annual report to be presented to the Board of Education for outlining the level of participation in the employee recognition program.~~

~~(7) New College of Florida shall submit to the Board a calendar year report that includes at least the following items:~~

~~(a) The number of employees recognized for superior accomplishments;~~

~~(b) The number of employees recognized for continuous satisfactory service to the College; and~~

~~(c) The College's Human Resources Director shall be responsible for regularly gathering data regarding the number of individual employees being recognized under any component of this program.~~

Authority: Article IX, Sec. 7, Fla. Constitution; sec. 1012.978, Florida Statutes; Fla. Board of Governors Regulations 1.001 and 9.015

History: Adopted 01-28-04, as Rule 6C11 8.012; Revised 03-11-17 (technical amendment); Revised 04-09-25

STATE OF FLORIDA AUDITOR GENERAL

Financial Audit

Report No. 2025-159
March 2025

NEW COLLEGE OF FLORIDA

For the Fiscal Year Ended
June 30, 2024

Sherrill F. Norman, CPA
Auditor General

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 Barbara S. Coleman, CPA, and the audit was supervised by Hector J. Quevedo, CPA.

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

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State of Florida Auditor General

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

NEW COLLEGE OF FLORIDA

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SUMMARY

Summary of Report on the Audit of the Financial Statements

Our audit disclosed that the basic financial statements of New College of Florida (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 opinion. 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 University'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 University'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 University 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 New College of Florida, a component unit of the State of Florida, and its discretely presented component unit as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of New College of Florida and of its discretely presented component unit as of June 30, 2024, 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 blended and discretely presented component units. The financial statements of New College of Florida Development Corporation, a blended component unit, represent 2 percent, 0.6 percent, 0.7 percent, and 0.8 percent, respectively, of the liabilities, net position, revenues, and expenses reported for New College of Florida as of June 30, 2024. The financial statements of the discretely presented component unit represent 100 percent of the transactions and account balances of the discretely presented component unit columns as of June 30, 2024. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the blended and discretely presented component units, are based solely on the reports 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 University 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 University'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 University'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 University'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 the University's Proportionate Share of the Total Other Postemployment Benefits Liability**, **Schedule of the University's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan**, **Schedule of University Contributions – Florida Retirement System Pension Plan**, **Schedule of the University's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan**, **Schedule of University 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 March 21, 2025, on our consideration of the New College of Florida'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 University'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 New College of Florida's internal control over financial reporting and compliance.

Respectfully submitted,

Sherrill F. Norman

Sherrill F. Norman, CPA
Tallahassee, Florida
March 21, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

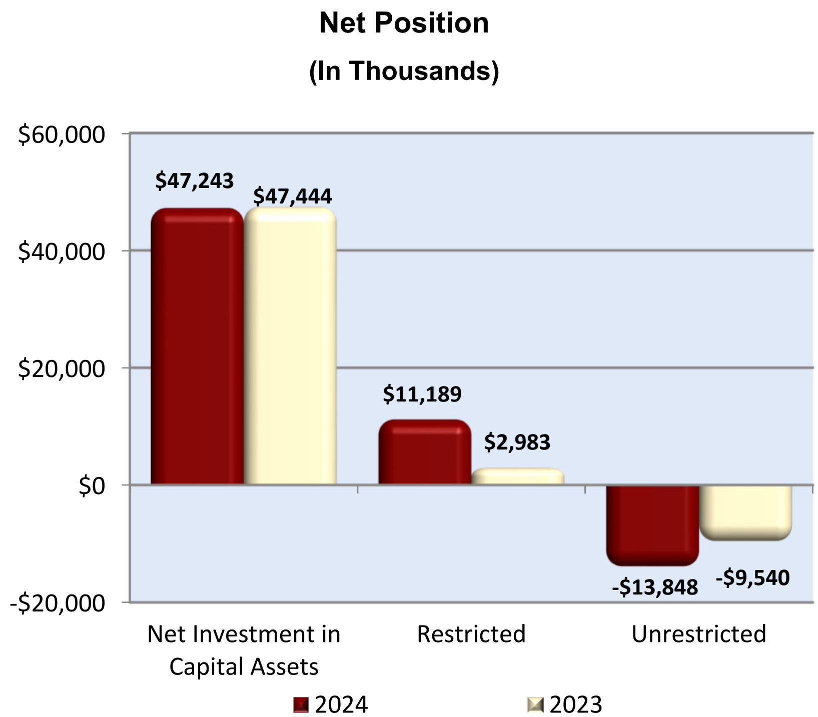
Management's discussion and analysis (MD&A) provides an overview of the financial position and activities of the University for the fiscal year ended June 30, 2024, and should be read in conjunction with the financial statements and notes thereto. The MD&A, and financial statements and notes thereto, are the responsibility of University management. The MD&A contains financial activity of the University for the fiscal years ended June 30, 2024, and June 30, 2023.

FINANCIAL HIGHLIGHTS

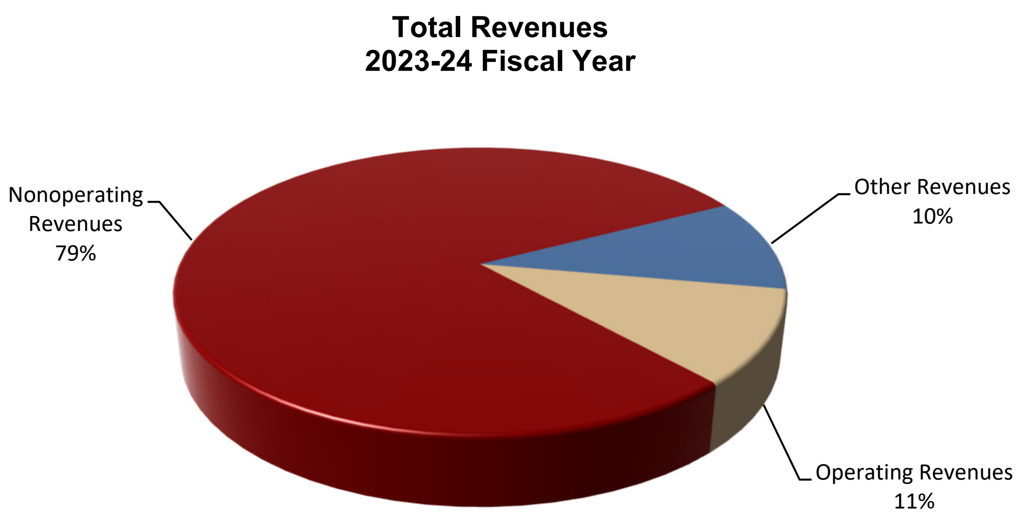
The University's assets and deferred outflows of resources totaled $119.1 million at June 30, 2024. This balance reflects a $3.9 million, or 3.4 percent, increase as compared to the 2022-23 fiscal year, resulting from increases in cash in banks, and receivables due from State, offset by decreases in investments, depreciable capital assets, and deferred outflows of pension resources, and other postemployment benefit resources. While assets and deferred outflows of resources increased, liabilities and deferred inflows of resources increased by $0.2 million, or 0.2 percent, totaling $74.5 million at June 30, 2024, resulting from increases in accounts payable, compensated absences liability, net pension liability, other postemployment benefits payable, and deferred inflows of pension resources, offset by decreases in construction contracts payable, certificates of participation payable, and deferred inflows of other postemployment benefits resources. As a result, the University's net position increased by $3.7 million, resulting in a year-end balance of $44.6 million.

The University's operating revenues totaled $9.6 million for the 2023-24 fiscal year, representing a 4.7 percent increase compared to the 2022-23 fiscal year due mainly to an increase in other operating revenues, offset by decreases in nongovernmental and State and local grants and contracts received. Operating expenses totaled $87.6 million for the 2023-24 fiscal year, representing an increase of 61.1 percent as compared to the 2022-23 fiscal year due mainly to increases in compensation and employee benefits, services and supplies expenses, and scholarships and depreciation expenses, slightly offset by a decrease in utilities expenses.

Net position represents the residual interest in the University's assets and deferred outflows of resources after deducting liabilities and deferred inflows of resources. The University's comparative total net position by category for the fiscal years ended June 30, 2024, and June 30, 2023, is shown in the following graph:



The following chart provides a graphical presentation of University revenues by category for the 2023-24 fiscal year:



Overview of Financial Statements

Pursuant to the Governmental Accounting Standards Board (GASB) Statement No. 35, the University'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 University and its component units. These component units include: New College Foundation, Inc. (Foundation) and the New College of Florida Development Corporation (Development Corporation). Based on the application of the criteria for determining component units, the Development Corporation is included within the University reporting entity as a blended component unit, and the Foundation is included within the University reporting entity as discretely presented component unit.

Information regarding these component units, is presented in the notes to financial statements. This MD&A focuses on the University, 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 University, using the accrual basis of accounting, and presents the financial position of the University 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 University's current financial condition. The changes in net position that occur over time indicate improvement or deterioration in the University's financial condition.

The following summarizes the University'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)

	2024	2023
Assets		
Current Assets	$ 39,146	$ 32,958
Capital Assets, Net	68,258	69,554
Other Noncurrent Assets	617	620
Total Assets	108,021	103,132
Deferred Outflows of Resources	11,031	12,059
Liabilities		
Current Liabilities	5,801	5,399
Noncurrent Liabilities	57,837	56,224
Total Liabilities	63,638	61,623
Deferred Inflows of Resources	10,830	12,681
Net Position		
Net Investment in Capital Assets	47,243	47,444
Restricted	11,189	2,983
Unrestricted	(13,848)	(9,540)
Total Net Position	$ 44,584	$ 40,887

Current assets at June 30, 2024, totaled $39.1 million, compared to $33 million at June 30, 2023, reflecting an increase of $6.1 million. This increase is due to increases in receivables due from State of $8.2 million, and cash and cash equivalents of $0.3 million, offset by a decrease of $2.2 million in investments, and a decrease of $0.2 million in receivables due from component units.

Total capital assets of $68.3 million decreased by $1.3 million from the prior fiscal year. This decrease was due to increases related to depreciable capital assets of $2.6 million and construction in progress of $0.2 million, offset by an increase in accumulated depreciation of $4.1 million.

Deferred outflows of resources decreased by $1 million, due to decreases in other postemployment benefits resources of $0.9 million, and $0.1 million in pension resources.

Liabilities at June 30, 2024, totaled $63.6 million, compared to $61.6 million at June 30, 2023. This represents a $2 million increase. This is composed primarily of increases of $1.2 million in other postemployment benefits liability, $1.2 million in pension liability, $0.5 million in compensated absences payable, $0.4 million in accounts payable, and $0.2 million in unearned revenues and accrued salaries and wages, offset by decreases of $0.4 million in construction contracts payable and $1.1 million in certificates of participation payable.

Deferred inflows of resources at June 30, 2024, totaled $10.8 million, compared to $12.7 million at June 30, 2023. This represents a $1.9 million decrease. This is due to a decrease in other postemployment benefit resources of $2.6 million, offset by an increase in pension resources of $0.7 million.

In summary, New College of Florida's net position of $44.6 million at June 30, 2024, includes $47.2 million net investment in capital assets, $11.2 million in restricted expendable net position, and a deficit of $13.8 million in unrestricted net position, as disclosed in Note 2.

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

The statement of revenues, expenses, and changes in net position presents the University'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 University's activity for the 2023-24 and 2022-23 fiscal years:

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

(In Thousands)

	2023-24	2022-23
Operating Revenues	$ 9,571	$ 9,145
Less, Operating Expenses	87,628	54,392
Operating Loss	(78,057)	(45,247)
Net Nonoperating Revenues	72,274	52,994
Income (Loss) Before Other Revenues	(5,783)	7,747
Other Revenues	9,480	1,943
Net Increase In Net Position	3,697	9,690
Net Position, Beginning of Year	40,887	31,188
Adjustment to Beginning Net Position (1)	-	9
Net Position, End of Year	$ 44,584	$ 40,887

(1) For the 2022-23 fiscal year, the University's beginning net position was increased to reflect the cost of an asset capitalized in the 2021-22 fiscal year but written down to separate into two assets.

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 2023-24 and 2022-23 fiscal years:

Operating Revenues
For the Fiscal Years

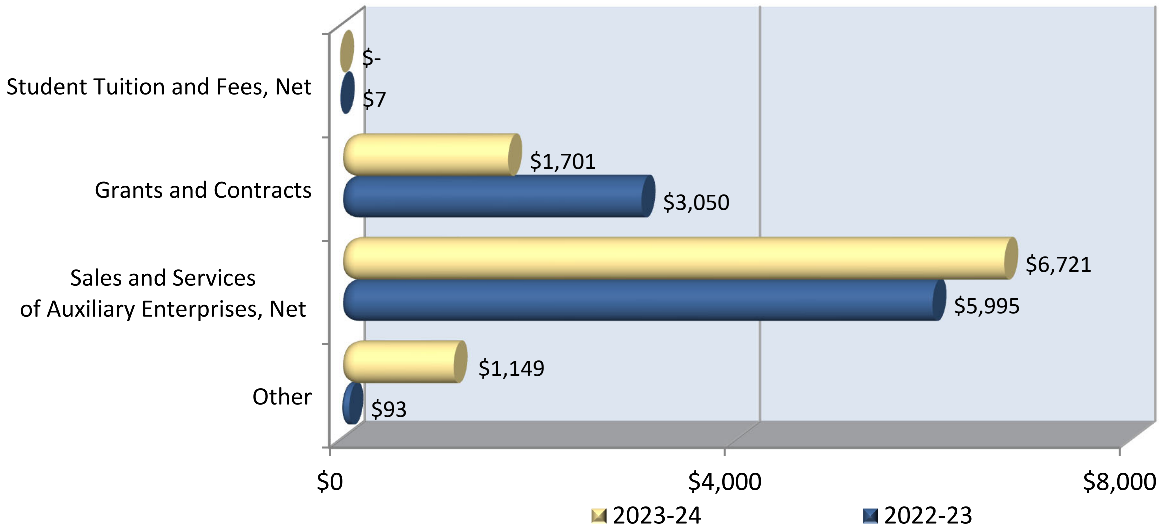
(In Thousands)

	2023-24	2022-23
Student Tuition and Fees, Net	$ -	$ 7
Grants and Contracts	1,701	3,050
Sales and Services of Auxiliary Enterprises, Net	6,721	5,995
Other	1,149	93
Total Operating Revenues	$ 9,571	$ 9,145

The following chart presents the University's operating revenues for the 2023-24 and 2022-23 fiscal years:

Operating Revenues

(In Thousands)



Total operating revenues increased by $0.4 million in the 2023-24 fiscal year due primarily to increases in other operating revenues, net sales and services of auxiliary enterprises, and Federal grants and contracts, offset by decreases in nongovernmental, and State and local grants and contracts.

Operating Expenses

Expenses are categorized as operating or nonoperating. The majority of the University'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 University 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 2023-24 and 2022-23 fiscal years:

Operating Expenses
For the Fiscal Years

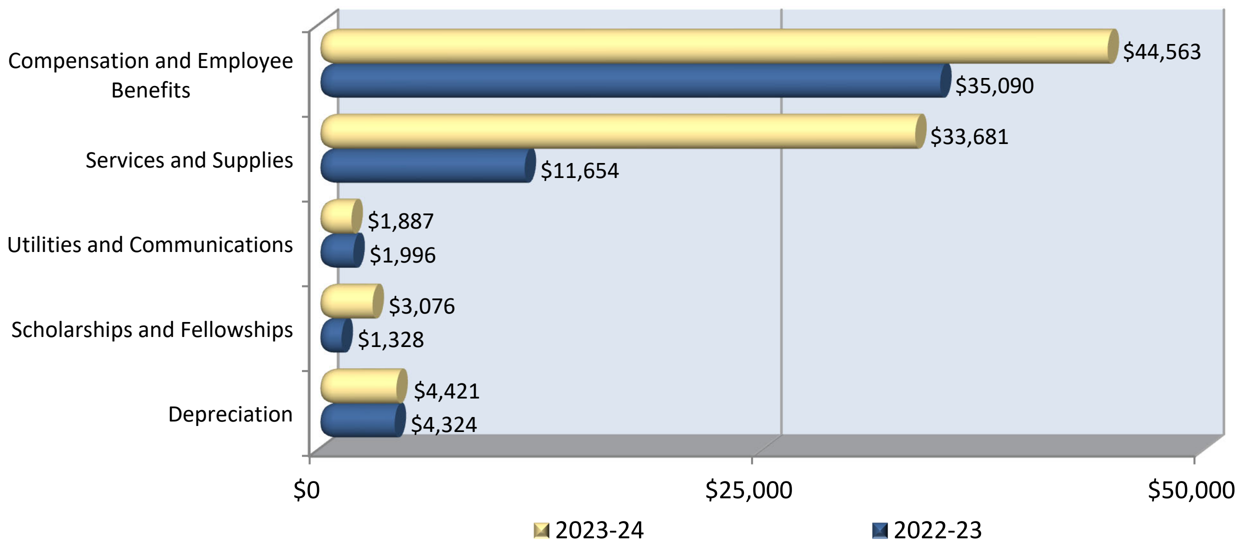
(In Thousands)

	2023-24	2022-23
Compensation and Employee Benefits	$ 44,563	$ 35,090
Services and Supplies	33,681	11,654
Utilities and Communications	1,887	1,996
Scholarships and Fellowships	3,076	1,328
Depreciation	4,421	4,324
Total Operating Expenses	$ 87,628	$ 54,392

The following chart presents the University's operating expenses for the 2023-24 and 2022-23 fiscal years:

Operating Expenses

(In Thousands)



Total operating expenses for the 2023-24 fiscal year were $87.6 million as compared to $54.4 million for the 2022-23 fiscal year, which is a $33.2 million, or 61.1 percent increase. The increase is due to increases in services and supplies of $22 million, compensation and employee benefits of $9.5 million, scholarships and fellowships of $1.7 million, and depreciation expense of $0.1 million, offset by a decrease in utilities and communications of $0.1 million.

Nonoperating Revenues and Expenses

Certain revenue sources that the University 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 University's nonoperating revenues and expenses for the 2023-24 and 2022-23 fiscal years:

Nonoperating Revenues (Expenses)
For the Fiscal Years

(In Thousands)

	2023-24	2022-23
State Noncapital Appropriations	$ 66,586	$ 48,688
Federal and State Student Financial Aid	3,105	3,134
Noncapital Grants, Contracts, and Donations	1,668	1,585
Investment Income	1,690	357
Other Nonoperating Revenues	25	33
Interest on Capital Asset-Related Debt	(704)	(740)
Loss on Disposal of Capital Assets	-	(3)
Other Nonoperating Expenses	(96)	(60)
Net Nonoperating Revenues	$ 72,274	$ 52,994

Net nonoperating revenues increased $19.3 million during the 2023-24 fiscal year. The increase was due to a $17.9 million increase in State noncapital appropriations, a $1.3 million increase in net investment income, and a $0.1 million increase in noncapital grants, contracts, and donations.

Other Revenues

This category is composed of State capital appropriations. The following summarizes the University's other revenues for the 2023-24 and 2022-23 fiscal years:

Other Revenues
For the Fiscal Years

(In Thousands)

	2023-24	2022-23
State Capital Appropriations	$ 9,480	$ 1,943
Total	$ 9,480	$ 1,943

Total other revenue for the 2023-24 fiscal year increased by $7.5 million due to the appropriation of State Public Education Capital Outlay and Debt Service (PECO) and Capital Improvement Fee Trust Fund (CITF) funds for remodeling, improvements, and renovations of University buildings.

The Statement of Cash Flows

The statement of cash flows provides information about the University's financial results by reporting the major sources and uses of cash and cash equivalents. This statement will assist in evaluating the University'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 University. 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 cash flows for the 2023-24 and 2022-23 fiscal years:

Condensed Statement of Cash Flows
For the Fiscal Years

(In Thousands)

	2023-24	2022-23
Cash Provided (Used) by:		
Operating Activities	$ (71,008)	$ (39,513)
Noncapital Financing Activities	71,363	53,498
Capital and Related Financing Activities	(3,955)	(3,808)
Investing Activities	3,878	(10,176)
Net Increase in Cash and Cash Equivalents	278	1
Cash and Cash Equivalents, Beginning of Year	1,695	1,694
Cash and Cash Equivalents, End of Year	$ 1,973	$ 1,695

Major sources of funds came from proceeds from sales and maturities of investments ($73.4 million), State noncapital appropriations ($66.5 million), net sales and services of auxiliary enterprises ($6.7 million), Federal and State student financial aid ($3.1 million), noncapital grants, contracts, and donations ($1.8 million), grants and contracts ($1.7 million), other operating receipts ($1.2 million), and Federal direct loans program receipts ($1 million). Major uses of funds were for purchases of investments ($70.4 million), payments made to and on behalf of employees totaling $42.4 million, payments to suppliers totaling $35.2 million, purchase or construction of capital assets totaling $3.4 million, payments to students for scholarships and fellowships totaling $3.1 million, principal and interest payments on capital debt totaling $1.8 million, and Federal direct program loan disbursements totaling $1 million. Changes in cash and cash equivalents were the result of the following factors:

- The increase of $31.5 million in net cash used by operations was due to increases in payments to suppliers by $21.4 million, payments to employees by $8.3 million, distribution of scholarship and fellowships to students by $1.7 million, and a reduction in grants and contracts received by $1.5 million, offset by increases in sales and services of auxiliary enterprises by $0.4 million and other operating receipts by $1 million.
- The increase of $17.9 million in net cash provided by noncapital financing activities was primarily due to an increase in nonrecurring State appropriations of $18 million, offset by a combined $0.1 million decrease in noncapital grants, contracts, and donations, net other receipts and expenses, and Federal and State student financial aid.
- The increase of $0.1 million in net cash used by capital and related financing activities was primarily due to an increase of $1.3 million used for the purchase or construction of capital assets, offset by an increase of $1.2 million in State capital appropriations.
- The increase of $14 million in net cash provided by investing activities was due to a $32.7 million increase in the proceeds from sales and maturities of investments and a $0.4 million increase in investment income, offset by an increase of $19.1 million in the purchase of investments.

CAPITAL ASSETS, CAPITAL EXPENSES AND COMMITMENTS, AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2024, the University had $147.6 million in capital assets, less accumulated depreciation of $79.3 million, for net capital assets of $68.3 million. Depreciation charges for the current fiscal year totaled $4.4 million. The following table summarizes the University’s capital assets, net of accumulated depreciation, at June 30:

Capital Assets, Net at June 30

(In Thousands)

	2024	2023
Land	$ 4,562	$ 4,562
Works of Art and Historical Treasures	77	77
Construction in Progress	510	285
Buildings	56,404	58,644
Infrastructure and Other Improvements	4,088	3,658
Furniture and Equipment	698	355
Right-to-Use Lease Assets	1,907	1,966
Computer Software	12	7
Capital Assets, Net	$ 68,258	$ 69,554

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

Capital Expenses and Commitments

Major capital expenses through June 30, 2024, were incurred for repairs and renovations of the Caples Estate complex, the enhancement of the students' recreation area known as Robertson Park, and the replacement of the University's greenhouse. The University's construction commitments at June 30, 2024, are as follows:

	Amount (In Thousands)
Total Committed	$ 944
Completed to Date	510
Balance Committed	$ 434

Additional information about the University's construction commitments is presented in the notes to financial statements.

Debt Administration

As of June 30, 2024, the University had $19 million in outstanding certificates of participation payable, representing a decrease of $1.1 million, or 5.3 percent, from the prior fiscal year.

Additional information about the University's long-term debt is presented in the notes to financial statements.

Economic Factors That Will Affect the Future

The University's economic condition is closely tied to that of the State of Florida, as well as to student enrollment levels. State noncapital and capital appropriations for the 2023-24 fiscal year totaled $66.6 million and $9.5 million, respectively, and are the largest sources of funding. The total level of State noncapital support from Education and General (E&G) funds budgeted for the 2024-25 fiscal year is $62.4 million or $3.3 million (5.6 percent) more than the level that level of funding from E&G provided to the University in the 2023-24 fiscal year. This includes an increase in base funding of $3.5 million, offset by a $0.2 million reduction in lottery revenue distribution. The University continues concerted efforts to attract new students and retain existing students, therefore, expecting an increase in enrollment that will result in revenue from student tuition and fees greater than the 2023-24 fiscal year. Amounts that can be charged for student tuition and fees are still expected to remain unchanged by the Florida Legislature.

The University received a total of $2 million from the Foundation, during the 2023-24 fiscal year, including $0.3 million in scholarships and $1.7 million in other program support. Included in the $1.7 million of other program support is $0.5 million to subsidize faculty and other personnel costs. These funds are used to support the University's low student to faculty ratio, a feature that has been crucial in attracting students and increasing enrollment at the University. In the unlikely event the Foundation becomes unable to fund these contributions, losing this funding could adversely impact the University if not offset by additional funding appropriated by the Legislature or generated through increases in student tuition and fees.

REQUESTS FOR INFORMATION

Questions concerning information provided in the MD&A or other required supplemental information, and financial statements and notes thereto, or requests for additional financial information should be addressed to the Controller's Office, New College of Florida, 5800 Bay Shore Road, Sarasota, Florida 34243-2109.

NEW COLLEGE OF FLORIDA
A Component Unit of the State of Florida
Statement of Net Position

June 30, 2024

	University	Component Unit
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 1,973,493	$ 4,315,628
Investments	25,755,477	-
Accounts Receivable, Net	402,880	81,015
Due from State	10,431,322	-
Due from Component Unit	112,546	-
Other Current Assets	470,001	84,657
Total Current Assets	39,145,719	4,481,300
Noncurrent Assets:		
Investments	-	44,526,927
Restricted Investments	617,224	-
Depreciable Capital Assets, Net	61,201,986	634,067
Nondepreciable Capital Assets	5,148,787	421,832
Right-to-Use Land Lease, Net	1,906,755	-
Total Noncurrent Assets	68,874,752	45,582,826
Total Assets	108,020,471	50,064,126
DEFERRED OUTFLOWS OF RESOURCES		
Other Postemployment Benefits	4,654,127	-
Pensions	6,376,622	-
Total Deferred Outflows of Resources	11,030,749	-
LIABILITIES		
Current Liabilities:		
Accounts Payable	948,824	112,479
Construction Contracts Payable	308,551	-
Salary and Wages Payable	1,872,987	-
Due to University	-	112,546
Unearned Revenue	337,685	313,224
Other Current Liabilities	158,716	-
Long-Term Liabilities - Current Portion:		
Certificates of Participation Payable	1,115,000	-
Note Payable	-	8,693
Right-to-Use Land Lease Payable	34,507	-
Compensated Absences Payable	581,968	-
Other Postemployment Benefits Payable	442,467	-
Total Current Liabilities	5,800,705	546,942

	University	Component Unit
LIABILITIES (Continued)		
Noncurrent Liabilities:		
Certificates of Participation Payable	17,920,681	-
Note Payable	-	304,267
Right-to-Use Land Lease Payable	1,944,009	-
Compensated Absences Payable	3,087,210	-
Other Postemployment Benefits Payable	16,566,245	-
Net Pension Liability	18,318,434	-
Other Noncurrent Liabilities	-	61,517
Total Noncurrent Liabilities	57,836,579	365,784
Total Liabilities	63,637,284	912,726
DEFERRED INFLOWS OF RESOURCES		
Other Postemployment Benefits	9,513,682	-
Pensions	1,316,182	-
Gift Annuities and Charitable Remainder Unitrust	-	164,112
Total Deferred Inflows of Resources	10,829,864	164,112
NET POSITION		
Net Investment in Capital Assets	47,243,330	742,939
Restricted for Nonexpendable:		
Endowment	-	36,570,592
Restricted for Expendable:		
Capital Projects	10,756,582	-
Other	432,718	9,899,923
Unrestricted	(13,848,558)	1,773,834
TOTAL NET POSITION	$ 44,584,072	$ 48,987,288

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

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NEW COLLEGE OF FLORIDA
A Component Unit of the State of Florida
Statement of Revenues, Expenses, and Changes in Net Position

For the Fiscal Year Ended June 30, 2024

	University	Component Unit
REVENUES		
Operating Revenues:		
Student Tuition and Fees	$ 7,199,777	$ -
Tuition Scholarship Allowance	(7,199,777)	-
Federal Grants and Contracts	381,509	-
State and Local Grants and Contracts	62,865	-
Nongovernmental Grants and Contracts	1,256,878	-
Sales and Services of Auxiliary Enterprises, Net of Scholarship Allowance $1,184,668 ($4,711,627 Pledged for Housing Facility Revenue Certificates of Participation)	6,720,830	-
Gift and Donations	-	2,432,103
Other Operating Revenues	1,149,276	106,605
Total Operating Revenues	9,571,358	2,538,708
EXPENSES		
Operating Expenses:		
Compensation and Employee Benefits	44,563,104	-
Services and Supplies	33,680,980	-
Utilities and Communications	1,887,519	-
Scholarships and Fellowships	3,076,173	-
Depreciation	4,420,930	-
Other Operating Expenses	-	5,481,071
Total Operating Expenses	87,628,706	5,481,071
Operating Loss	(78,057,348)	(2,942,363)
NONOPERATING REVENUES (EXPENSES)		
State Noncapital Appropriations	66,585,987	-
Federal and State Student Financial Aid	3,104,718	-
Noncapital Grants, Contracts, and Donations	1,667,573	-
Investment Income	1,689,960	3,342,076
Other Nonoperating Revenues	25,460	-
Interest on Capital Asset-Related Debt	(703,846)	-
Other Nonoperating Expenses	(95,746)	(28,738)
Net Nonoperating Revenues	72,274,106	3,313,338
Income (Loss) Before Other Revenues	(5,783,242)	370,975
State Capital Appropriations	9,480,372	-
Contributions to Permanent Endowments	-	552,100
Increase in Net Position	3,697,130	923,075
Net Position, Beginning of Year	40,886,942	48,064,213
Net Position, End of Year	$ 44,584,072	$ 48,987,288

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

NEW COLLEGE OF FLORIDA
A Component Unit of the State of Florida
Statement of Cash Flows

For the Fiscal Year Ended June 30, 2024

	University
CASH FLOWS FROM OPERATING ACTIVITIES	
Student Tuition and Fees, Net	$ (2,788)
Grants and Contracts	1,749,025
Sales and Services of Auxiliary Enterprises, Net	6,730,950
Other Operating Receipts	1,216,470
Payments to Employees	(42,410,527)
Payments to Suppliers for Goods and Services	(35,214,959)
Payments to Students for Scholarships and Fellowships	(3,076,173)
Net Cash Used by Operating Activities	(71,008,002)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Noncapital Appropriations	66,509,983
Federal and State Student Financial Aid	3,104,718
Noncapital Grants, Contracts, and Donations	1,817,099
Federal Direct Loan Program Receipts	1,019,125
Federal Direct Loan Program Disbursements	(1,019,125)
Other Nonoperating Receipts	25,460
Other Nonoperating Disbursements	(93,592)
Net Cash Provided by Noncapital Financing Activities	71,363,668
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
State Capital Appropriations	1,291,530
Purchase of Construction of Capital Assets	(3,447,016)
Principal Paid on Capital Debt and Leases	(1,098,378)
Interest Paid on Capital Debt and Leases	(701,354)
Net Cash Used by Capital and Related Financing Activities	(3,955,218)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	73,435,147
Purchases of Investments	(70,374,641)
Investment Income	817,363
Net Cash Provided by Investing Activities	3,877,869
Net Increase in Cash and Cash Equivalents	278,317
Cash and Cash Equivalents, Beginning of Year	1,695,176
Cash and Cash Equivalents, End of Year	$ 1,973,493

	University
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	$ (78,057,348)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation Expense	4,420,930
Changes in Assets, Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources:	
Receivables, Net	22,227
Other Assets	(1,549)
Accounts Payable	354,589
Salaries and Wages Payable	68,672
Compensated Absences Payable	543,907
Unearned Revenue	100,572
Other Postemployment Benefits Payable	1,171,741
Net Pension Liability	1,191,374
Deferred Outflows of Resources Related to Other Postemployment Benefits	867,012
Deferred Inflows of Resources Related to Other Postemployment Benefits	(2,565,867)
Deferred Outflows of Resources Related to Pensions	161,193
Deferred Inflows of Resources Related to Pensions	714,545
NET CASH USED BY OPERATING ACTIVITIES	$ (71,008,002)
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITIES	
Unrealized gains on investments were recognized as an increase to investment income on the statement of revenues, expenses, and changes in net position, but are not cash transactions for the statement of cash flows.	$ 872,597

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

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Reporting Entity. The University is a separate public instrumentality that is part of the State university system of public universities, which is under the general direction and control of the Florida Board of Governors. The University is directly governed by a Board of Trustees (Trustees) consisting of 13 members. The Governor appoints 6 citizen members and the Board of Governors appoints 5 citizen members. These members are confirmed by the Florida Senate and serve staggered terms of 5 years. The chair of the faculty senate and the president of the student body of the University are also members. The Board of Governors establishes the powers and duties of the Trustees. The Trustees are responsible for setting policies for the University, which provide governance in accordance with State law and Board of Governors' Regulations, and selecting the University President. The University President serves as the executive officer and the corporate secretary of the Trustees and is responsible for administering the policies prescribed by the Trustees.

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 primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the primary government's financial statements to be misleading. Based on the application of these criteria, the University 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.

Blended Component Unit. Although it is legally separate from the University, the New College of Florida Development Corporation (Development Corporation) is included within the University's reporting entity as a blended component unit, based on the application of the criteria for determining component units. The Development Corporation was created on November 4, 2005, as a not-for-profit Florida corporation under the provisions of Chapter 617, Florida Statutes and as a direct-support organization of the University. The Development Corporation was established to secure, hold, invest, and administer property and to make expenditures for the exclusive benefit of the University. Due to the substantial economic relationship between the Development Corporation and the University, the financial activities of the Development Corporation are included in the University's financial statements. An annual audit of the Development Corporation is conducted by independent certified public accountants and is submitted to the Auditor General and the University Board of Trustees. Additional information on the Development Corporation, including copies of audit reports, is available by contacting the University's Controller's Office. Condensed financial statements for the University's blended component unit are shown in a subsequent note. The condensed financial statements are reported net of eliminations.

Discretely Presented Component Unit. Based on the application of the criteria for determining component units, the New College Foundation, Inc. (Foundation), (as provided for in Section 1004.28, Florida Statutes, and Board of Governors Regulation 9.011) is included within the University's reporting entity as a discretely presented component unit. This legally separate, not-for-profit, corporation is organized and operated exclusively to fund, in whole or in part, academic programs of the University by providing supplemental resources from private gifts and bequests, and grants that may be negotiated annually. The Foundation is governed by a separate board. Florida Statutes authorize the Foundation to receive, hold, invest, and administer property and to make expenditures to or for the benefit of the University.

An annual audit of the Foundation's financial statements is conducted by independent certified public accountants. Additional information on the Foundation, including copies of audit reports, is available by contacting the University Controller. Audited financial statements can be obtained from the Controller's Office, New College of Florida, 5800 Bay Shore Rd., Sarasota, Florida 34243-2109.

Basis of Presentation. The University'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 University with recommendations prescribed in accordance with generally accepted accounting principles promulgated by GASB and the Financial Accounting Standards Board (FASB). GASB allows public universities various reporting options. The University 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 University'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 University follows GASB standards of accounting and financial reporting.

The University's blended and discretely presented component units use the economic resources measurement focus and the accrual basis of accounting and follow GASB standards of accounting and financial reporting.

Significant interdepartmental sales between auxiliary service departments and other institutional departments have been eliminated from revenues and expenses for reporting purposes.

The University's principal operating activities consist of instruction, research, and public service. Operating revenues and expenses generally include all fiscal transactions directly related to these activities as well as administration, operation and maintenance of capital assets, and depreciation of capital assets. Nonoperating revenues include State noncapital appropriations, Federal and State student financial aid, and investment income (net of unrealized gains or losses on investments). Interest on capital asset-related debt is a nonoperating expense. Other revenues generally include revenues for capital construction projects.

The statement of net position is presented in a classified format to distinguish between current and noncurrent assets and liabilities. When both restricted and unrestricted resources are available to fund certain programs, it is the University'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 University and the amount that is actually paid by the student or the third party making payment on behalf of the student. The University applied the "Alternate Method" as prescribed in NACUBO Advisory Report 2000-05 to determine the reported net tuition scholarship allowances. Under this method, the University computes these amounts by allocating the cash payments to students, excluding payments for services, using a ratio of total aid to aid not considered third-party aid.

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

Capital Assets. University capital assets consist of land, works of art and historical treasures, construction in progress, buildings, infrastructure and other improvements, furniture and equipment, library resources, right-to-use lease assets, and computer software. These assets are capitalized and recorded at cost at the date of acquisition or at acquisition value at the date received in the case of gifts and purchases of State surplus property. Additions, improvements, and other outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The University has a capitalization threshold of $5,000 for tangible personal property and $100,000 for new buildings and other building improvements. Depreciation is computed on the straight-line basis over the following estimated useful lives:

- Buildings – 9 to 50 years
- Infrastructure and Other Improvements – 20 years

- Furniture and Equipment – 3 to 15 years
- Library Resources – 5 to 10 years
- Right-to-Use Lease Assets – 35 years
- Computer Software – 7 years

Noncurrent Liabilities. Noncurrent liabilities include amounts of certificates of participation payable, right-to-use land lease payable, compensated absences payable, other postemployment benefits (OPEB) payable, and net pension liabilities that are not scheduled to be paid within the next fiscal year. Certificates of participation payable are reported net of unamortized discounts. The University amortizes debt premiums and discounts over the life of the debt using the straight-line method.

Pensions. For purposes of measuring the net pension liabilities, 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.

Leases. The University determines if an arrangement is a lease at inception. Lessee arrangements are included in lease assets and lease liabilities in the statements of net position. Lease assets represent the University's control of the right-to-use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. Lease liabilities represent the University's obligation to make lease payment arising from the lessee arrangement. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the University will exercise that option. The University recognized payments for short-term leases with a lease term of 12 months or less and leases with a present value of less than a hundred thousand dollars over the life of the lease as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statement of net position.

2. Deficit Net Position in Individual Funds

The University reported an unrestricted net position which included a deficit in the current funds – unrestricted as shown below. This deficit can be attributed to the full recognition of long-term liabilities (i.e., compensated absences payable, OPEB payable, and net pension liabilities) in the current unrestricted funds.

Fund		Net Position
Current Funds - Unrestricted	$	(18,168,817)
Auxiliary Funds		4,320,259
Total	$	(13,848,558)

3. Investments

Section 1011.42(5), Florida Statutes, authorizes universities to invest funds with the State Treasury and State Board of Administration (SBA) and requires that universities comply with the statutory requirements governing investment of public funds by local governments. Accordingly, universities are subject to the requirements of Chapter 218, Part IV, Florida Statutes. The Board of Trustees has adopted a written investment policy providing that surplus funds of the University shall be invested in those institutions and instruments permitted under the provisions of Florida Statutes. Pursuant to Section 218.415(16), Florida Statutes, the University is authorized 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 in 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. Investments set aside to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital assets are classified as restricted.

The University 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 University's recurring fair value measurements as of June 30, 2024, are investments with the State Treasury which are valued based on the University's share of the pool (Level 3 inputs).

External Investment Pool.

The University reported investments at fair value totaling $26,372,701 at June 30, 2024, in the State Treasury Special Purpose Investment Account (SPIA) investment pool, representing ownership of a share of the pool, not the underlying securities (Level 3 inputs). Pooled investments with the State Treasury are not registered with the Securities and Exchange Commission. Oversight of the pooled investments with the State Treasury is provided by the Treasury Investment Committee per Section 17.575, Florida Statutes. The authorized investment types are set forth in Section 17.57, Florida Statutes. The State Treasury SPIA investment pool carried a credit rating of AA-f by Standard & Poor's, had an effective duration of 3.23 years, and fair value factor of 0.9958 at June 30, 2024. Participants contribute to the State Treasury SPIA investment pool on a dollar basis. These funds are commingled and a fair value of the pool is determined from the individual values of the securities. The fair value of the securities is summed and a total pool fair value is determined. A fair value factor is calculated by dividing the pool's total fair value by the pool participant's total cash balances. The fair value factor is the ratio used to determine the fair value of an individual participant's pool balance. The University relies on policies developed by the State Treasury for managing interest rate risk or credit risk for this investment pool. Disclosures for the State Treasury investment pool are included in the notes to financial statements of the State's Annual Comprehensive Financial Report.

Component Unit Investments.

Investments held by the University's discretely presented component unit at June 30, 2024, are reported at fair value as follows:

		Fair Value Measurements Using		
Investments by fair value level	**Amount**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Mutual Funds				
Equities	$ 30,442,844	$ 30,442,844	$ -	$ -
Bonds	8,158,157	8,158,157	-	-
Total investments by fair value level	$ 38,601,001	$ 38,601,001	$ -	$ -
Investments measured at the net asset value (NAV)				
Private Equity and Other Investments	5,925,926			
Total investments measured at NAV	5,925,926			
Total investments measured at fair value	$ 44,526,927			

4. Receivables

Accounts Receivable. Accounts receivable represent amounts for contract and grant reimbursements due from third parties, student tuition and fees, and various sales and services provided to students and third parties. As of June 30, 2024, the University reported the following amounts as accounts receivable:

Description	Amount
Student Tuition and Fees	$ 35,410
Contracts and Grants	311,928
Auxiliary Services	115,871
Other	1,256
Total Accounts Receivable	464,465
Less, Allowance for Uncollectible Accounts	61,585
Accounts Receivable, Net	$ 402,880

Allowance for Doubtful Receivables. Allowances for doubtful accounts are reported based on management's best estimate as of fiscal year end considering type, age, collection history, and other factors considered appropriate. Accounts receivable are reported net of allowances of $61,585 at June 30, 2024.

No allowance has been accrued for contracts and grants receivable. University management considers these to be fully collectible.

5. Due From State

The amount $10,431,322 due from State consists of $10,174,357 from deferred maintenance funds, Public Education Capital Outlay and Debt Service (PECO) funds, and Capital Improvement Fee Trust Fund (CITF) due from the State for maintenance projects and construction of University facilities, $199,843 in State contracts and grants pending at year-end, $49,319 pending from a FEMA reimbursement claim related to Hurricane Ian expenses, and $7,803 financial aid disbursed pending at year-end.

6. Due From Component Unit

The amount due from component unit of $112,546 consists of $102,423 owed to the University by the Foundation for fourth quarter payroll and reimbursement of expenses and $10,123 for unreimbursed scholarship commitments.

7. Capital Assets

Capital assets activity for the fiscal year ended June 30, 2024, is shown in the following table:

Description	Beginning Balance	Additions	Reductions	Ending Balance
Nondepreciable Capital Assets:				
Land	$ 4,561,975	$ -	$ -	$ 4,561,975
Works of Art and Historical Treasures	76,840	-	-	76,840
Construction in Progress	284,640	1,572,043	1,346,711	509,972
Total Nondepreciable Capital Assets	$ 4,923,455	$ 1,572,043	$ 1,346,711	$ 5,148,787
Depreciable Capital Assets:				
Buildings	$ 122,763,435	$ 1,346,711	$ -	124,110,146
Infrastructure and Other Improvements	7,817,017	863,112	-	8,680,129
Furniture and Equipment	6,576,524	681,234	314,857	6,942,901
Library Resources	484,367	-	-	484,367
Right-to-Use Lease Assets	2,083,216	-	-	2,083,216
Computer Software	108,460	8,000	-	116,460
Total Depreciable Capital Assets and Right-to-Use Lease Assets	139,833,019	2,899,057	314,857	142,417,219
Less, Accumulated Depreciation:				
Buildings	64,118,741	3,587,883	-	67,706,624
Infrastructure and Other Improvements	4,158,878	433,035	-	4,591,913
Furniture and Equipment	6,221,461	338,621	314,857	6,245,225
Library Resources	484,367	-	-	484,367
Right-to-Use Lease Assets	117,641	58,820	-	176,461
Computer Software	101,317	2,571	-	103,888
Total Accumulated Depreciation	75,202,405	4,420,930	314,857	79,308,478
Total Depreciable Capital Assets and Right-to-Use Lease Assets, Net	$ 64,630,614	$ (1,521,873)	$ -	$ 63,108,741

8. Unearned Revenue

Unearned revenue at June 30, 2024, includes contracts and grants revenue and student tuition and fees received prior to fiscal year end related to subsequent accounting periods. As of June 30, 2024, the University reported the following amounts as unearned revenue:

Description	Amount
Contracts and Grants	$ 189,624
Student Tuition and Fees	148,061
Total Unearned Revenue	$ 337,685

9. Deferred Outflow / Inflow of Resources

The deferred outflows and inflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Total deferred outflows of pension resources were $6,376,622 and total deferred inflows of resources related to pensions were $1,316,182 for the fiscal year ended June 30, 2024. Note 11. includes a complete discussion of defined benefit pension plans.

The deferred outflows and inflows related to OPEB are an aggregate of items related to OPEB as calculated in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Total deferred outflows of OPEB resources were $4,654,127 and total deferred inflows of resources related to OPEB were $9,513,682 for the fiscal year ended June 30, 2024. Note 10. below includes a complete discussion of OPEB.

10. Long-Term Liabilities

Long-term liabilities of the University at June 30, 2024, include certificates of participation payable, right-to-use land lease payable, compensated absences payable, other postemployment benefits payable, and net pension liability. Long-term liabilities activity for the fiscal year ended June 30, 2024, is shown in the following table:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Certificates of Participation Payable	$ 20,098,190	$ 2,491	$ 1,065,000	$ 19,035,681	$ 1,115,000
Right-to-Use Land Lease Payable	2,011,894	-	33,378	1,978,516	34,507
Compensated Absences Payable	3,125,271	1,019,337	475,430	3,669,178	581,968
Other Postemployment Benefits Payable	15,836,971	16,281,421	15,109,680	17,008,712	442,467
Net Pension Liability	17,127,060	8,939,925	7,748,551	18,318,434	-
Total Long-Term Liabilities	$ 58,199,386	$ 26,243,174	$ 24,432,039	$ 60,010,521	$ 2,173,942

Certificates of Participation Payable. On April 7, 2006, the Development Corporation issued variable rate Certificates of Participation (COPs), Series 2006, in the amount of $30,110,000. The proceeds were used to finance the acquisition, construction, and equipping of five new residence halls containing approximately 200 new student beds, the renovation and improvement of three existing residence halls (Johnson, Bates, and Rothenberg), comprising the Pei complex, and renovation and improvement to the Hamilton Center, the student activities center.

In April of 2012, the Development Corporation, through resolution of the Board, restructured the existing variable rate COPs as allowed under the master trust indenture. The existing COPs were restructured as a non-bank qualified tax-exempt variable facility (New College of Florida Development Corporation, Series 2012 Conversion), with an interest rate equal to 77 percent of the sum of the 30-day London Interbank Offered Rate (LIBOR) plus 185 basis points. The revised agreement was for 10 years, which expired in April of 2022. The existing maturity and principal payment requirements pursuant to the original 2006 debt issuance were not restructured.

With the enactment of the Federal Tax Cuts and Jobs Act, the Development Corporation's tax-exempt variable facility did not have the same value as it did prior to this act due to the corporate maximum tax rate being reduced to 21 percent from 35 percent. As such, SunTrust, as Trustee, adjusted the interest rate on the swap, effective April 1, 2018, to be 77 percent of the 30-day LIBOR, fixed at 3.30 percent, plus 93.584 percent of 1.85 percent equaling 1.7313 percent. The sum of these two components provided a total effective fixed interest of 5.0313 percent.

Effective April 1, 2022, the Development Corporation restructured the existing variable rate COPs as allowed under the master trust indenture. The existing COPs were restructured as a non-bank qualified tax-exempt plain refinancing with a fixed interest rate of 3.33 percent. The existing maturity and principal payment requirements were not modified.

As a condition of the financing arrangement, the University entered into a Master Ground and Operating Lease Agreement with the Development Corporation. The property covered by the Master Ground lease together with the improvement thereon is leased back by the University to manage and operate through the Master Operating Lease and Facilities Sublease and Management Agreement. The payments on the lease are equal to the annual debt service requirements of the related bond debt and operating costs of the Development Corporation. The lease will terminate on the date the certificates and any related obligations are paid in full. Revenues from student resident facilities are pledged to pay rent to the Development Corporation or its assignees equal to the debt service on the long-term debt and any operating costs. During the 2023-24 fiscal year, student housing revenue totaled $4,711,627.

Principal and interest payment requirements on the COPs outstanding as of June 30, 2024, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2025	$ 1,115,000	$ 607,017	$ 1,722,017
2026	1,160,000	568,764	1,728,764
2027	1,220,000	528,638	1,748,638
2028	1,270,000	486,763	1,756,763
2029	1,325,000	443,098	1,768,098
2030-2034	7,570,000	1,489,259	9,059,259
2035-2037	5,405,000	230,145	5,635,145
Subtotal	19,065,000	4,353,684	23,418,684
Less, Discounts	(29,319)	-	(29,319)
Total	$ 19,035,681	$ 4,353,684	$ 23,389,365

Right-to-Use Land Lease Payable. The University follows GASB Statement No. 87, *Leases*. Land is leased from an external party for various terms under long-term, non-cancelable agreements. The lease expires on November 30, 2056. Currently, the payments are made in monthly installments of $8,322, with an implicit interest rate of 3.33 percent. The University does not have any leases featuring payments tied to an index or market rate, or any leases subject to a residual value guarantee. See Note 7. for right-to-use assets and the associated accumulated depreciation. Future commitments for the remaining leases payable as of June 30, 2024, are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
2025	$ 99,868	$ 34,507	$ 65,361
2026	99,868	35,674	64,194
2027	99,868	36,880	62,988
2028	99,868	38,127	61,741
2029	99,868	39,416	60,452
2030-2034	499,339	217,996	281,343
2035-2039	499,339	257,429	241,910
2040-2044	499,339	303,996	195,343
2045-2049	499,339	358,986	140,353
2050-2054	499,339	423,923	75,416
2055-2057	241,347	231,582	9,765
Total Minimum Lease Payments	$ 3,237,382	$ 1,978,516	$ 1,258,866

Compensated Absences Payable. Employees earn the right to be compensated during absences for annual leave (vacation) and sick leave earned pursuant to Board of Governors' Regulations, University regulations, and bargaining agreements. Leave earned is accrued to the credit of the employee and records are kept on each employee's unpaid (unused) leave balance. The University 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 University 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, 2024, the estimated liability for compensated absences, which includes the University's share of the Florida Retirement System and FICA contributions, totaled $3,669,178. The current portion of the compensated absences liability, $581,968, is the amount expected to be paid in the coming fiscal year and is based on actual payouts for the last three years calculated as a percentage of the previous three years' compensated absences liability.

Other Postemployment Benefits Payable. The University follows GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for certain postemployment healthcare benefits administered by the State Group Health Insurance Program.

General Information about the OPEB Plan

Plan Description. The Division of State Group Insurance's Other Postemployment Benefits Plan (OPEB Plan) is a multiple-employer defined benefit plan administered by the State of Florida. Pursuant to the provisions of Section 112.0801, Florida Statutes, all employees who retire from the University are eligible to participate in the State Group Health Insurance Program. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. A retiree means any officer or employee who retires under a State retirement system or State optional annuity or retirement program or is placed on disability retirement and who begins receiving retirement benefits immediately after retirement from employment. In addition, any officer or employee who retires under the Florida Retirement System Investment Plan is considered a "retiree" if he or she meets the age and service requirements to qualify for normal retirement or has attained the age of 59.5 years and has the years of service required for vesting. The University 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 retiree healthcare costs are generally greater than active employee healthcare costs. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The OPEB Plan contribution requirements and benefit terms necessary for funding the OPEB Plan each year is on a pay-as-you-go basis as established by the Governor's recommended budget and the General Appropriations Act. Retirees are required to enroll in the Federal Medicare (Medicare) program for their primary coverage as soon as they are eligible.

Benefits Provided. The OPEB Plan provides healthcare benefits for retirees and their dependents. The OPEB Plan only provides an implicit subsidy as described above. For the 2023-24 fiscal year, 28 retirees and beneficiaries received postemployment healthcare benefits.

Proportionate Share of the Total OPEB Liability

The University's proportionate share of the total OPEB liability of $17,008,712 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2022, using the actuarial assumptions in the table below. At June 30, 2023, the University's proportionate share, determined by its proportion of total benefit payments made, was 0.20 percent, which was no change from the proportionate share reported as of June 30, 2022.

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

Inflation	2.4 percent
Salary increases	Varies by FRS Class
Discount rate	4.13 percent
Healthcare cost trend rates	
PPO Plan	8.10 percent for 2024, decreasing to an ultimate rate of 4.04 percent for 2076 and later years
HMO Plan	6.44 percent for 2024, decreasing to an ultimate rate of 4.04 percent for 2076 and later years
Retirees' share of benefit-related costs	100 percent of projected health insurance premiums for retirees

The discount rate was based on the Standard & Poor's (S&P) Municipal Bond 20-year High Grade Rate Index.

Mortality rates were based on the PUB-2010 mortality tables with fully generational improvement with Scale MP-2018.

The demographic actuarial assumptions for retirement, disability incidence, and withdrawal used in the July 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2019, through June 30, 2020, 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 July 1, 2022, valuation were based on a review of recent plan experience done concurrently with the July 1, 2022, valuation.

The following changes have been made since the prior valuation:

- Disability Rates – For those in the Special Risk Class, disability rates were updated to those used in the actuarial valuation of the Florida Retirement System (FRS) conducted by Milliman as of July 1, 2022.
- DROP Election Percentage and DROP Participation Period – For Law Enforcement Officers, the percentage of members assumed to elect to participate in the Deferred Retirement Option Program (DROP) was updated to align with rates used in the actuarial valuation of the Florida Retirement System (FRS) conducted by Milliman as of July 1, 2022. Further, Law Enforcement Officers' maximum DROP participation period was extended from 60 months (5 Years) to 96 months (8 years).
- Inflation – Inflation was lowered to match the 2.4 percent used in the actuarial valuation of the Florida Retirement System (FRS) conducted by Milliman as of July 1, 2022.
- Discount Rate – The discount rate was updated to utilize the mandated discount rate based on a 20-year S&P Municipal Bond Rate Index as of the measurement date, as required under GASB Statement No. 75. The discount rate increased from 4.09 percent to 4.13 percent.

Sensitivity of the University's Proportionate Share of the Total OPEB Liability to Changes in the Discount Rate. The following table presents the University's proportionate share of the total OPEB liability, as well as what the University's proportionate share of the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.13 percent) or 1 percentage point higher (5.13 percent) than the current rate:

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
University's proportionate share of the total OPEB liability	$20,844,830	$17,008,712	$14,321,447

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
University's proportionate share of the total OPEB liability	$13,842,991	$17,008,712	$21,636,213

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

For the fiscal year ended June 30, 2024, the University recognized negative OPEB expense of $74,859. At June 30, 2024, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 1,406,975
Change of assumptions or other inputs	1,539,600	8,106,707
Changes in proportion and differences between University benefit payments and proportionate share of benefit payments	2,662,272	-
Transactions subsequent to the measurement date	452,255	-
Total	$ 4,654,127	$ 9,513,682

Of the total amount reported as deferred outflows of resources related to OPEB, $452,255 resulting from transactions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability and included in OPEB expense in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30	Amount
2025	$ (1,438,687)
2026	(1,037,799)
2027	(847,191)
2028	(663,928)
2029	(663,928)
Thereafter	(660,277)
Total	$ (5,311,810)

Net Pension Liability. As a participating employer in the Florida Retirement System (FRS), the University recognizes its proportionate share of the collective net pension liabilities of the FRS cost-sharing multiple-employer defined benefit plans. As of June 30, 2024, the University's proportionate share of the net pension liabilities totaled $18,318,434. Note 11. includes a complete discussion of defined benefit pension plans.

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

The University's FRS and HIS pension expense totaled $4,750,520 for the fiscal year ended June 30, 2024.

<u>FRS Pension Plan</u>

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.
- *Special Risk Class* – Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

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, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 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, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 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 credit service. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on retirement plan and/or the class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following table shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and Retirement Age/Years of Service	% Value
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
Senior Management Service Class	2.00
Special Risk Class	3.00

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

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2023-24 fiscal year were:

	Percent of Gross Salary	
Class	**Employee**	**Employer** (1)
FRS, Regular	3.00	13.57
FRS, Senior Management Service	3.00	34.52
FRS, Special Risk	3.00	32.67
Deferred Retirement Option Program (applicable to members from all of the above classes)	0.00	21.13
FRS, Reemployed Retiree	(2)	(2)

(1) Employer rates include 2 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.

(2) Contribution rates are dependent upon retirement class in which reemployed.

The University's contributions to the Plan totaled $2,362,744 for the fiscal year ended June 30, 2024.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2024, the University reported a liability of $13,605,375 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The University's proportionate share of the net pension liability was based on the University's 2022-23 fiscal year contributions relative to the total 2022-23 fiscal year contributions of all participating members. At June 30, 2023, the University's proportionate share was 0.034144181 percent, which was a decrease of 0.003556998 from its proportionate share measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the University recognized pension expense of $2,927,094. In addition, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,277,427	$ -
Change of assumptions	886,911	-
Net difference between projected and actual earnings on FRS Plan investments	568,197	-
Changes in proportion and differences between University contributions and proportionate share of contributions	601,269	854,176
University FRS contributions subsequent to the measurement date	2,362,744	-
Total	$ 5,696,548	$ 854,176

The deferred outflows of resources totaling $2,362,744, resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2025	$ 417,045
2026	(187,371)
2027	2,171,333
2028	75,032
2029	3,589
Total	$ 2,479,628

Actuarial Assumptions. The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	3.25 percent, average, including inflation
Investment rate of return	6.70 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the July 1, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.1%
Fixed Income	19.8%	4.5%	4.4%	3.4%
Global Equity	54.0%	8.7%	7.1%	18.1%
Real Estate (Property)	10.3%	7.6%	6.6%	14.8%
Private Equity	11.1%	11.9%	8.8%	26.3%
Strategic Investments	3.8%	6.3%	6.1%	7.7%
Total	100.0%			
Assumed inflation - Mean			2.4%	1.4%

(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 2023 valuation was unchanged from the previous valuation.

Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 6.70 percent, as well as what the University'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:

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
University's proportionate share of the net pension liability	$23,240,752	$13,605,375	$5,544,230

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, 2024, the University reported a payable of $233,154 for the outstanding amount of contributions to the Plan required for the fiscal year ended June 30, 2024.

<u>HIS Pension Plan</u>

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, 2024, 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 Plan 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, 2024, the contribution rate was 2 percent of payroll pursuant to Section 112.363, Florida Statutes. The University 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 University's contributions to the HIS Plan totaled $320,664 for the fiscal year ended June 30, 2024.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2024, the University reported a liability of $4,713,059 for its proportionate share of the net pension liability. The net pension liability was measured as of

June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, and update procedures were used to determine the net pension liability as of July 1, 2023. The University's proportionate share of the net pension liability was based on the University's 2022-23 fiscal year contributions relative to the total 2022-23 fiscal year contributions of all participating members. At June 30, 2023, the University's proportionate share was 0.029676723 percent, which was an increase of 0.000415864 from its proportionate share measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the University recognized pension expense of $1,823,426. In addition, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 68,996	$ 11,062
Change of assumptions	123,905	408,402
Net difference between projected and actual earnings on HIS Plan investments	2,434	-
Changes in proportion and differences between University HIS contributions and proportionate share of HIS contributions	164,075	42,542
University HIS contributions subsequent to the measurement date	320,664	-
Total	$ 680,074	$ 462,006

The deferred outflows of resources totaling $320,664, resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2025	$ 4,287
2026	5,481
2027	(26,040)
2028	(57,573)
2029	(27,806)
Thereafter	(945)
Total	$ (102,596)

Actuarial Assumptions. The total pension liability in the July 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	3.25 percent, average, including inflation
Municipal bond rate	3.65 percent

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 3.65 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 3.54 percent to 3.65 percent.

Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 3.65 percent, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65 percent) or 1 percentage point higher (4.65 percent) than the current rate:

	1% Decrease (2.65%)	**Current Discount Rate (3.65%)**	**1% Increase (4.65%)**
University's proportionate share of the net pension liability	$5,376,865	$4,713,059	$4,162,809

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 Annual Comprehensive Financial Report.

12. 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. University employees already participating in the State University 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, 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 2023-24 fiscal year were as follows:

Class	Percent of Gross Compensation
FRS, Regular	11.30
FRS, Senior Management Service	12.67
FRS, Special Risk Regular	19.00

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 FRS 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, 2024, 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 University.

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 University's Investment Plan pension expense totaled $1,351,981 for the fiscal year ended June 30, 2024.

State University System Optional Retirement Program. Section 121.35, Florida Statutes, provides for an Optional Retirement Program (Program) for eligible university instructors and administrators. The Program is designed to aid State universities 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 university contributes 5.14 percent of the participant's salary to the participant's account, 4.78 percent to cover the unfunded actuarial liability of the FRS pension plan, and 0.01 percent to cover administrative costs, for a total of 9.93 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 University 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 University's contributions to the Program totaled $1,191,601, and employee contributions totaled $583,966 for the 2023-24 fiscal year.

13. Construction Commitments

The University's construction commitments at June 30, 2024, were as follows:

Project Description	Total Commitment	Completed to Date	Balance Committed
Greenhouse Replacement	$ 487,302	$ 201,726	$ 285,576
Caples Mansion Phase 2	259,991	111,194	148,797
Robertson Park Enhancements	197,052	197,052	-
Total	$ 944,345	$ 509,972	$ 434,373

14. Risk Management Programs

The University 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. Pursuant to Section 1001.72(2), Florida Statutes, the University participates in State self-insurance programs providing insurance for property and casualty, workers' compensation, general liability, fleet automotive liability, Federal Civil Rights, and employment discrimination liability. During the 2023-24 fiscal year, for property losses, the State retained the first $2 million per occurrence for all perils except named windstorm and flood. The State retained the first $2 million per occurrence with an annual aggregate retention of $40 million for named windstorm and flood losses. After the annual aggregate retention, losses in excess of $2 million per occurrence were commercially insured up to $40.2 million for flood and $38.6 million for named windstorm through February 14, 2024, and increased to $62.5 million for named windstorm and flood starting February 15, 2024. For perils other than named windstorm and flood, losses in excess of $2 million per occurrence were commercially insured up to $184.8 million through February 14, 2024, and increased to $237.5 million starting February 15, 2024; and losses exceeding those amounts were retained by the State. No excess insurance coverage is provided for workers' compensation, general and automotive liability, Federal Civil Rights and employment action coverage; all losses in these categories are completely self-insured by the State through the State Risk Management Trust Fund established pursuant to Chapter 284, Florida Statutes. Payments on tort claims are limited to $200,000 per person and $300,000 per occurrence as set by Section 768.28(5), Florida Statutes. Calculation of premiums considers the cash needs of the program and the amount of risk exposure for each participant. Settlements have not exceeded insurance coverage during the past 3 fiscal years.

Pursuant to Section 110.123, Florida Statutes, University employees may obtain healthcare services through participation in the State group health insurance plan or through membership in a health maintenance organization plan under contract with the State. The State's risk financing activities associated with State group health insurance, such as risk of loss related to medical and prescription drug claims, are administered through the State Employees Group Health Insurance Trust Fund. It is the practice of the State not to purchase commercial coverage for the risk of loss covered by this Fund. Additional information on the State's group health insurance plan, including the actuarial report, is available from the Florida Department of Management Services, Division of State Group Insurance.

15. Functional Distribution of Operating Expenses

The functional classification of an operating expense (instruction, research, 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 research and public service. However, when the primary mission of the department consists of instructional program elements, all expenses of the department are reported under the instruction classification. The operating expenses on the statement of revenues, expenses, and changes in net position are presented by natural classifications. The following are those same expenses presented in functional classifications as recommended by NACUBO:

Functional Classification	Amount
Instruction	$ 15,191,699
Research	1,154,196
Academic Support	7,035,237
Student Services	9,531,901
Institutional Support	29,388,442
Operation and Maintenance of Plant	11,575,817
Scholarships, Fellowships, and Waivers	3,076,173
Auxiliary Enterprises	6,254,311
Depreciation	4,420,930
Total Operating Expenses	$ 87,628,706

16. Blended Component Unit

The University has one blended component unit as discussed in Note 1. The following financial information is presented net of eliminations for the University's blended component unit:

Condensed Statement of Net Position

	New College of Florida Development Corporation	University	Eliminations	Total Primary Government
Assets:				
Due From University / Blended CU	$ 1,185,280	$ -	$ (1,185,280)	$ -
Other Current Assets	1,722,017	39,145,719	(1,722,017)	39,145,719
Capital Assets, Net	-	66,350,772	-	66,350,772
Other Noncurrent Assets	16,565,864	2,523,980	(16,565,864)	2,523,980
Total Assets	19,473,161	108,020,471	(19,473,161)	108,020,471
Deferred Outflows of Resources	-	11,030,749	-	11,030,749
Liabilities:				
Due To University / Blended CU	-	1,185,280	(1,185,280)	-
Other Current Liabilities	1,273,715	4,526,990	-	5,800,705
Noncurrent Liabilities	17,920,681	58,203,779	(18,287,881)	57,836,579
Total Liabilities	19,194,396	63,916,049	(19,473,161)	63,637,284
Deferred Inflows of Resources	-	10,829,864	-	10,829,864
Net Position:				
Net Investment in Capital Assets	-	47,243,330	-	47,243,330
Restricted - Expendable	278,765	10,910,535	-	11,189,300
Unrestricted	-	(13,848,558)	-	(13,848,558)
Total Net Position	$ 278,765	$ 44,305,307	$ -	$ 44,584,072

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	New College of Florida Development Corporation	University	Eliminations	Total Primary Government
Operating Revenues	$ 672,660	$ 8,898,698	$ -	$ 9,571,358
Depreciation Expense	-	(4,420,930)	-	(4,420,930)
Other Operating Expenses	(35,640)	(83,172,136)	-	(83,207,776)
Operating Income (Loss)	637,020	(78,694,368)	-	(78,057,348)
Nonoperating Revenues (Expenses):				
Nonoperating Revenue	-	73,073,698	-	73,073,698
Interest Expense	(637,020)	(66,826)	-	(703,846)
Other Nonoperating Expense	(2,492)	(93,254)	-	(95,746)
Net Nonoperating Revenues (Expenses)	(639,512)	72,913,618	-	72,274,106
Other Revenues	-	9,480,372	-	9,480,372
Increase (Decrease) in Net Position	(2,492)	3,699,622	-	3,697,130
Net Position, Beginning of Year	281,257	40,605,685	-	40,886,942
Net Position, End of Year	$ 278,765	$ 44,305,307	$ -	$ 44,584,072

Condensed Statement of Cash Flows

	New College of Florida Development Corporation	University	Eliminations	Total Primary Government
Net Cash Provided (Used) by:				
Operating Activities	$ 1,702,020	$ (72,710,022)	$ -	$ (71,008,002)
Noncapital Financing Activities	-	71,363,668	-	71,363,668
Capital and Related Financing Activities	(1,702,020)	(2,253,198)	-	(3,955,218)
Investing Activities	-	3,877,869	-	3,877,869
Net Increase in Cash and Cash Equivalents	-	278,317	-	278,317
Cash and Cash Equivalents, Beginning of Year	-	1,695,176	-	1,695,176
Cash and Cash Equivalents, End of Year	$ -	$ 1,973,493	$ -	$ 1,973,493

17. Discretely Presented Component Unit

The University has one discretely presented component unit as discussed in Note 1. This component unit comprises 100 percent of the transactions and account balances of the discretely presented component unit columns of the financial statements.

18. Subsequent Events

During the Fall 2023 term, the residential facilities Johnson Hall, Bates Hall, and Rothenberg Hall were taken off-line. The University accommodated the displaced students at off-campus hotels and the corresponding housing charges are being retained as housing revenues. This situation has continued through the 2024-25 academic year.

The University has purchased modular units to replace some of the lost residential capacity. In addition, the University entered into agreements with the University of South Florida Sarasota-Manatee (USF) campus and an off-campus hotel.

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OTHER REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the University's Proportionate Share of the Total Other Postemployment Benefits Liability

	2023 (1)	2022 (1)	2021 (1)	2020 (1)
University's proportion of the total other postemployment benefits liability	0.20%	0.20%	0.19%	0.18%
University's proportionate share of the total other postemployment benefits liability	$ 17,008,712	$ 15,836,971	$ 20,421,953	$ 18,883,172
University's covered-employee payroll	$ 23,242,348	$ 22,927,507	$ 22,305,842	$ 21,022,328
University's proportionate share of the total other postemployment benefits liability as a percentage of its covered-employee payroll	73.18%	69.07%	91.55%	89.82%

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

2019	2018	2017
0.17%	0.16%	0.16%
$ 21,102,038	$ 16,882,000	$ 16,780,000
$ 20,086,194	$ 17,432,167	$ 16,540,148
105.06%	96.84%	101.45%

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

	2023 (1)	2022 (1)	2021 (1)	2020 (1)
University's proportion of the FRS net pension liability	0.034144181%	0.037701179%	0.035561875%	0.035025983%
University's proportionate share of the FRS net pension liability	$ 13,605,375	$ 14,027,868	$ 2,686,296	$ 15,180,777
University's covered payroll (2)	$ 23,242,348	$ 22,927,507	$ 22,305,842	$ 21,022,328
University's proportionate share of the FRS net pension liability as a percentage of its covered payroll	58.54%	61.18%	12.04%	72.21%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	82.38%	82.89%	96.40%	78.85%

(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 university system optional retirement program 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 University Contributions – Florida Retirement System Pension Plan

	2024 (1)	2023 (1)	2022 (1)	2021 (1)
Contractually required FRS contribution	$ 2,362,744	$ 1,642,555	$ 1,608,778	$ 1,354,754
FRS contributions in relation to the contractually required contribution	(2,362,744)	(1,642,555)	(1,608,778)	(1,354,754)
FRS contribution deficiency (excess)	$ -	$ -	$ -	$ -
University's covered payroll (2)	$ 27,250,056	$ 23,242,348	$ 22,927,507	$ 22,305,842
FRS contributions as a percentage of covered payroll	8.67%	7.07%	7.02%	6.07%

(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 university 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.

2019 (1)	**2018** (1)	**2017** (1)	**2016** (1)	**2015** (1)	**2014** (1)
0.035447000%	0.032983616%	0.029416862%	0.028903737%	0.026926709%	0.025391772%
$ 12,207,453	$ 9,934,836	$ 8,701,310	$ 7,298,216	$ 3,477,946	$ 1,549,271
$ 20,086,194	$ 17,432,167	$ 16,540,148	$ 15,940,855	$ 15,302,021	$ 14,276,629
60.78%	56.99%	52.61%	45.78%	22.73%	10.85%
82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

2020 (1)	**2019** (1)	**2018** (1)	**2017** (1)	**2016** (1)	**2015** (1)
$ 1,163,758	$ 1,099,133	$ 940,007	$ 765,793	$ 704,864	$ 656,496
(1,163,758)	(1,099,113)	(904,007)	(765,793)	(704,864)	(656,496)
$ -	$ -	$ -	$ -	$ -	$ -
$ 21,022,328	$ 20,086,194	$ 17,432,167	$ 16,540,148	$ 15,940,855	$ 15,302,021
5.54%	5.47%	5.39%	4.63%	4.42%	4.29%

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

	2023 (1)	**2022** (1)	**2021** (1)	**2020** (1)
University's proportion of the HIS net pension liability	0.029676723%	0.029260859%	0.028452038%	0.028351788%
University's proportionate share of the HIS net pension liability	$ 4,713,059	$ 3,099,192	$ 3,490,070	$ 3,461,707
University's covered payroll (2)	$ 11,394,139	$ 10,557,053	$ 9,980,315	$ 9,844,244
University's proportionate share of the HIS net pension liability as a percentage of its covered payroll	41.36%	29.36%	34.97%	35.16%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	4.12%	4.81%	3.56%	3.00%

(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 University Contributions – Health Insurance Subsidy Pension Plan

	2024 (1)	**2023** (1)	**2022** (1)	**2021** (1)
Contractually required HIS contribution	$ 320,664	$ 195,219	$ 177,053	$ 167,241
HIS contributions in relation to the contractually required HIS contribution	(320,664)	(195,219)	(177,053)	(167,241)
HIS contribution deficiency (excess)	$ -	$ -	$ -	$ -
University's covered payroll (2)	$ 15,256,059	$ 11,394,139	$ 10,557,053	$ 9,980,315
HIS contributions as a percentage of covered payroll	2.10%	1.71%	1.68%	1.68%

(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.

2019 (1)	2018 (1)	2017 (1)	2016 (1)	2015 (1)	2014 (1)
0.029248158%	0.028157684%	0.027024071%	0.026488765%	0.024606111%	0.022834094%
$ 3,272,576	$ 2,980,241	$ 2,889,538	$ 3,087,156	$ 2,509,436	$ 2,135,044
$ 9,786,732	$ 8,933,439	$ 8,350,415	$ 7,904,077	$ 7,215,699	$ 6,641,607
33.44%	33.36%	34.60%	39.06%	34.78%	32.15%
2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

2020 (1)	2019 (1)	2018 (1)	2017 (1)	2016 (1)	2015 (1)
$ 163,378	$ 162,412	$ 152,700	$ 143,019	$ 135,772	$ 94,060
(163,378)	(162,412)	(152,700)	(143,019)	(135,772)	(94,060)
$ -	$ -	$ -	$ -	$ -	$ -
$ 9,844,244	$ 9,786,732	$ 8,933,439	$ 8,350,415	$ 7,904,077	$ 7,215,699
1.66%	1.66%	1.71%	1.71%	1.72%	1.30%

1. Schedule of the University's Proportionate Share of the Total Other Postemployment Benefits Liability

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

Changes of Assumptions. The long-term expected rate of return, using the Municipal Bond Index Rate, increased from 4.09 percent at the prior measurement date to 4.13 percent at the current measurement date. Refer to Note 10. in the notes to financial statements for further details. Also reflected as assumption changes are:

- Increased line-of-duty disability rates for the Special Risk Class;
- Updated DROP entry rates and an extended DROP period (from 5 years to 8 years) for Law Enforcement Officers; and
- Lowered inflation from 2.6 percent to 2.4 percent.

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

Changes of Assumptions. In 2023, the municipal rate used to determine total pension liability increased from 3.54 percent to 3.65 percent. In addition, the level of monthly benefits increased from $5 times years of service to $7.50 times years of service, with an increased minimum of $45 and maximum of $225.

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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 New College of Florida, a component unit of the State of Florida, and its discretely presented component unit as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated March 21, 2025, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the blended and discretely presented component units, as described in our report on the University'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 University'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 University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University'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 University'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 University'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 University'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 University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Sherrill F. Norman

Sherrill F. Norman, CPA
Tallahassee, Florida
March 21, 2025