



FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2016 AND 2015
AND REPORT ON COMPLIANCE
MARCH 31, 2016

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INDEPENDENT AUDITORS' REPORT

Miami Dade College Foundation, Inc.
Miami, Florida

We have audited the accompanying financial statements of Miami Dade College Foundation, Inc., which comprise the statements of financial position as of March 31, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

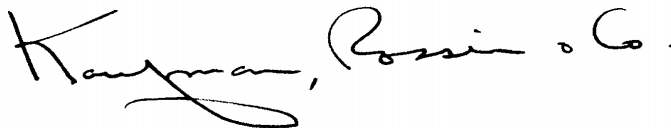
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Miami Dade College Foundation, Inc. as of March 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2016, on our consideration of Miami Dade College Foundation Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is 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 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 Miami Dade College Foundation Inc.'s internal control over financial reporting and compliance.



Kaufman, Rossin & Co.

October 12, 2016
Miami, Florida

MIAMI DADE COLLEGE FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2016 AND 2015

ASSETS	2016	2015
Cash and cash equivalents	\$ 2,566,788	\$ 5,531,730
Pledges receivable, net (Note 4)	7,214,065	7,062,371
Restricted cash (Note 5)	3,910	167,144
Due from the College (Note 6)	549,547	976,484
Investments (Note 2)	113,941,783	121,814,891
Securities lending invested collateral	19,131,670	27,230,032
Other assets	315,389	313,169
	\$ 143,723,152	\$ 163,095,821

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ 441,751	\$ 444,899
Due to the College (Note 6)	3,382,307	2,649,057
Due to Take Stock in Children (Note 5)	3,910	167,144
Unearned revenue	1,000,000	-
Securities lending payable	19,131,670	27,230,032
Total liabilities	23,959,638	30,491,132

COMMITMENTS AND CONTINGENCIES (NOTE 9)

NET ASSETS (NOTE 8)

Unrestricted	4,495,040	4,170,035
Temporarily restricted	67,080,652	80,522,170
Permanently restricted	48,187,822	47,912,484
Total net assets	119,763,514	132,604,689
	\$ 143,723,152	\$ 163,095,821

See accompanying notes to financial statements.

MIAMI DADE COLLEGE FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT, REVENUE AND INVESTMENT RETURN				
Contributions	\$ 62,215	\$ 9,489,908	\$ 258,993	\$ 9,811,116
Contributed services	-	-	-	-
Investment return (Note 3)	96,840	(7,928,693)	-	(7,831,853)
Special events proceeds	-	803,197	16,345	819,542
Other income	34,552	203,981	-	238,533
Transfers and adjustments (Note 7)	2,221,302	(2,221,302)	-	-
Net assets released from restrictions	13,788,609	(13,788,609)	-	-
Total support, revenue and investment return	16,203,518	(13,441,518)	275,338	3,037,338
EXPENSES				
Program services:				
Scholarships and student aid	6,199,849	-	-	6,199,849
Program support for the College	7,665,260	-	-	7,665,260
Total program services	13,865,109	-	-	13,865,109
Supporting services:				
Fund raising	95,322	-	-	95,322
Administrative and general	1,918,082	-	-	1,918,082
Total supporting services	2,013,404	-	-	2,013,404
Total expenses	15,878,513	-	-	15,878,513
CHANGE IN NET ASSETS	325,005	(13,441,518)	275,338	(12,841,175)
NET ASSETS - BEGINNING	4,170,035	80,522,170	47,912,484	132,604,689
NET ASSETS - ENDING	\$ 4,495,040	\$ 67,080,652	\$ 48,187,822	\$ 119,763,514

See accompanying notes to financial statements.

MIAMI DADE COLLEGE FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT, REVENUE AND INVESTMENT RETURN				
Contributions	\$ 291,764	\$ 11,720,976	\$ 215,010	\$ 12,227,750
Contributed services	110,948	-	-	110,948
Investment return (Note 3)	51,549	6,256,816	-	6,308,365
Special events proceeds	-	1,619,218	100	1,619,318
Other income	71,894	46,674	999	119,567
Transfers and adjustments (Note 7)	2,052,617	(2,052,617)	-	-
Net assets released from restrictions	10,848,405	(10,848,405)	-	-
Total support, revenue and investment return	13,427,177	6,742,662	216,109	20,385,948
EXPENSES				
Program services:				
Scholarships and student aid	5,530,179	-	-	5,530,179
Program support for the College	5,399,987	-	-	5,399,987
Total program services	10,930,166	-	-	10,930,166
Supporting services:				
Fund raising	225,404	-	-	225,404
Administrative and general	2,147,216	-	-	2,147,216
Total supporting services	2,372,620	-	-	2,372,620
Total expenses	13,302,786	-	-	13,302,786
CHANGE IN NET ASSETS	124,391	6,742,662	216,109	7,083,162
NET ASSETS - BEGINNING	4,045,644	73,779,508	47,696,375	125,521,527
NET ASSETS - ENDING	\$ 4,170,035	\$ 80,522,170	\$ 47,912,484	\$ 132,604,689

See accompanying notes to financial statements.

MIAMI DADE COLLEGE FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	(\$ 12,841,175)	\$ 7,083,162
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Bad debt expense (recovery)	6,667	(5,609)
Net unrealized loss on investments	13,651,258	1,725,990
Net realized gain on investments	(5,048,253)	(7,155,687)
Contributions restricted for long-term investment	(275,338)	(216,109)
Changes in operating assets and liabilities:		
Pledges receivable	(158,361)	(1,559,883)
Restricted cash	163,234	40,039
Due from the College	426,937	(503,806)
Other assets	(2,220)	7,951
Accounts payable and accrued liabilities	(3,148)	(119,339)
Due to the College	733,250	(454,376)
Due to Take Stock in Children	(163,234)	(40,039)
Unearned revenue	1,000,000	-
Total adjustments	10,330,792	(8,280,868)
Net cash used in operating activities	(2,510,383)	(1,197,706)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds on sales of investments	43,607,024	44,550,929
Purchases of investments	(44,336,921)	(40,978,686)
Change in securities lending collateral	8,098,362	(7,529,410)
Net cash provided by (used in) investing activities	7,368,465	(3,957,167)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions restricted for investment in endowment	275,338	216,109
Change in securities lending payable	(8,098,362)	7,529,410
Net cash provided by (used in) financing activities	(7,823,024)	7,745,519
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,964,942)	2,590,646
CASH AND CASH EQUIVALENTS - BEGINNING	5,531,730	2,941,084
CASH AND CASH EQUIVALENTS - ENDING	\$ 2,566,788	\$ 5,531,730
Supplemental Disclosure of Cash Flow Information:		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -

See accompanying notes to financial statements.

MIAMI DADE COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

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

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

Financial Statement Presentation

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

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions as follows:

- *Unrestricted* - Net assets which are free of donor-imposed restrictions; all revenues, expenses, gains, and losses that are not changes in permanently or temporarily restricted net assets.
- *Temporarily Restricted* - Net assets whose use by the Foundation is limited by donor-imposed stipulations that either expire by passage of time or that can be fulfilled or removed by actions of the Foundation pursuant to those stipulations.
- *Permanently Restricted* - Net assets whose use by the Foundation is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Foundation. Interest, dividends and unrealized appreciation or depreciation on such assets are temporarily restricted net assets.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

The Foundation considers all highly liquid instruments with a purchased maturity of three months or less to be cash equivalents, including the Foundation's investment in the Florida State Board of Administration Local Government Surplus Trust Fund Investment Pool ("SBA"). The Foundation's investments in the SBA, a Securities and Exchange Commission Rule 2a-7 like external investment pool, are similar to money market funds in which shares are owned in the fund rather than the underlying investments, which have weighted average maturities of 60 days or less. The Foundation's investment in the SBA at March 31, 2016 and 2015 amounted to \$535,638 and \$101,595, respectively.

Concentrations of Credit Risk

The Foundation maintains cash deposits at certain financial institutions, which at times, may exceed federally insured limits. The Foundation maintains a portion of their investment portfolio with the State Board of Administration of Florida and the Florida Treasury Investment Pool. The Foundation's remaining investment portfolio is managed by a trust department within one of the financial institutions.

Investments

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

Securities Lending

The Foundation participates in a securities lending program to optimize investment income. The Foundation loans certain investment securities for short periods of time in exchange for collateral initially equal to at least 102% of the fair value of the investment securities on loan. The fair value of the loaned investment securities is monitored on a daily basis, with additional collateral obtained or refunded as the fair value of the loaned investment securities fluctuate. The collateral, which may be in the form of cash, letters of credit, or U.S. government securities, is deposited by the borrower with an independent lending agent. The collateral is recorded as an asset on the Foundation's statements of financial position, along with a liability to reflect the Foundation's obligation to return the collateral. The collateral is invested by the lending agent according to the Foundation's investment guidelines. The Foundation does not have access to the collateral unless there is default by the borrower. Loaned securities continue to be carried as investments on the statements of financial position. Earnings on the invested collateral, net of expense, are recorded as other income in the accompanying statements of activities.

Fair Value Measurements

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

Level 1 - Quoted prices in active markets for identical assets and liabilities

Level 2 - Observable inputs other than Level 1 process, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities (including the Foundation's own assumptions in determining the fair value of assets and liabilities)

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

Short-term Investments

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

Federal Agency Debt Securities

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Securities

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

Mutual Funds

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

Debt Securities

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

Government Investment Pool

The Foundation invests in a government investment pool that is primarily invested in a combination of short-term liquid instruments and intermediate term fixed income securities. The Foundation records the fair value of its investment in the government investment pool based on the Foundation's proportionate share of the underlying fair value of the government investment pool's net asset value as provided by the government investment pool, as well as the Foundation's own assumptions pertaining to historical and expected performance of the underlying assets and/or actual experience with similar investment types. Actual results may differ from these valuation assumptions and these differences could significantly affect the accuracy of fair value estimates included in these financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government Investment Pool (Continued)

The Foundation's investment in a government investment pool is categorized in Level 2 or 3 of the fair value hierarchy. In determining the level, the Foundation considers the length of time until the investment is redeemable, including notice and lock-up periods or any other restriction on the disposition of the investment. If the Foundation has the ability to redeem its investment at the reported net asset valuation as of the measurement date, the investment is generally included in Level 2 of the fair value hierarchy. If the Foundation's ability to redeem the investment is restricted or uncertain in the near term, the investment is included in Level 3 of the fair value hierarchy.

Fund of Funds

The Foundation invests in fund of funds. Each fund of funds allocates their assets among a select group of private investment funds (commonly known as hedge funds). The fund of funds' investments pursue multiple strategies to diversify risks and reduce volatility. The net asset values of the fund of funds are determined by the fund of fund's investment manager as of the close of business at the end of each month.

The Foundation records the fair value of its fund of funds' investments based on the Foundation's proportionate share of the underlying fair value of the fund of fund's net asset value as provided by each fund of fund's investment manager. Additionally, the Foundation obtains an understanding of the assumptions used by the fund of fund's investment manager in deriving the fund of fund's net asset value. The underlying investment funds value securities and other financial instruments on a mark-to-market or other estimated fair value basis. The estimated fair values of substantially all of the investments of the underlying funds, which may include securities for which prices are not readily available, are determined by the general partner or management of the respective underlying investment funds and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments.

The Foundation's investments in fund of funds are categorized in Level 2 or 3 of the fair value hierarchy. In determining the level, the Foundation considers the length of time until the investment is redeemable, including notice and lock-up periods or any other restriction on the disposition of the investment. If the Foundation has the ability to redeem its investment at the reported net asset valuation as of the measurement date, the investment is generally included in Level 2 of the fair value hierarchy. If the Foundation's ability to redeem the investment is restricted or uncertain in the near term, the investment is included in Level 3 of the fair value hierarchy.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Private Equity Fund

The Foundation invests in a private equity fund. The underlying investments of the private equity fund consist of direct private equity investments. Redemptions are not permitted during the life of the fund. When the assets are sold, the proceeds, less any incentives due to the fund sponsor, will be distributed to the investors. The transaction price, excluding transaction costs, is typically the Foundation's best estimate of fair value at inception. When evidence supports a change to the carrying value from the transaction price, adjustments are made to reflect expected exit values. Ongoing reviews by the Foundation are based on an assessment of the private equity fund's underlying investments, incorporating valuations that consider the evaluation of financing and sale transactions with third parties, expected cash flows and market-based information, including comparable transactions, and performance multiples, among other factors. Actual results may differ from these valuation assumptions and these differences could significantly affect the accuracy of fair value estimates included in these financial statements. The Foundation's investment in the private equity fund is categorized in Level 3 of the fair value hierarchy.

Pledges Receivable

Pledges receivable are donor obligations due under normal pledge terms. The Foundation receives pledges primarily from donors who have pledged wills, unconditional promises, and endowments as a result of the Foundation's fundraising efforts. Pledges receivable due in the next year are recorded at their net realizable value. Pledges receivable due in subsequent years are reported at their net realizable value using risk-free interest rates applicable to the maturity of the pledges receivable, which approximates fair value. Management reviews pledges receivable on a regular basis to determine collectibility and includes any pledge receivable balances that are determined to be uncollectible, along with a general reserve, in its overall allowance for doubtful accounts. After all attempts to collect a receivable have failed, the receivable is written off against the allowance. At March 31, 2016, net pledges receivable from three donors amounted to approximately 77% of total net pledges receivable. At March 31, 2015, net pledges receivable from four donors amounted to approximately 90% of total net pledges receivable.

Due from College

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

Collections of Art Work

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

Contributions, including unconditional promises are recognized as revenue when the donor's commitment is received. Unconditional promises are recognized at the estimated present value of the future cash flows, net of allowances, which approximates fair value. Promises made and collected in the same accounting period are recorded when received in the appropriate net asset category. Promises of non-cash assets are recorded at their fair value. Conditional promises are recorded when donor stipulations are substantially met. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. For the years ended March 31, 2016 and 2015, net revenue from two donors accounted for approximately 56% and 60%, respectively, of total revenue and support.

Unearned Revenue

Contribution receipts subject to conditions that have not been met are deferred until the period in which the condition is met.

Contributed Services

The College provides certain services to the Foundation, primarily the use of office space and employees. For the years ended March 31, 2016 and 2015, the value of such services amounted to approximately \$107,000 and \$111,000, respectively, including rent expense of approximately \$15,000 for both years. These services have been recognized as contributed services revenue and administrative and general expenses in the accompanying statements of activities.

Advertising and Promotion

Advertising and promotion costs are primarily related to cultural and educational events held by the College. These costs are expensed as incurred. For the years ended March 31, 2016 and 2015, advertising expense amounted to approximately \$103,000 and \$71,000, respectively, which is included as components of program support for the College and administrative and general in the accompanying statements of activities.

Fair Value of Financial Instruments

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Income Taxes

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

The Foundation assesses its tax position in accordance with “*Accounting for Uncertainties in Income Taxes*” as prescribed by the *Accounting Standards Codification*, which provides guidance for financial statement recognition and measurement of uncertain tax positions taken or expected to be taken in a tax return for open tax years (generally a period of three years from the later of each return’s due date or the date filed) that remain subject to examination by the Foundation’s major tax jurisdictions. Generally, the Foundation is no longer subject to income tax examinations by its major taxing authorities for years before March 31, 2013.

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

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

Use of Estimates in the Preparation of Financial Statements

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

NOTE 2. INVESTMENTS AND FAIR VALUE MEASUREMENTS

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

NOTE 2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

INVESTMENTS, at fair value	2016			Total
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Short-term investments	\$ 4,067,117	\$ -	\$ -	\$ 4,067,117
Equity securities:				
Consumer industry:				
Domestic	12,557,020	-	-	12,557,020
International	2,549,591	-	-	2,549,591
Financial industry:				
Domestic	5,015,634	-	-	5,015,634
International	551,151	-	-	551,151
Communications industry:				
Domestic	5,413,551	-	-	5,413,551
International	177,986	-	-	177,986
Other industries:				
Domestic	11,128,515	-	-	11,128,515
International	731,231	-	-	731,231
Total equity securities	38,124,679	-	-	38,124,679
Mutual funds:				
International equity funds	13,875,399	-	-	13,875,399
International bond fund	4,617,062	-	-	4,617,062
Small cap growth fund	6,082,216	-	-	6,082,216
Other funds	3,408,166	-	-	3,408,166
Total mutual funds	27,982,843	-	-	27,982,843
Debt securities:				
Domestic	-	5,496,698	-	5,496,698
International	-	806,706	-	806,706
Total debt securities	-	6,303,404	-	6,303,404
Federal agency debt securities	2,004,370	-	-	2,004,370
Government investment pool - State of Florida	-	3,180,571	-	3,180,571
Fund of funds:				
Domestic funds	-	19,115,739	3,207,433	22,323,172
International funds	-	7,869,090	-	7,869,090
Total fund of funds	-	26,984,829	3,207,433	30,192,262
Private equity fund	-	-	2,086,537	2,086,537
	\$ 72,179,009	\$ 36,468,804	\$ 5,293,970	\$ 113,941,783

NOTE 2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

INVESTMENTS, at fair value	2015			Total
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Short-term investments	\$ 2,911,754	\$ -	\$ -	\$ 2,911,754
Equity securities:				
Consumer industry:				
Domestic	16,170,455	-	-	16,170,455
International	2,185,154	-	-	2,185,154
Financial industry:				
Domestic	7,570,270	-	-	7,570,270
International	1,142,375	-	-	1,142,375
Communications industry:				
Domestic	7,619,576	-	-	7,619,576
International	380,343	-	-	380,343
Other industries:				
Domestic	14,519,029	-	-	14,519,029
International	413,190	-	-	413,190
Total equity securities	50,000,392	-	-	50,000,392
Mutual funds:				
International equity funds	13,829,966	-	-	13,829,966
International bond fund	4,817,497	-	-	4,817,497
Other funds	4,136,524	-	-	4,136,524
Total mutual funds	22,783,987	-	-	22,783,987
Debt securities:				
Domestic	-	5,536,214	-	5,536,214
International	-	918,317	-	918,317
Total debt securities	-	6,454,531	-	6,454,531
Federal agency debt securities	1,859,683	-	-	1,859,683
Government investment pool - State of Florida	-	2,317,773	-	2,317,773
Fund of funds:				
Domestic funds	-	20,427,898	3,629,740	24,057,638
International funds	-	8,567,220	-	8,567,220
Total fund of funds	-	28,995,118	3,629,740	32,624,858
Private equity fund	-	-	2,861,913	2,861,913
	\$ 77,555,816	\$ 37,767,422	\$ 6,491,653	\$121,814,891

NOTE 2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The following tables present additional information about Level 3 assets measured at fair value. Both observable and unobservable inputs may be used to determine the fair value of positions that the Foundation has classified within the Level 3 category. As a result, the unrealized gains and losses for assets within the Level 3 category may include changes in fair value that were attributable to both observable (e.g., changes in market interest rates) and unobservable (e.g., changes in unobservable long-dated volatilities) inputs.

Changes in Level 3 assets measured at fair value were as follows for the years ended March 31st:

INVESTMENTS, at fair value	2016			
	Government investment pool	Fund of funds	Private equity fund	Total
Beginning balance	\$ -	\$ 3,629,740	\$ 2,861,913	\$ 6,491,653
Purchases	-	69,055	-	69,055
Sales	-	-	(800,000)	(800,000)
Net unrealized and realized gains (losses)	-	(491,362)	24,624	(466,738)
Ending balance	\$ -	\$ 3,207,433	\$ 2,086,537	\$ 5,293,970

INVESTMENTS, at fair value	2015			
	Government investment pool	Fund of funds	Private equity fund	Total
Beginning balance	\$ 127,665	\$ -	\$ 3,889,528	\$ 4,017,193
Purchases	-	3,500,000	-	3,500,000
Sales	(100,632)	-	(1,350,000)	(1,450,632)
Net unrealized and realized gains (losses)	(27,033)	129,740	322,385	425,092
Ending balance	\$ -	\$ 3,629,740	\$ 2,861,913	\$ 6,491,653

The change in net unrealized gains (losses) of Level 3 investments for the years ended March 31, 2016 and 2015 amounted to (\$1,091,746) and \$425,092, respectively, and are reflected as a component of investment return in the accompanying statements of activities.

NOTE 2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

As of March 31, 2016, the Foundation's investments in fund of funds have certain redemption and liquidity restrictions which are described in the table below:

Fair market value	Redemptions notice period	Redemptions permitted	Liquidity restrictions *
\$ 7,869,090	45 Days	Quarterly	None
7,858,312	90 Days	Quarterly	None
9,316,808	95 Days	Quarterly	None
1,940,619	95 Days	Semi-annual	None
<u>3,207,433</u>	Not applicable	Fund's discretion	Fund's discretion
<u>\$ 30,192,262</u>			

* Liquidity restrictions indicate lock-up expiration dates

The Foundation's investment in the private equity fund may not be withdrawn for any reason other than the dissolution and liquidation of the private equity fund. The private equity fund is scheduled to terminate on December 31, 2017, unless otherwise extended or terminated as defined in the investment agreement.

Endowment

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

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

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

NOTE 2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Endowment (continued)

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

The endowment spending policy calculates the amount of money annually distributed from the Foundation's endowment fund, primarily for scholarships and program support. The current endowment spending policy distributes an amount at least equal to 5% (net of investment and management fees) of a moving three-year average of the endowment's fair value. Additionally, 2% of the moving three-year average of the endowment's fair value is distributed to the Foundation's unrestricted net assets as an administration fee. All excess earnings and spending appropriations not distributed will remain as part of the endowment fund to hedge against inflation and other threats to loss of purchasing power. Earnings from accounts established during the fiscal year will not be available for distribution until the beginning of the following fiscal year.

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

Endowment net asset composition by type of fund is as follows as of March 31st:

	2016			
	Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor-restricted endowment funds	\$ -	\$ 29,404,920	\$ 48,187,822	\$ 77,592,742
Unrestricted endowment funds	236,101	-	-	236,101
Total endowment	\$ 236,101	\$ 29,404,920	\$ 48,187,822	\$ 77,828,843

	2015			
	Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor-restricted endowment funds	\$ -	\$ 44,499,994	\$ 47,912,484	\$ 92,412,478
Unrestricted endowment funds	663,112	-	-	663,112
Total endowment	\$ 663,112	\$ 44,499,994	\$ 47,912,484	\$ 93,075,590

NOTE 2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Endowment (continued)

Changes in endowment net assets are as follows for the years ended March 31st:

	2016			
	Unrestricted	Temporarily restricted	Permanently restricted	Total net endowment assets
Endowment net assets, beginning of year	\$ 663,112	\$ 44,499,994	\$ 47,912,484	\$ 93,075,590
Contributions	-	-	275,338	275,338
Net interest and realized gains	328,895	5,490,511	-	5,819,406
Unrealized losses	(557,424)	(13,093,835)	-	(13,651,259)
Amounts appropriated for expenditure	(198,482)	(7,491,750)	-	(7,690,232)
Endowment net assets, end of year	\$ 236,101	\$ 29,404,920	\$ 48,187,822	\$ 77,828,843

	2015			
	Unrestricted	Temporarily restricted	Permanently restricted	Total net endowment assets
Endowment net assets, beginning of year	\$ 594,783	\$ 45,083,078	\$ 47,696,375	\$ 93,374,236
Contributions	-	1,063,000	216,109	1,279,109
Net interest and realized gains	326,377	7,645,257	-	7,971,634
Unrealized losses	(67,048)	(1,563,088)	-	(1,630,136)
Amounts appropriated for expenditure	(191,000)	(7,728,253)	-	(7,919,253)
Endowment net assets, end of year	\$ 663,112	\$ 44,499,994	\$ 47,912,484	\$ 93,075,590

NOTE 3. INVESTMENT RETURN

The following schedules summarize the investment return and its classification in the statements of activities for the years ended March 31st:

	2016		
	Unrestricted	Temporarily restricted	Total
Net realized gains	\$ -	\$ 5,048,253	\$ 5,048,253
Net unrealized gains (losses)	766	(13,652,024)	(13,651,258)
Interest and dividend income	96,074	1,080,720	1,176,794
Investment expenses	-	(405,642)	(405,642)
Total investment return	\$ 96,840	(\$ 7,928,693)	(\$ 7,831,853)

	2015		
	Unrestricted	Temporarily restricted	Total
Net realized gains	\$ -	\$ 7,155,687	\$ 7,155,687
Net unrealized losses	(11,172)	(1,714,818)	(1,725,990)
Interest and dividend income	62,721	1,331,253	1,393,974
Investment expenses	-	(515,306)	(515,306)
Total investment return	\$ 51,549	\$ 6,256,816	\$ 6,308,365

NOTE 4. PLEDGES RECEIVABLE

The following schedule summarizes the Foundation's permanently and temporarily restricted pledges receivable as of March 31st:

	2016	2015
Receivable in less than one year	\$ 3,993,126	\$ 2,807,511
Receivable in one to five years	3,095,000	3,618,500
Receivable in more than five years	1,201,000	1,802,000
	8,289,126	8,228,011
Less: allowance for uncollectible pledges receivable	(784,651)	(777,984)
Less: amount representing interest	(290,410)	(387,656)
	\$ 7,214,065	\$ 7,062,371

The interest rate used in computing discounts on the present value of estimated future cash flows was 1.7%.

NOTE 5. DUE TO TAKE STOCK IN CHILDREN

The Foundation serves as the fiscal agent for local contributions to the Take Stock in Children (“TSIC”) program. Funds raised in the name of Take Stock in Children provide prepaid scholarships and support for the TSIC program. Funds held on behalf of TSIC as of March 31, 2016 and 2015, amounted to \$3,910 and \$167,144, respectively, and are included on the accompanying statements of financial position as restricted cash and due to TSIC.

NOTE 6. DUE FROM (TO) THE COLLEGE

In connection with an arrangement between the College and Foundation, certain amounts are held at the College to facilitate purchases and other transactions on behalf of the Foundation. Additionally, from time to time, the College owes the Foundation for certain other reimbursable amounts. Amounts due from the College were \$549,547 and \$976,484 as of March 31, 2016 and 2015, respectively.

Amounts due to the College totaled \$3,382,307 and \$2,649,057 as of March 31, 2016 and 2015, respectively. These balances relate to monies due to the College for scholarships and student aid, endowed teaching chair commitments and other program enhancement support and are settled in the ordinary course of business.

NOTE 7. TRANSFERS AND ADJUSTMENTS

In accordance with their endowment spending policy (Note 2), the Foundation annually records a transfer from temporarily restricted net assets to unrestricted net assets for the payment of administrative expenses. Additionally, on occasion donors modify the original restrictions imposed on their contributions, which can result in transfers from either permanently or temporarily restricted net assets.

NOTE 8. NET ASSETS RESTRICTIONS

Permanently restricted net assets represent assets that have been contributed by donors with stipulations that they be invested in perpetuity (endowments). The earnings generated by the endowments are temporarily restricted as determined by the donors.

At March 31st, temporarily restricted net assets were available for the following purposes:

	2016		2015
Scholarships and student aid	\$ 34,582,054	\$	42,531,965
Program support for the College	32,498,598		37,990,205
	\$ 67,080,652	\$	80,522,170

NOTE 9. COMMITMENTS AND CONTINGENCIES

Economic Conditions

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

Granting Agencies

In the normal course of activities, the Foundation receives grants and other forms of reimbursement from various government agencies. These activities are subject to audit by agents of the funding authority, the purpose of which is to ensure compliance with conditions precedent to providing such funds. The Foundation believes that the liability, if any, for any reimbursement which may arise as the result of audits would not be material.

NOTE 10. SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through October 12, 2016, which is the date the accompanying financial statements were available to be issued.

REPORT ON COMPLIANCE

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Miami Dade College Foundation, Inc.
Miami, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Miami Dade College Foundation, Inc. (the "Foundation") which comprise the statement of financial position as of March 31, 2016, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 12, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

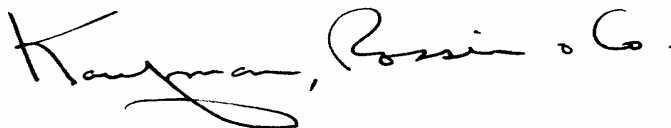
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 Foundation'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 Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Kaufman, Rossin & Co.

Miami, Florida
October 12, 2016