



FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
FOUNDATION BOARD OF DIRECTORS EXECUTIVE COMMITTEE
JOINT RETREAT

Saturday, February 20, 2010

8:00 am

Florida International University
Modesto A. Maidique Campus
Patricia & Phillip Frost Art Museum
Meeting room 107
Miami, Florida

AGENDA

8:00 AM Arrival and Breakfast

8:30 AM Call to Order

Chairman Albert E. Dotson, Sr.

8:30 AM Welcome and Statement of Objectives

Albert E. Dotson, Sr.
Noel Guillama-Alvarez
Mark B. Rosenberg

9:00 AM Board Development and Self-Evaluation

- Discussion on Sunshine Law & Public Records

Albert E. Dotson, Sr.
Isis Carbajal de Garcia

10:00 AM Break

10:15 AM Session #1

President's Remarks on State of the University

Mark B. Rosenberg

- Strategic vision and planning
- Institutional challenges
- Relationship with the community

11:00 AM Session #2

- Southern Association of Colleges and Schools (SACS) Update
- Budget Issues/Revenue Needs
- Fundraising
- Athletics

Douglas Wartzok

Kenneth Jessell
Mark B. Rosenberg
Pete Garcia

11:45 AM Q&A Session with President Rosenberg

12:15 PM Lunch

**1:00 PM Session #3
FIU Board of Trustees Full Board Meeting**

- | | |
|---|---------------------------------------|
| 1. Call to Order and Chair's Remarks | Chairman Albert E. Dotson, Sr. |
| 2. Foundation Report | Noel Guillama-Alvarez |
| 3. Public Appearances | Albert E. Dotson, Sr. |
| 4. Action Items - Consent Agenda | Albert E. Dotson, Sr. |

BT1. Minutes, November 20, 2009

CW1. University Goals, Fiscal Year 2009-2010

FA1. FIU Direct Support Organizations Financial Audits, 2008-2009

A. FIU Foundation, Inc.

B. FIU Research Foundation, Inc.

C. FIU Athletics Finance Corporation

FA2. The Florida International University Herbert Wertheim College of
Medicine Self-Insurance Program Investment Policy

AP1. Revision of Regulation 408 – Foreign Exchange Visitor Insurance
Requirements

AP2. Approval of Regulation 1103 – Textbook Affordability

AP3. Approval of the FIU Annual Report to the Board of Governors

5. Action Item, Board of Trustees

BT2. Amendment to the Operating Procedures of the Florida
International University Board of Trustees

Albert E. Dotson, Sr.

6. Status Reports, Board Committees and Workgroups

- | | |
|---------------------------------------|-----------------------------|
| ▪ Finance and Audit Committee Report | Albert Maury |
| ▪ Academic Policy Committee Report | Cesar Alvarez |
| ▪ External Relations Workgroup Report | Miriam López |
| ▪ Athletics Workgroup Report | Jorge L. Arrizurieta |

7. New Business (*If Any*)

- | | |
|---|------------------------------|
| 8. Adjournment of FIU Board of Trustees Full Board Meeting | Albert E. Dotson, Sr. |
|---|------------------------------|

2:00 PM Session #4

Board's Work Plan

- Defining Member Expectations, Priorities and Next Steps

Albert E. Dotson, Sr.
Noel Guillama-Alvarez
Mark B. Rosenberg

3:00 PM Concluding Remarks and Adjournment

Albert E. Dotson, Sr.



**FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
FULL BOARD**

Saturday, February 20, 2010

1:00 pm

Florida International University
Modesto A. Maidique Campus
The Patricia & Phillip Frost Art Museum
Meeting Room 107
Miami, Florida

AGENDA

- | | |
|---|---------------------------------------|
| 1. Call to Order and Chair's Remarks | Chairman Albert E. Dotson, Sr. |
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5. Action Item, Board of Trustees

BT2. Amendment to the Operating Procedures of the Florida
International University Board of Trustees

Albert E. Dotson, Sr.

6. Status Reports, Board Committees and Workgroups

▪ Finance and Audit Committee Report

Albert Maury

▪ Academic Policy Committee Report

Cesar Alvarez

▪ External Relations Workgroup Report

Miriam López

▪ Athletics Workgroup Report

Jorge L. Arrizurieta

7. New Business (*If any*)

Albert E. Dotson, Sr.

8. Concluding Remarks and Adjournment

Albert E. Dotson, Sr.

The next Full Board meeting is scheduled for Friday, June 4, 2010.

**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

February 20, 2010

Subject: Call to Order and Chair's Remarks

Proposed Board Action

None. Information only.

Authority for Board Action

N/A

Background Information

Albert E. Dotson, Sr., FIU Board of Trustees Chair, will convene the meeting with opening remarks.

Exhibits/Supporting Documentation:

▪ N/A

Facilitator/Presenter:

▪ Albert E. Dotson, Sr.

**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

February 20, 2010

Subject: Foundation Report

Proposed Board Action

None. Information only.

Authority for Board Action

N/A

Background Information

Noel Guillama-Alvarez, FIU Foundation, Inc. Board of Directors Chair, will report on the activities of the Foundation Board since the last meeting of the Board of Trustees.

Exhibits/Supporting Documentation:

▪ N/A

Facilitator/Presenter:

▪ Noel Guillama-Alvarez

**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

February 20, 2010

Subject: Public Appearances

Proposed Board Action

None. Information only.

Authority for Board Action

N/A

Background Information

Public Comment Period (if timely requested and approved)

Exhibits/Supporting Documentation:

▪ N/A

Facilitator/Presenter:

▪ Albert E. Dotson, Sr.

**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

February 20, 2010

Subject: Consent Agenda

Proposed Board Action:

Adopt the following Resolution:

RESOLVED, that the following matters included in the Consent Agenda are hereby approved:

BOARD OF TRUSTEES

BT1. Minutes, November 20, 2009

COMPENSATION WORKGROUP

CW1. University Goals, Fiscal Year 2009-2010

FINANCE AND AUDIT COMMITTEE

FA1. FIU Direct Support Organizations Financial Audits, 2008-2009

- A. FIU Foundation, Inc.
- B. FIU Research Foundation, Inc.
- C. FIU Athletics Finance Corporation

FA2. The Florida International University Herbert Wertheim College of Medicine Self-Insurance Program Investment Policy

ACADEMIC POLICY COMMITTEE

AP1. Revision of Regulation 408 – Foreign Exchange Visitor Insurance Requirements

AP2. Approval of Regulation 1103 – Textbook Affordability

AP3. Approval of the FIU Annual Report to the Board of Governors

FURTHER RESOLVED that Exhibits “A,” “B,” “C,” “D,” “E,” “F,” “G,” “H,” & “I” are attached to this Resolution and made part of the minutes for this meeting.

Exhibits/Supporting Documents:

- **EXHIBIT “H”:** Board of Trustees Minutes 11.20.09
- **EXHIBIT “I”:** University Goals, 2009-2010
- **EXHIBIT “A”:** FIU Foundation Inc, Financial Audit 2008-09
- **EXHIBIT “B”:** FIU Research Foundation, Inc. Financial Audit 2008-09
- **EXHIBIT “C”:** FIU Athletics Finance Corp. Financial Audit 2008-09
- **EXHIBIT “D”:** FIU Self-Insurance Program Investment Policy and FIU Self Insurance Program Resolution
- **EXHIBIT “E”:** Foreign Exchange Visitor Insurance Requirements, FIU-408
- **EXHIBIT “F”:** Textbook Affordability, FIU-1103
- **EXHIBIT “G”:** 2009 Florida International University Annual Report

**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

February 20, 2010

Subject: Full Board Meeting Minutes, November 20, 2009

Proposed Board Action:

Adopt the following Resolution:

RESOLVED that the minutes of the meeting of the Florida International University Board of Trustees' Meeting held on November 20, 2009, attached to this Resolution as Exhibit "H," are hereby approved.

Exhibits/Supporting Documents:

- **Exhibit "H":** November 20, 2009
Full Board meeting minutes

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**BOARD MEETING
MINUTES
20 NOVEMBER 2009**

1. Call to Order and Chair's Remarks

Chairman Albert E. Dotson, Sr. convened the meeting of The Florida International University Board of Trustees at 9:05 a.m., on Friday, 20 November 2009, at Modesto A. Maidique Campus, Graham Center Ballrooms, Miami, Florida.

The following attendance was recorded:

Present:

Albert E. Dotson, Sr. *Chair*
 Albert Maury, *Vice Chair*
 Cesar Alvarez
 Jorge Arrizurieta
 Thomas Breslin
 Patricia Frost
 S. Lawrence Kahn

Kirk Landon
 Miriam López
 David Parker
 Claudia Puig
 Anthony Rionda
 Mark B. Rosenberg

Excused:

Betsy Atkins

Chairman Dotson welcomed all Trustees, University faculty and staff. He announced that the Florida Board of Governors appointed Mr. Michael Adler and Mr. Joseph Caruncho to the FIU Board of Trustees, stating that their respective terms would begin 7 January 2010. He noted that the Board was in a period of transition, adding that he looked forward to collaborating with the newly-appointed Trustees.

Chairman Dotson noted that Dr. Pedro "Joe" Greer, Jr. received the Presidential Medal of Freedom, adding that this served to demonstrate the outstanding caliber of the FIU Family. Founding Dean, FIU College of Medicine & Senior Vice President for Medical Affairs John Rock introduced Dr. Greer, noting that not only was Dr. Greer an accomplished physician, but he was a humanitarian who believed that physicians must be socially accountable to the community that they serve. Chairman Dotson requested that Trustee Albert Maury preside over the meeting, allowing him to present a new business item for Board consideration and approval. He stated that the Board wished to recognize Dr. Greer's work, his unrelenting service to our community and dedication to social justice.

After discussion, the Board adopted the following Resolution:

WHEREAS, the Florida International University Board of Trustees hereby wishes to recognize the Assistant Dean of Academic Affairs Pedro "Joe" Greer Jr., MD; and

WHEREAS, Dr. Greer is a pioneer in creating health care programs for persons facing homelessness and poverty; and

WHEREAS, Dr. Greer has made it his life's mission to advocate for those without access to health care and this unwavering commitment is what has led him to create various free clinics for persons who are homeless, undocumented, uninsured, and of low income; and

WHEREAS, Dr. Greer is a recipient of the MacArthur "Genius" Fellowship and the Presidential Service Award; and

WHEREAS, at the University's Herbert Wertheim College of Medicine, Dr. Greer oversees unique educational programs which aim to develop highly skilled, ethical, culturally competent physicians who are socially accountable to our communities; and

WHEREAS, his fight to end the injustices that plague the most underserved populations of our country and our community have earned him the nation's highest civilian honor – the Presidential Medal of Freedom;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees at its regular meeting this 20th day of November, 2009, does hereby commend Assistant Dean of Academic Affairs Pedro "Joe" Greer Jr., MD for his unyielding service to our community and dedication to social justice ;

BE IT FURTHER RESOLVED that this Resolution be included in the Minutes of this meeting, and a copy presented to Dr. Greer as a token of the Board's appreciation and thanks.

Dr. Greer thanked the Trustees and also expressed his enthusiasm over the work and caliber of the faculty as well as the innovative curriculum at the Herbert Wertheim College of Medicine.

Chairman Dotson resumed presiding over the meeting. He stated that, as is stipulated in the current employment agreement, President Rosenberg provided a summary overview of the University Goals for fiscal year 2009-2010 prior to 15 October 2009. He further noted that the full presentation was made at the 17 November 2009 meeting of the Compensation Workgroup. He added that the Compensation Workgroup wanted further discussion and review of the University Goals and therefore the goals would not be presented for the consideration and approval at this meeting, but will be considered at the Board's next meeting.

On behalf of the Board, Chairman Dotson congratulated President Rosenberg and the External Relations division on the unprecedented media coverage, noting that the recent exposure would continue to acquaint the community with the University.

2. FIU Foundation Report

FIU Foundation, Inc. Board of Directors Chairman Joseph L. Caruncho presented the Foundation Report, providing an update on assets, expenses and general revenue. He also provided an update on the investments performance and fundraising efforts.

3. President's Report

President Mark B. Rosenberg noted that for the first quarter of this academic year, external grant awards increased by \$33 million, which signified a 30% increase over the same period last year. He further noted that expenditures on grants and contracts for the first quarter increased 6.33% from the same period last year.

President Rosenberg reported that the University was continuing to explore opportunities for a unique collaboration with the Florida Department of Health, which would create an Academic Health Department that would integrate with programs in the Herbert Wertheim College of Medicine, the Stempel College of Public Health and Social Work, the College of Nursing and Health Science, and the College of Arts and Sciences. He noted that a possible partnership had the potential to allow the University to establish a nationally-recognized public health center that would serve not only as a valuable community resource but a resource for the entire state. He further noted that progress reports would be forthcoming, adding that once an appropriate structure was identified, a proposal would be presented to the Board for review and consideration.

President Rosenberg recognized the accomplishments of University Alumnus James O'Brien. He also recognized journalism students working as part of the South Florida News Service, noting that they wrote three stories which appeared in the Miami Herald. He reported that Homecoming events took place all throughout the prior week with a wide range of events on the MMC and BBC campuses respectively. He introduced a brief slideshow depicting some of the Homecoming events, adding that signature programs and events had record attendance and the engagement of students and the University family.

4. Public Appearances

There were no public appearances.

5. Action Items – Consent Agenda

Chairman Dotson asked for comments on any items included in the Consent Agenda. Hearing none, the Board adopted the following Resolution:

RESOLVED, that the following matters included in the Consent Agenda are hereby approved:

BOARD OF TRUSTEES

BT1. Minutes, 11 September 2009

EXTERNAL RELATIONS WORKGROUP

EW1. Priorities for the 2010 Legislative Session

COMPENSATION WORKGROUP

CW1. Personnel Policies

CW2. Ratification of Collective Bargaining Agreement, 2009-2012,
between The Florida International University Board of Trustees
and The Service Employees International Union Local 1991

ACADEMIC POLICY COMMITTEE

AP1. Tenure nomination

6. Action Item, Board of Trustees

BT2. Amendment to the Operating Procedures of the Florida International University Board of Trustees

Vice Chairman Albert Maury provided a brief overview of the proposed amendments to the Operating Procedures and noted the substantive changes to the document. He requested that the Board be granted additional time to review the proposed changes in order to reconvene at a later date to engage in further discussions of necessitated amendments. Chairman Dotson noted that the Board would review the Amendment to the Operating Procedures of the Florida International University Board of Trustees but that no action would be taken at the meeting. There were no objections.

Trustee Breslin requested that either the Faculty or Student Trustee serve as a member of the Board's Executive Committee when formed since the constitutional amendment required representatives on the Board for faculty and students. Chairman Dotson announced that an Ad-Hoc meeting of the Board's Committee and Workgroup Chairs would meet within the coming weeks to further review the Operating Procedures. He requested that, prior to the Ad-Hoc meeting, Trustees should communicate with the Board office or the President to submit their recommendations and/or feedback as it pertained to the Operating Procedures.

7. Action Items/ Status Reports, Board Committees and Workgroups

External Relations Report

External Relations Workgroup Co-Chair Miriam López provided an update on the Workgroup's meeting, noting that President Rosenberg led the discussion on community engagement. Co-Chair López stated that in developing a culture of community engagement, there were rich and varied opportunities for the University to prepare an educated workforce, develop student civic leadership, grow an innovation economy, improve the community's well-being and quality of life, expand FIU's research and scholarship, and create a distinctive brand.

Compensation Workgroup Report

Chairman Dotson noted that in Trustee Betsy Atkins' absence, Trustee Cesar Alvarez would present the Compensation Workgroup report. Trustee Alvarez reported that the Compensation Workgroup met on 17 November 2009 to review a number of action items, which included the University Goals, for FY2009-10. He noted that after further discussion, the Workgroup agreed to continue the review of the University Goals with President Rosenberg as the current meeting schedule did not allow ample time for analysis and amendment.

CW4. President Modesto A. Maidique, Management Review, 2008-2009

Trustee Alvarez reported that the Compensation Workgroup met on 9 July 2009 to undertake the assessment of President Modesto A. Maidique's accomplishments for FY08-09 relative to the BOT approved goals and his overall performance. He noted that based on the performance ratings approved by the Board and the President's overall performance and accomplishments for the 2008-2009 fiscal year, the Workgroup recommended a rating of Superior for President Maidique.

After discussion, the Board adopted the following Resolution:

WHEREAS, the Florida International University Board of Trustees ("the BOT") has been charged with annually evaluating the University President; and

WHEREAS, the BOT conducted the performance evaluation of President Modesto A. Maidique for the 2008-2009 fiscal year; and

WHEREAS, the BOT must submit the evaluation to the Florida Board of Governors for review;

THEREFORE, BE IT RESOLVED, that the BOT grants a **Superior** Performance rating to President Modesto A. Maidique in his leadership of Florida International University during fiscal year 2008-2009;

BE IT FURTHER RESOLVED, that the BOT authorizes the Vice President for Human Resources to submit the evaluation of the President to the Florida Board of Governors; and

BE IT FURTHER RESOLVED, that the Vice President for Human Resources is authorized to take all actions necessary to give effect to this Resolution.

CW5. Proposed Bonus for University President Modesto A. Maidique

Trustee Alvarez noted that the Workgroup also met on 9 July 2009 to determine the Presidential Bonus for President Maidique for the 2008-2009 fiscal year. He stated that based on benchmarks, SUS comparables, and the President's "Superior" performance rating, that the Workgroup recommended that the President receive a bonus greater than the target \$50,000 that was included in his contract. He reported that the Workgroup recommended a bonus of \$100,000 due to President Maidique's consistent surpassing of the performance expectations as well as remarkable fundraising achievements. He further noted that \$50,000 was already budgeted by the Foundation Board and

could be paid immediately, while the additional \$50,000 required Foundation Board approval.

Foundation Board Chairman Joseph L. Caruncho noted that, while he was not in attendance, the Foundation's Executive Committee met on 28 October 2009 to consider the \$100,000 bonus compensation for President Maidique. He noted that, based on the information provided to him, the Foundation would fund the already budgeted \$50,000 immediately, while the request for an additional \$50,000 would be distributed when the Foundation Board identified available funds and/or deemed it prudent to do so¹.

Trustees Jorge Arrizurieta, Thomas Breslin and Anthony Rionda voiced their concerns regarding a bonus amount of \$100,000, noting that due to the persistent state budget situation, the minimum bonus amount of \$50,000 would be more appropriate.

After discussion, the Board adopted the following Resolution:

WHEREAS, fiscal year 2008 - 2009 was one of exceptional accomplishments in diverse and critical areas for FIU as a result of President Maidique's strong leadership, and

WHEREAS, a significant majority of the four goals and associated critical initiatives pertaining to academic performance, academic excellence, advancing the College of Medicine and financial stability, were achieved, and

WHEREAS, the Board of Trustees granted President Maidique a **Superior** Performance rating based on these accomplishments, some of which included:

- Improved academic performance by continuing to attract the best and brightest students welcoming a freshman class with an average GPA of 3.69, average combined SAT of 1160 and average combined ACT of 25.
- Graduation of Doctoral Students reached 127 demonstrating a continued growth working towards the target of 150 by 2013.
- Strengthened academic excellence as is evidenced by the College of Business selection as top 15 schools by *The Princeton Review's* "Student Opinion Honors for Business Schools"; 2009 *BusinessWeek's* ranking of the Landon Undergraduate School of Business at #15 for public 2-year programs in the nation; the Executive MBA program was ranked 82nd on the global list by Financial Times, placing it in the top 35 in the United States; accreditation of the College of Law by the Association of American Law Schools.
- Strengthened academic reputation by increasing overall research applications 29% to 642 with total requested funding increasing by 24.5% to \$257 million and by increasing research awards in the strategic area of Health Sciences over \$4 million to \$10.2 million, about 250%.

- Advanced the College of Medicine by obtaining \$11 million in recurring funds from the State Legislature and through strong fundraising resulting in \$56 million from donor and corresponding state matching funds, surpassing \$95 million since the inception of the College of Medicine.
- Strengthened fiscal self-sufficiency by raising \$75.2 million from donor and corresponding state matching funds surpassing the university's historical high and exceeding the target by 109%.
- Strengthened the institution's compliance infrastructure by filling key positions within the Office of Internal Audit and the Division of Intercollegiate Athletics, NCAA Compliance.

WHEREAS, to accomplish these goals, President Maidique pursued a strong vision, planned its implementation through a capable senior management team, and leveraged strong internal and external relationships, and

WHEREAS, Section 4.2 of the President's contract provides that the President shall be eligible for a bonus of "\$50,000 or such greater amount as the Board or Board Committee may determine in its discretion"; and

WHEREAS, the President's contract further provides that the bonus shall be determined no later than September 30 and shall be paid within 10 days of its determination; and

WHEREAS, the Board wants to recognize the accomplishments of President Maidique during the fiscal year 2008 - 2009; therefore

BE IT RESOLVED that the Board approves a bonus of \$100,000 for President Maidique, effective September 30, 2009, in recognition of his leadership.

Athletics Workgroup

Athletics Workgroup Chair Jorge L. Arrizurieta reported on items heard by the Workgroup and provided the Athletics Update. He noted that exceptional performance of the Women's volleyball and tennis teams. He also noted the positive progress on fundraising efforts. He added that various aspects of community engagement were reviewed by the Workgroup, such as the community service the student-athletes participated in over the past year as well as the many different events that have been held at the University's athletic facilities over the course of the last year, including High School Graduations and International soccer competitions.

Chairman Dotson requested to change the order of the Committee Reports. There were no objections. He asked Academic Policy Committee Chair Patricia Frost to provide the Committee's Report.

Academic Policy Committee

Academic Policy Committee Chair Patricia Frost reported on items heard by the Committee. She noted that during the Committee's meeting, two members of the faculty provided reports on their respective research and work. She further noted that based on the Committee's enthusiasm over the reports, she invited the professors to repeat their respective presentations for the benefit of the entire Board. She added that unfortunately, due to the demands of his research work, Biological Sciences Professor Steven Oberbauer would not be presenting. Provost and Executive VP Douglas Wartzok provided an overview of Professor Oberbauer's presentation. Chair Frost called upon Physics Associate Professor Laird Kramer who discussed building a sustainable learning community in physics.

Chair Frost thanked Professor Kramer for sharing his work with the Board.

Finance and Audit Committee

Finance and Audit Committee Chair Albert Maury reported on items heard by the Committee and introduced the Restructuring/Refinancing of FIU Foundation, Inc. Loan Associated with Construction of the MARC Building for Board consideration and approval.

FA1. Restructuring/Refinancing of FIU Foundation, Inc. Loan Associated with Construction of the MARC Building

CFO and Sr. VP for Finance and Administration Kenneth Jessell presented the Restructuring/Refinancing of FIU Foundation, Inc. Loan Associated with Construction of the MARC Building, noting that the current loan provider would not be in a position to renew the current Letter of Credit once it expired. Therefore, he further noted, that in an effort to identify the most competitive financing terms for the Foundation, the University administration was currently obtaining additional proposals from other financial institutions. He stated that the final selection would be made based on the best interest of the Foundation and University, provided that, at a minimum, the selected financial institution met or exceeded the terms specified in the current SunTrust Commitment Letter.

After discussion, the Board adopted the following Resolution:

WHEREAS, in September, 1999, the FIU Foundation, Inc. (the "Foundation"), issued \$13,000,000 Miami-Dade County Educational Facilities Authority Revenue Bonds (FIU Foundation Project) Series 1999, to finance the construction of the MARC Building at the Modesto A. Maidique campus, pursuant to a Trust Indenture dated December 1, 1999 between the Foundation and SunTrust Bank, as trustee. The 1999 Bonds were issued as variable rate bonds secured by a letter of credit pursuant to a Letter of Credit Agreement between the Foundation and SunTrust Bank, N.A. ("SunTrust"); and

WHEREAS, in view of the extreme economic conditions affecting credit markets and the financial industry, the interest cost of variable rate bonds have increased and SunTrust, the bank that issued the Letter of Credit securing the 1999 Bonds, has experienced a diminished

ability to remarket the bonds that remain outstanding, with a principal amount of approximately \$9,260,000.00; and

WHEREAS, as a result of the foregoing, SunTrust has determined that it is not in a position to renew the Letter of Credit when it expires on December 15, 2009;

WHEREAS, SunTrust has offered to amend the 1999 Trust Indenture to enable the Foundation to convert the 1999 Bonds from variable rate debt to a Bank Qualified, Tax Exempt Term Loan as outlined in the Commitment Letter attached hereto as Exhibit "G" (the "Commitment Letter"); and

WHEREAS, in an effort to identify the most competitive financing terms for the Foundation, the University administration is currently obtaining additional proposals from other banks; and

WHEREAS, interest savings would be realized if the Foundation either amends the Trust Indenture with SunTrust or completes a refinancing/refunding transaction with another bank through a conduit issuer that will permit the Foundation to treat the transaction as "Bank Qualified" and allow banks to offer the Foundation lower interest rates than otherwise available;

THEREFORE, BE IT RESOLVED that the Florida International University Board of Trustees ("the BOT") approves the Commitment Letter with SunTrust and delegates to the Foundation the authority to either (1) execute the SunTrust Commitment Letter and any other loan documents related thereto; or (2) execute a transaction to refinance the 1999 Bonds with another bank that the University President and CFO determine is in the best interest of the Foundation and University, provided that, at a minimum, the selected bank meets or exceeds the overall financial terms specified in the SunTrust Commitment Letter; and

BE IT FURTHER RESOLVED that the BOT delegates to the Executive Director of the Foundation the authority to execute any such documents and/or take any such actions as shall be necessary to complete the transaction on terms and conditions that meet or exceed those set forth in Exhibit "G;" and

BE IT FURTHER RESOLVED that the BOT directs the University CFO to report to the Finance and Audit Committee on the progress of the transaction at its next regularly scheduled meeting.

7. New Business

Chairman Dotson noted that this was the last Board meeting for Trustee Betsy Atkins. Chairman Dotson noted that regretfully Trustee Atkins was unable to attend the meeting, but on behalf of the Board, the Chairman extended his gratitude to Trustee Atkins for her leadership, commitment and dedication to the Board, to the University and to students.

On behalf of the Board, Chairman Dotson also thanked Trustee R. Kirk Landon for his guidance and leadership. He recognized Trustee Landon for his service on the Foundation's Board as well as his dedication to the University, to the students and to the community. He added that although this would be the last Board meeting for Trustee Landon, he looked forward to his continued involvement with the University in the future.

Trustee Landon noted that one half of all college graduates in Miami-Dade County are FIU graduates, further noting that it was for this reason that he chose to dedicate his efforts to help advance the mission of the University.

Chairman Dotson stated that Trustee David Parker was an inaugural member of the Florida International University Board of Trustees and has served with great distinction. Chairman Dotson recognized and extended his sincerest gratitude on behalf of the Board to Trustee Parker. Chairman Dotson noted that Trustee Parker's service has extended to the Foundation Board where he served for over 13 years. Chairman Dotson, again, thanked Trustee Parker for his strong commitment to the University through his service, judgment, ideas and considerable wisdom.

Trustee Parker stated that it has been a privilege for him to work with such a distinguished Board. He recognized the University's faculty and staff and thanked them for their hard work and dedication to the University.

8. Concluding Remarks and Adjournment:

Since there was no other business, the meeting of the Florida International University Board of Trustees was adjourned on Friday, 20 November 2009, at 11:24 a.m.

<i>Trustee Requests</i>	<i>Follow-up</i>	<i>Completion Date</i>
1. Trustee R. Kirk Landon requested that the External Relations Workgroup report, as presented by Workgroup Co-Chair Miriam López, be provided to all Trustees.	Board of Trustees office	<i>Workgroup report was forwarded to the Trustees on 11.24.09</i>
2. Trustee Albert Maury requested that an update on the SACS-reaccreditation status be provided at the next regularly scheduled Board meeting.	Office of the Provost	<i>December 2009</i>
3. Chairman Albert E. Dotson, Sr. requested that VP for Governmental Relations Steven Sauls provide the Trustees with a University fact card that would facilitate their conversations with elected representatives.	Office of Governmental Relations	<i>December 2009</i>

Exhibit "H"

The Florida International University
Board of Trustees
Minutes
20 November 2009
Page 11

DRAFT

Albert E. Dotson, Sr.
Chairman
FIU Board of Trustees

Mark B. Rosenberg
Corporate Secretary
FIU Board of Trustees

Attachments: Exhibits "A," "B," "C," "D," "E," "F," "G," "H," & "I"

MB
11.24.09

ⁱ It was subsequently learned that the FIU Foundation, Inc. Board of Directors Executive Committee did not approve the item as was reported during the FIU Board of Trustees meeting, but rather deferred all action to a later date. At the FIU Foundation, Inc. Board of Directors Full Board meeting, held on Wednesday, December 2, 2009, the Executive Committee's decision to defer all action to a later date was ratified.

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**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

February 20, 2010

Subject: University Goals, Fiscal Year 2009-2010

Proposed Board Action:

Adopt the following Resolution:

BE IT RESOLVED, that the Florida International University Board of Trustees (the BOT) approves the University Goals for the 2009-2010 fiscal year as presented by President Mark B. Rosenberg and attached hereto as Exhibit "I"; and

BE IT FURTHER RESOLVED, that these approved goals will be one component of the President's Management Review by the Board for 2009-2010.

Exhibits/Supporting Documents:

- **EXHIBIT "I":** University Goals Report, Fiscal Year 2009-2010

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University Goals

Fiscal Year 2009-2010

President Rosenberg's "*Hit the Ground Running*" paper served as the launching pad for the next version of the FIU strategic plan incorporating an enhanced vision and operational statement.

Vision: A leading student-centered urban public research university that is locally and globally engaged.

Operational Statement: As an anchor public institution in South Florida, FIU must be committed to providing high quality learning, state-of-the-art research and creative activity, and engagement in community problem-solving.

Committees were established in August 2009 to produce white papers on four emphasis areas that make up the overarching themes of the strategic plan. These areas are:

1. Revitalize and expand financial base
2. Achieve results-oriented student-centered academic excellence
3. Enhance quality and impact of research and creative initiatives
4. Engage the community

These white papers will form the basis for focus group discussions in the fall with the expansion of more extensive committee structures in the spring and the development of a new strategic plan by fall 2010. Each overarching theme will be broken down into more specific goals and objectives.

As the new strategic plan takes shape, the following goals and specific objectives were identified for the 2009-10 fiscal year.

These objectives have been drawn from the white papers produced by the four "Hit The Ground Running" committees.

1. *Revitalize and expand financial base*

- Reach fundraising target of \$50 Million, excluding state matching
- Begin initial phase of \$750 Million Capital Campaign by identifying capital campaign leadership team
- Obtain \$3.7 million funding for the College of Medicine for FY10-11
- Increase total federal and state grant applications and awards by 7% from \$325 million to \$348 million (applications) and from \$74 million to \$79 million (awards)
- Increase financial aid awarded to students by at least 10% from \$232.6 million to \$255.9 million

2. *Achieve results-oriented student-centered academic excellence*

- Increase the number of students participating in internships by 5%, from 1408 to 1478
- Hire 10 advisors to improve student retention by 1% for first to second year (from 83.5% to 84.5%) and by 2% for second to third year (from 71.0% to 73.0%) for students entering in Fall 2009

3. *Enhance quality and impact of research and creative initiatives*

- Establish a framework for conducting clinical trials with appropriate Human Subjects (IRB) approval by creating a Clinical Trials Office, creating a biomedical IRB, and by finalizing an institutional relationship with Western IRB for multi-site clinical trials. This will facilitate the initiation of at least one externally funded clinical trial in calendar year 2010.

4. *Engage the community*

- Expand partnership with Miami Dade County Public Schools by creating an Academy for Advanced Academics on the FIU Modesto Maidique campus
- Develop College of Medicine NeighborhoodHELP plan by completing the survey of 2,300 households and identifying the 42 households in four neighborhoods that will be assigned to the 2009 entering medical school class

**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

February 20, 2010

Subject: Florida International University Foundation, Inc. Financial Audit, 2008-2009

Proposed Board Action:

Adopt the following Resolution:

WHEREAS, pursuant to Regulation FIU-1502 (2)(f), the Florida International University Foundation, Inc. (FIU Foundation, Inc.) must submit an independently conducted financial audit of its accounts and records, which has been approved by its governing board and recommended by the University President to the Florida International University Board of Trustees (the BOT) for review and approval; and

WHEREAS, the FIU Foundation, Inc. Financial Audit for 2008-2009, attached hereto as Exhibit "A," has been submitted and approved by the FIU Foundation, Inc. Board of Directors on January 27, 2010, and the University President is recommending its approval;

THEREFORE, BE IT RESOLVED that the BOT hereby approves the attached FIU Foundation, Inc. Financial Audit for 2008-2009 and authorizes the Executive Director of the FIU Foundation, Inc. to take all actions necessary pertaining to this Financial Audit, including filing the report with the Auditor General.

BACKGROUND INFORMATION:

LEGAL AUTHORITY:

Regulation FIU-1502 (2)(f), states in relevant part:

(2)(f) Have a financial audit of its accounts and records to be conducted by an independent certified public accountant after the close of each fiscal year.

ARTICLE 3 Section 2 of the Florida International University Foundation Bylaws, states in relevant part:

(iii) It shall cause an audit to be made by an independent certified public accountant of the books of the Foundation as soon as possible after the close of the fiscal year of the Foundation, and to have the results reported to the Executive Director of the Foundation immediately, and to the full Board at their next meeting thereafter.

Exhibits/Supporting Documents:

- **Exhibit "A":** Florida International University Foundation, Inc. Financial Audit 2008-2009

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**FLORIDA INTERNATIONAL UNIVERSITY
FOUNDATION, INC. AND SUBSIDIARY**
(A Direct Support Organization)

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2009

FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
(A Direct Support Organization)

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INDEPENDENT AUDITORS' REPORT

Members of the Board of Directors and the Finance and Audit Committee
Florida International University Foundation Inc. and Subsidiary
Miami, Florida

We have audited the accompanying consolidated statements of financial position of Florida International University Foundation, Inc. and Subsidiary (the Foundation), a direct support organization and a component unit of Florida International University, as of June 30, 2009 and the related consolidated statements of activities, functional expenses and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The prior year summarized comparative information has been derived from the 2008 consolidated financial statements which were audited by Rachlin LLP who merged into and became MarcumRachlin, a division of Marcum LLP and, in Rachlin LLP's report dated November 3, 2008, they expressed an unqualified opinion on those consolidated financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Foundation and its subsidiary as of June 30, 2009, and the changes in their net assets and their cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 20, 2010 on our consideration of the Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. 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 provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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MARCUMGROUP
MEMBER

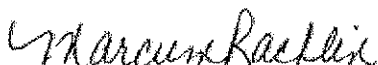
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FLORIDA ■ NEW YORK ■ NEW JERSEY ■ CONNECTICUT ■ GRAND CAYMAN

Members of the Board of Directors and the Finance and Audit Committee
Florida International University Foundation Inc. and Subsidiary
Page Two

Our audit was performed for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included in Schedules I through III is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on them.



a division of Marcum LLP
Miami, Florida
January 20, 2010

FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
(A Direct Support Organization)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

JUNE 30, 2009

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2008)

	<u>Totals</u>	
<u>ASSETS</u>	<u>2009</u>	<u>2008</u>
Assets:		
Cash and cash equivalents	\$ 5,075,811	\$ 11,161,073
Investments	101,018,413	120,718,279
Contributions receivable, net	54,103,832	27,079,049
Wolfsonian fixed assets, net	-	774,000
Foundation fixed assets, net	11,100,703	11,182,610
Bond issuance costs, net	102,972	110,998
Due from Florida International University	-	262,206
Other assets	533,835	519,150
Total assets	<u>\$ 171,935,566</u>	<u>\$ 171,807,365</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts payable and other liabilities	\$ 205,868	\$ 168,797
Annuities payable	282,106	317,137
Deferred revenue	230,062	675,507
Derivative liability	614,928	466,543
Notes payable	9,260,000	9,780,000
Total liabilities	<u>10,592,964</u>	<u>11,407,984</u>
Net Assets:		
Unrestricted	14,642,835	26,583,862
Temporarily restricted	4,128,312	23,585,449
Permanently restricted	142,571,455	110,230,070
Total net assets	<u>161,342,602</u>	<u>160,399,381</u>
Total liabilities and net assets	<u>\$ 171,935,566</u>	<u>\$ 171,807,365</u>

See notes to consolidated financial statements.

FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
(A Direct Support Organization)

CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2009

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2008)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u> <u>2009</u>	<u>2008</u>
Revenue, Gains and Other Support:					
Contributions	\$ 2,787,589	\$ 6,604,113	\$ 33,603,394	\$ 42,995,096	\$ 28,396,318
Wolfsonian grant revenue	-	-	-	-	20,974
Royalty income	842,066	31,138	-	873,204	241,303
Rental income	1,082,914	-	-	1,082,914	1,119,648
Dues	691,857	15,000	78,992	785,849	680,447
Net investment income (loss)	(2,259,504)	(7,356,867)	-	(9,616,371)	3,643,944
Unrealized derivative loss	(148,385)	-	-	(148,385)	(180,356)
Net unrealized investment losses	(4,306,106)	(14,067,242)	-	(18,373,348)	(9,103,546)
Administrative fees	117,671	-	-	117,671	-
Other	385,100	-	-	385,100	60,314
Net assets released from restrictions	<u>5,033,637</u>	<u>(4,606,637)</u>	<u>(427,000)</u>	<u>-</u>	<u>-</u>
Total revenue, gains and other support	<u>4,226,839</u>	<u>(19,380,495)</u>	<u>33,255,386</u>	<u>18,101,730</u>	<u>24,879,046</u>
Expenses:					
Program services	11,147,964	-	-	11,147,964	10,844,535
General and administrative	4,375,080	-	-	4,375,080	2,444,721
Fund raising	632,321	-	-	632,321	824,210
Total expenses	<u>16,155,366</u>	<u>-</u>	<u>-</u>	<u>16,155,366</u>	<u>14,113,466</u>
Change in Net Assets Before Provision for Uncollectible Pledges	(11,928,527)	(19,380,495)	33,255,386	1,946,364	10,765,580
Provision for Uncollectible Pledges	<u>(12,500)</u>	<u>(76,642)</u>	<u>(914,001)</u>	<u>(1,003,143)</u>	<u>(1,001,414)</u>
Change in Net Assets	(11,941,027)	(19,457,137)	32,341,385	943,221	9,764,166
Net Assets, Beginning	<u>26,583,862</u>	<u>23,585,449</u>	<u>110,230,070</u>	<u>160,399,381</u>	<u>150,635,215</u>
Net Assets, Ending	<u>\$ 14,642,835</u>	<u>\$ 4,128,312</u>	<u>\$ 142,571,455</u>	<u>\$ 161,342,602</u>	<u>\$ 160,399,381</u>

See notes to consolidated financial statements.

FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
(A Direct Support Organization)

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2009

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2008)

	Program Services	General and Administrative	Fund Raising	Totals 2009	Totals 2008
College of Business Administration	\$ 1,606,237	\$ -	\$ -	\$ 1,606,237	\$ 1,132,299
University Support	-	1,524,807	-	1,524,807	325,776
Contribution to University Building Program	1,448,599	-	-	1,448,599	2,020,999
College of Arts and Sciences	1,069,843	-	-	1,069,843	333,000
Athletics Fund - Golden Panthers	914,251	-	-	914,251	1,237,391
College of Engineering and Computing	912,162	-	-	912,162	813,591
Wolfsonian expenses	22,314	766,854	-	789,168	20,974
University Wide Scholarships and Programs	739,992	-	-	739,992	713,748
Wolfsonian Museum	649,542	-	-	649,542	429,733
FIU Art Museum	438,854	-	-	438,854	254,852
College of Nursing and Health Sciences	434,853	-	-	434,853	595,317
Medical School	430,379	-	-	430,379	141,233
School of Hospitality Management	429,745	-	-	429,745	736,160
College of Education	382,448	-	-	382,448	342,413
President's compensation	-	346,256	-	346,256	344,962
Depreciation and amortization	-	342,183	-	342,183	343,037
Interest	-	339,263	-	339,263	399,820
Utilities and Maintenance	-	316,164	-	316,164	355,132
Academic Affairs	300,588	-	-	300,588	819,603
FIU Alumni Association	266,309	-	-	266,309	193,699
College of Architecture & the Arts	261,134	-	-	261,134	241,148
Lobbying	-	261,071	-	261,071	194,722
Advancement operations	-	-	259,945	259,945	349,077
Marketing fees	-	-	223,961	223,961	250,000
License plates	197,500	-	-	197,500	16,860
School of Journalism	152,983	-	-	152,983	65,193
Capital campaign	-	-	148,415	148,415	225,133
College of Law	145,600	-	-	145,600	138,080
Professional fees	-	131,187	-	131,187	93,596
Business office operations	-	130,488	-	130,488	128,389
Faculty Research Awards	100,000	-	-	100,000	150,000
Stemple School of Public Health	90,747	-	-	90,747	147,140
Insurance	-	50,787	-	50,787	54,437
President's allowance	-	49,243	-	49,243	90,062
Florida Board of Governor's Assessment	-	46,291	-	46,291	39,091
President's Office	40,211	-	-	40,211	40,102
FIU Libraries	36,242	-	-	36,242	49,254
Student Affairs	32,941	-	-	32,941	145,720
Bank and investment fees	-	32,717	-	32,717	26,993
Honors College	25,770	-	-	25,770	36,105
FIU Vice President's allowance	-	24,367	-	24,367	23,987
Remarketing fees	-	10,478	-	10,478	10,383
College of Social Work, Justice & Public Affairs	9,638	-	-	9,638	9,805
Human Resources	8,932	-	-	8,932	20,116
Other miscellaneous expense	-	2,924	-	2,924	14,334
Office of Sponsored Research	150	-	-	150	-
Total expenses	<u>\$ 11,147,964</u>	<u>\$ 4,375,080</u>	<u>\$ 632,321</u>	<u>\$ 16,155,366</u>	<u>\$ 14,113,466</u>

See notes to consolidated financial statements.

FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
(A Direct Support Organization)

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2009

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2008)

	<u>2009</u>	<u>2008</u>
Cash Flows from Operating Activities:		
Change in net assets before provision for uncollectible pledges	\$ 1,946,364	\$ 10,765,580
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	350,209	343,037
Loss on disposal of assets	758,828	-
Provision for uncollectible pledges	(1,003,143)	(1,001,414)
Net unrealized investment losses	18,373,348	9,103,546
Changes in assets and liabilities:		
(Increase) decrease in:		
Contributions receivable	(27,024,783)	(7,933,591)
Other assets	(14,685)	(90,898)
Due from FIU	262,206	(262,206)
Increase (decrease) in:		
Accounts payable and other liabilities	37,071	(33,930)
Annuities payable	(35,031)	(13,761)
Deferred revenue	(445,445)	147,373
Derivative liability	148,385	180,356
Unrestricted investment income (loss)	<u>(2,259,504)</u>	<u>3,630,302</u>
Net cash provided (used) by operating activities	<u>(8,906,180)</u>	<u>14,834,394</u>
Cash Flows from Investing Activities:		
Net purchases/sales of investments	10,942,889	(20,712,206)
Purchases of fixed assets	<u>(245,104)</u>	<u>-</u>
Net cash provided (used) by investing activities:	<u>10,697,785</u>	<u>(20,712,206)</u>
Cash Flows from Financing Activities:		
Principal repayments	(520,000)	(495,000)
Interest and dividends restricted for reinvestment	<u>(7,356,867)</u>	<u>13,642</u>
Net cash used for financing activities	<u>(7,876,867)</u>	<u>(481,358)</u>
Net Decrease in Cash and Cash Equivalents	(6,085,262)	(6,359,170)
Cash and Cash Equivalents, Beginning	<u>11,161,073</u>	<u>17,520,243</u>
Cash and Cash Equivalents, Ending	<u>\$ 5,075,811</u>	<u>\$ 11,161,073</u>

See notes to consolidated financial statements.

FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
(A Direct Support Organization)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2009

NOTE 1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

Florida International University Foundation, Inc. (the Foundation or the Organization), a direct support organization and a component unit of Florida International University, is organized to encourage, solicit, receive and administer gifts and bequests of property and funds for the advancement of Florida International University (the University) and its objectives. The Foundation is a tax-exempt organization as defined by Section 501(c)(3) of the Internal Revenue Code.

The Wolfsonian, Inc. was established in 1986 to create and operate a museum and research center in Miami Beach, Florida, and to support a comprehensive program focused on the collection, exhibition, interpretation, preservation, research and publication of the decorative, design and architectural arts. The Wolfsonian, Inc. has been loaned The Mitchell Wolfson, Jr. Collection of nearly 27,000 objects of art and rare books dating from the late nineteenth to the mid-twentieth century. It encompasses furniture, sculptures, paintings, books, graphics and other works of art on paper, as well as archives relating to the period. Through a series of academic study and fellowship programs, national and international traveling exhibitions, and scholarly initiatives, the Wolfsonian, Inc. promotes public education and awareness of the social, historical, technological, political, economic, and artistic material culture of Europe and America in the 1885-1945 period.

As more fully explained in Note 2, the Foundation was party to the gift agreement (the Agreement) on July 1, 1997 with the Wolfsonian, Inc., whereby the Wolfsonian, Inc. agreed to amend its articles of incorporation and bylaws with the intent of transferring control of the Wolfsonian, Inc., all of its assets, interest, and obligations, to the Foundation.

Principles of Consolidation

The consolidated financial statements of the Foundation and its subsidiary for the year ended June 30, 2009, include the accounts of the Foundation and the Wolfsonian, Inc. based on the Foundation's controlling economic interest in the Wolfsonian, Inc. The Foundation's controlling economic interest in the Wolfsonian, Inc. was the result of the gift agreement between the two entities, which became effective on March 26, 1998 (see Note 2).

All significant intercompany accounts and transactions have been eliminated in consolidation.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board Statement (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Assets are presented according to their nearness of conversion to cash. Liabilities are presented according to the nearness of their maturity and resulting use of cash.

FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
(A Direct Support Organization)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

NOTE 1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Basis of Accounting

The consolidated financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets and changes therein are classified and reported as follows:

Unrestricted

Net assets which are free of donor-imposed restrictions; all revenue, expenses, gains, and losses that are not changes in permanently or temporarily restricted net assets are classified as unrestricted.

Temporarily Restricted

Net assets whose use 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 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.

Comparative Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2008 from which the summarized information was derived.

Use of Estimates

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States of America. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenses during the period reported. These estimates include assessing the collectibility of contributions receivable. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from those estimates.

FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
(A Direct Support Organization)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

NOTE 1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Cash Equivalents

The Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statement of financial position. Investment income or loss (including gains and losses on investments, interest and dividends) is included in the statement of activities as an increase or decrease in unrestricted net assets unless the income or loss is restricted by donor or law. Restricted gains and investment income, where the restrictions are met in the same reporting period as the income is earned, are recorded as unrestricted support. Total net unrealized investment losses and net investment income for the year ended June 30, 2009 totaled (\$27,989,719), of which, (\$20,727,905) were applied to individual endowments. The total net unrealized investment gains and losses and investment income or loss for the year ended June 30, 2008 amounted to (\$5,459,602), of which, (\$4,097,347) were applied to individual endowments. Net investment income (loss) includes interest, dividends and realized gains or losses.

The Financial Accounting Standards Board issued the Statement of Financial Accounting Standards (SFAS) No.157, *Fair Value Measurements*. This statement defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This statement defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The statement provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The investments of the Foundation are being prioritized into the three broad levels. Refer to Note 3 for the breakdown of the investments.

Contributions

The Organization accounts for contributions in accordance with the provisions of Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributed goods and services are recorded as contributions at their estimated fair value at date of receipt.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restriction expires in the year in which the

FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
(A Direct Support Organization)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

NOTE 1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Promises to Give (Continued)

contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are transferred to unrestricted net assets.

The Organization records unconditional promises to give at its net realizable value which is based on prior years' experience and management's analysis of specific promises made. The promises to give are further discounted to reflect their present value. Decreases in fair value are recognized as bad debt loss in the period the decrease occurs. Increases in estimated fair value are not recognized unless they represent recoveries of previous bad debt losses incurred; increases are recognized as additional contribution revenue when the promise to give is collected.

Deferred Revenue

Deferred revenue is comprised of advanced licensing and royalty fees. Bank of America has agreed to the fees in exchange for the right to use FIU's logo on credit cards and also to advertise on FIU's home page and athletic home page. In either case, that right extends to print or electronic media. In addition, Bank of America, has the right to solicit for business, FIU students and alumni population, faculty, staff, ticket holders, athletic teams and athletic departments. Revenue is recognized on a quarterly basis based on credit card fees and credit card activity. Deferred revenue at year ended June 30, 2009 amounted to \$230,062.

Wolfsonian, Inc. Land and Building and Foundation Property

Property and equipment are recorded at cost. If contributed, the asset, with the exception of the collection of decorative and propaganda arts, is recorded at the fair market value at the time of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions are recorded as unrestricted support. The Foundation has elected to exercise the option of not capitalizing the items that meet the definition of "collections" as prescribed by accounting principles generally accepted in the United States. Therefore, the fair value of the donated collection of decorative and propaganda arts are not reflected in the accompanying consolidated financial statements. Purchases of collection items are recorded as decreases in unrestricted net assets in the year in which the items are acquired, or as temporarily or permanently restricted net assets if the assets used to purchase the items are restricted by donors. Contributed collection items are not reflected in the consolidated financial statements. Proceeds from deaccessions or insurance recoveries are reflected as increases in the appropriate net asset classes. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, ranging from five to forty years. The Foundation capitalizes fixed assets over a \$1,000 threshold that have a useful life of more than one year.

FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
(A Direct Support Organization)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

NOTE 1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Derivative Financial Instruments

The Foundation entered into an interest rate swap agreement to reduce its exposure to market risks from changing interest rates. For interest rate swaps, the differential to be paid or received is accrued and recognized in the unrealized derivative loss and may change as market interest rates change. The fair value of the swap agreement is presented in the statement of financial position. The change in fair value is presented as an unrealized gain or loss in the statement of activities.

The fair value estimate is based on the banking institution's valuation models and assumptions and available market data, some of which may be internally developed. The estimate is provided without adjustments for transactions and hedging costs, liquidity, or credit considerations or other significant factors external to the valuation models.

Income Taxes

The Foundation and its subsidiary are not-for-profit corporations, as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal income taxes.

Concentrations of Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash, investments, contributions receivable (promises to give). The Foundation places substantially all of its cash with high quality financial institutions which the Foundation believes limits this risk. At June 30, 2009, approximately \$3,017,298 was in excess of the Federal Depository Insurance Company (FDIC) limits.

In addition, the Foundation maintains investment accounts with financial institutions which are not insured by the FDIC. These funds may be subject to insurance by Securities Investor Protection Corporation (SIPC), subject to various limitations. At June 30, 2009, \$101,018,413 was held in these accounts. The Foundation believes that the number, diversity and financial strength of the issuers mitigate the credit risks associated with all investments.

Subsequent Events

Management has evaluated subsequent events to determine if events or transactions occurring through January 20, 2010, the date the financial statements were available to be issued, require potential adjustment to or disclosure in the financial statements.

NOTE 2. GIFT AGREEMENT

On July 1, 1997, the Foundation entered into a gift agreement (the Agreement) with Mitchell Wolfson, Jr., the Wolfsonian, Inc. and the University, whereby Mitchell Wolfson, Jr. agreed to donate all rights, title and interest in and to all objects constituting The Mitchell Wolfson, Jr. Collection of Decorative and Propaganda Arts (the Collection) to the FIU Foundation, subject to a loan agreement made and entered into by the Wolfsonian, Inc. and Mr. Wolfson, Jr., dated July 29, 1991. The Loan Agreement was extended in July 2001 for ten years to July 2011.

FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

NOTE 2. GIFT AGREEMENT (Continued)

As a result of the Agreement, the Wolfsonian, Inc. has amended its articles of incorporation and bylaws to provide that all of its directors be appointed and removed at any time with or without cause by the Foundation, with the intention to effect a transfer of complete control of all of the assets, interests and obligations of the Wolfsonian, Inc. to the Foundation. On May 26, 1999, the Foundation passed a revision to the bylaws of the Wolfsonian, Inc. to make the Foundation the sole voting member of the Wolfsonian, Inc.

The gifts are conditional upon the provisions outlined in the Agreement, including but not limited to the Foundation continuing the museum and educational activities and operations that were conducted by the Wolfsonian, Inc. As a result of the Agreement, the University and the Foundation have assumed all administrative functions and operating costs of the Wolfsonian-FIU.

In order for the Foundation to be able to maintain the rights to the Collection, the University is to provide the Wolfsonian-FIU with the same financial support from its general budget, as provided to other departments, in order to continue the museum and educational activities and operations of the Wolfsonian-FIU. The University provides support for the Wolfsonian-FIU expenses which included the insurance premium for the art collection, salaries, equipment, administrative expenses, and building security. In addition, the University provides support for utilities, repairs and maintenance expenses for buildings used by the Wolfsonian-FIU.

NOTE 3. INVESTMENTS AND FAIR VALUE MEASUREMENTS

	June 30,	
	<u>2009</u>	<u>2008</u>
Common stock and mutual funds	\$ 61,215,058	\$ 69,375,811
Limited partnerships	25,206,483	36,398,112
U.S. Government and municipal securities	3,433,986	11,225,681
Corporate bonds	10,924,057	3,535,345
	<u>100,779,584</u>	<u>120,534,949</u>
Plus accrued interest	238,829	183,330
Total investments	<u>\$ 101,018,413</u>	<u>\$ 120,718,279</u>

The following table sets forth by levels within the fair value hierarchy, the Foundation's assets at fair value as of June 30, 2009:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stock and mutual funds	\$61,023,582	\$ 430,305	\$ -	\$ 61,453,887
Limited partnerships	-	-	25,206,483	25,206,483
U.S. Government and municipal securities	3,433,986	-	-	3,433,986
Corporate bonds	899,865	10,024,192	-	10,924,057
Total investments at fair value	<u>\$65,357,433</u>	<u>\$10,454,497</u>	<u>\$25,206,483</u>	<u>\$101,018,413</u>
Swap agreement (see Note 10)	<u>\$ -</u>	<u>\$ 614,928</u>	<u>\$ -</u>	<u>\$ 614,928</u>

FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

NOTE 3. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The investments categorized as level 1 consist of investments held in domestic and foreign common stocks, exchanged traded funds, equities, real estate investment trusts that are all valued using a pricing tape method. This is the Interactive Data's Equity and Treasury daily pricing file. Also included in level 1 are investments in governmental agencies, Euro and international fixed income bonds and U.S. Treasury investments that are valued using the IDSI institutional bond quotes. This is the Interactive Data Pricing Services which are primarily used for debt issues, government and corporate bonds. Lastly, short term U.S. government money market investments are always priced at par.

The investments categorized as level 2 consist of domestic bond prices under the IDSI institutional bond quotes, GNMA and FNMA pools priced at the IDSI MBS pricing. This is the Interactive Data pricing services for mortgage backed pools. Government CMO's and REMICS use the IDSI CMO pricing method which is the Interactive Data Pricing Services – collateralized mortgage obligation evaluations. Lastly there is a small portion of largecap growth stocks, large cap value equity and fixed income instruments held at Suntrust that use company pricing methods which are valuations from the Suntrust Privately Held Investment Group.

Investments categorized as level 3 consist of investments related to Limited Partnerships. They are valued using quarterly valuation cycles, internal balance capitalization as well as current day net asset value.

The table below sets forth the summary of changes in the fair value of the Foundation's level 3 investments for the year ended June 30, 2009.

	<u>Limited Partnerships</u>
Balance, beginning of year	\$ 22,670,824
Realized losses	(60,805)
Unrealized losses	(7,354,924)
Purchases, sales, issuances, and settlements, net	<u>9,951,388</u>
Balance, end of year	<u>\$ 25,206,483</u>

FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

NOTE 4. CONTRIBUTIONS RECEIVABLE

Unconditional promises to give, recorded at its net realizable value and discounted to net present value, are expected to be realized in the following periods:

	June 30,	
	<u>2009</u>	<u>2008</u>
Receivable in less than one year	\$ 6,026,633	\$ 7,737,452
Receivable in one to five years	49,197,994	20,958,526
Receivable in more than five years	<u>4,124,500</u>	<u>1,066,380</u>
	59,349,127	29,762,358
Allowance for uncollectible pledges	(993,492)	(100,988)
Less discount of 2.40% and 3.34%, respectively	<u>(4,251,803)</u>	<u>(2,582,321)</u>
Promises to give, net	<u>\$54,103,832</u>	<u>\$27,079,049</u>

NOTE 5. WOLFSONIAN, INC. FIXED ASSETS

	June 30,	
	<u>2009</u>	<u>2008</u>
Land	\$ -	\$700,000
Women's Club building	<u>-</u>	<u>160,000</u>
	-	860,000
Less accumulated depreciation	<u>-</u>	<u>86,000</u>
Fixed assets, net	<u>\$ -</u>	<u>\$774,000</u>

On May 22, 2009 the Wolfsonian, Inc. transferred the Women's Club property to the Florida International University as a donation. This transfer was approved by the Wolfsonian, Inc. Board on April 30, 2009 as it deemed it was in the best interest of the Wolfsonian and the University (see Note 15).

NOTE 6. FOUNDATION FIXED ASSETS

	June 30,	
	<u>2009</u>	<u>2008</u>
MARC Building	\$13,080,435	\$13,080,435
Construction in progress	245,104	-
Land	2,500	2,500
Time share	<u>3,200</u>	<u>3,200</u>
	13,331,239	13,086,135
Less accumulated depreciation	<u>(2,230,536)</u>	<u>(1,903,525)</u>
Fixed assets, net	<u>\$11,100,703</u>	<u>\$11,182,610</u>

Depreciation expense was \$327,011 for the years ended June 30, 2009 and 2008, respectively.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

NOTE 7. BOND ISSUANCE COSTS

As of June 30, 2009, unamortized issuance costs related to the tax-exempt bonds (Florida International University Foundation Project – Series 1999) issued by the Miami-Dade County Educational Facilities Authority, as described in Note 9. The issuance costs will be amortized over the term of the bonds which mature in 2022.

	June 30,	
	<u>2009</u>	<u>2008</u>
Bond issuance costs	\$178,772	\$178,772
Less accumulated amortization	<u>(75,800)</u>	<u>(67,774)</u>
Bond issuance costs, net	<u>\$102,972</u>	<u>\$110,998</u>

Amortization expense for the year ended June 30, 2009 was \$8,026.

NOTE 8. ANNUITIES PAYABLE

The Foundation has received, as of June 30, 2009, \$700,000 in gifts under charitable remainder annuity trust agreements. The Foundation recognized the contributions received as revenue during the period that the trust was established. The amount of the contribution was the fair value of the trust assets less the fair value of the estimated annuity payments to be paid annually over the expected life of the annuities. The Foundation recorded the present value of the annuities, plus an additional 10 percent of that amount, as required by Florida Statute Section 627.481, as the liability of annuities payable totaling \$282,106.

NOTE 9. NOTES PAYABLE

On January 20, 2000, the Miami-Dade County Educational Facilities Authority (the Authority) issued \$13,000,000 tax-exempt revenue bonds (Florida International University Foundation Project – Series 1999). These bonds are payable from and secured by a pledge of payments to be made to the Authority under a loan agreement dated December 1, 1999, between the Foundation and the Authority. The Bonds will also be payable from an irrevocable letter of credit issued by a commercial bank as described below. The Foundation will finance the payments to the Authority under the loan agreement with lease payments received from the University under an operating lease (see Note 14). The \$13,000,000 original principal amount was issued under a variable rate structure with a final maturity date of May 1, 2022. The variable rate on fifty percent of the original issue, \$6,500,000, has been synthetically fixed at 4.63 percent through February 1, 2015, by way of an interest rate swap agreement with a commercial bank (see Note 10). For the year ended June 30, 2009, total interest paid was \$339,263. The bond proceeds were used to acquire, construct and equip the multi-function support complex located on the University campus in Miami-Dade County and to pay issuance costs. As of June 30, 2009, the outstanding principal balance due under this note payable amounted to \$9,260,000. As of June 30, 2009, the fair value of the FIU Foundation's liability under the swap agreement was \$614,928.

FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

NOTE 9. NOTES PAYABLE (Continued)

On December 1, 1999, the Foundation entered into a letter of credit agreement with a commercial bank that permitted the Foundation to borrow up to \$13,000,000 through December 15, 2004, bearing interest at the prime rate plus 2 percent. On November 29, 2004, this agreement was extended, with the same terms and conditions, through December 15, 2009. The Foundation must pay an annual commitment fee of 0.45 percent on the unused portion of the commitment. Borrowings under the financing agreement mature 90 days after the date of the borrowing.

The aggregate maturities of the notes payable as of June 30, 2009 are as follows:

Year ending June 30:	
2010	\$ 550,000
2011	575,000
2012	605,000
2013	640,000
2014	670,000
Thereafter	<u>6,220,000</u>
	<u>\$9,260,000</u>

NOTE 10. DERIVATIVE FINANCIAL INSTRUMENTS

On February 1, 2000, the Foundation entered into an interest rate swap agreement (the Swap Agreement) with a commercial bank on a notional amount of \$6,500,000 which represents 50 percent of the principal amount of the bond issue, as described in Note 9. Under the original swap agreement, the Foundation agreed to pay a fixed rate of 5.03 percent per annum and receive variable rates based on 67 percent of the one month U.S. Dollar – LIBOR rate. Effective October 1, 2005, the Foundation renegotiated the swap agreement reducing the interest rate swap to 4.63 percent per annum. The renegotiated swap agreement expires on February 1, 2015.

SunTrust Bank calculates Mark-To-Market Estimates by constructing mid-market forward curves with available market data from external and internal sources. Once constructed, the mid-market forward curves generate a nominal amount for each of a transaction's expected future payments. SunTrust Bank discounts those expected future payments at the respective zero rate, and the sum of all discounted payments equals the MTM Estimate.

NOTE 11. TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily restricted net assets of \$4,128,312 at June 30, 2009 were available for scholarships and other program specific expenses. Permanently restricted net assets of \$142,571,455 at June 30, 2009 consisted of endowment funds. Investment income earned by endowment funds are available for spending based on the Foundation's spending policy. The spending rate is determined by the Foundation's Board at its annual board meeting. The spending rate for year ending June 30, 2009 was 3.0%. The spendable earnings are recorded as either temporarily restricted or unrestricted assets, as stipulated by the donor.

FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

NOTE 12. CONTRIBUTIONS TO UNIVERSITY BUILDING PROGRAM

Contributions are received by the Foundation to support construction projects of the University. These projects are handled by the University, are on University property and become assets of the University upon completion. These funds may be further matched by a state matching program for construction. Prior to the request of matching funds and the commencement of the construction project, the Foundation transfers these contributions to the University.

During the year ended June 30, 2009, the Foundation transferred \$1,448,599 to support numerous construction projects, as follows:

A. Chapman Graduate School building	\$ 573,254
Art Museum Building	433,000
Nursing and Health Sciences Building	200,045
Kovens Conference Center	150,000
International Hurricane Research Center Building	82,300
Civil Engineering Structures Lab Building	10,000
	<u>\$1,448,599</u>

NOTE 13. COMMITMENTS AND CONTINGENCIES

Loan Guarantees

The Foundation guarantees amounts on construction projects on FIU's South Campus, specifically the Pi Kappa Alpha Kappa Gamma Greek Housing facility. This guarantee is expected to retire without being funded, and are not expected to significantly impact operations or future cash flows. The outstanding loan amount is less than one million dollars.

The Foundation also guaranteed the repayment of principal and interest on each hurricane relief loan made by the University credit union to existing credit union members and to Foundation-approved University employees. During fiscal year 2008-2009 all outstanding loan balances were paid in full. The Foundation no longer has any remaining contingency.

NOTE 14. RELATED PARTY TRANSACTIONS

On December 1, 1999, the Foundation entered into a ground lease agreement with the Board of Regents of the State University System of the State of Florida for and on behalf of the University. Under this agreement, the Foundation, the lessee, has leased the grounds on which the multi-functional support complex was built, as described in Note 9. The consideration required to be paid by the Foundation is \$10 annually. The lease will expire on December 31, 2024 or the final payment date under the letter of credit agreement, as described in Note 9.

FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

NOTE 14. RELATED PARTY TRANSACTIONS (Continued)

On December 1, 1999, the Foundation also entered into an operating lease with the Board of Regents on behalf of the University to lease the 75,000 square foot multi-function support complex to the University. The financing of the payments under the letter of credit agreement and the loan agreement, as described in Note 9, will be secured by the pledged leased payments from the University. The University has agreed to pay the Foundation, as lessor, rent in the amount equal to all amounts due and payable by the Foundation under the letter of credit agreement, if any, and the loan agreement. The payments also include any costs of operating and maintaining the multi-functional support complex, in addition to amounts necessary to pay any unanticipated and extraordinary costs. The lease commenced during August 2002 when the multi-function support complex became operational. The lease expires on May 1, 2022 which is the date of maturity of the loan agreement. The cost of the leased asset is \$13,080,435 and the net book value is \$10,849,899 at June 30, 2009. Minimum future rentals as of June 30, 2009 are approximately as follows:

Year ending June 30:	
2010	\$ 1,260,000
2011	1,260,000
2012	1,260,000
2013	1,260,000
2014	1,260,000
Thereafter	10,080,000
	<u>\$16,380,000</u>

NOTE 15. CONTINGENT LIABILITY

The Wolfsonian, Inc. was the owner of the real property located at 2401 Pine Tree Drive and known as the Miami Beach Woman's Club (Woman's Club). The Wolfsonian, Inc. leased the Woman's Club to the Greater Miami Hebrew Academy in July 2004. As the tenant, the Greater Miami Hebrew Academy insured the property under its commercial property policy.

On April 22, 2008 a fire incident occurred at the Miami Beach Women's Club and caused substantial damage to the premises. There then existed an exposure to the Wolfsonian, Inc. and ultimately to the Foundation for costs to repair and restore the Women's Club. Rather than facing that potential exposure, on May 22, 2009 it was considered in the best interest of both the Wolfsonian and the University to donate the property to the University (see Note 5).

NOTE 16. ENDOWMENTS

The Foundation's endowment consists of funds established for a variety of purposes. Its endowment includes donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

NOTE 16. ENDOWMENTS (Continued)

Interpretation of Relevant Law

The Board of Directors of the endowment has interpreted the Florida Uniform Management of Institutional Funds Act as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor intended. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature that are reported in temporary restricted net assets were \$(13,655,735) as of June 30, 2009. These deficiencies resulted from unfavorable market fluctuations that occurred due to an unforeseen nationwide economic crisis.

As of June 30, 2009, endowment net assets consisted of the following:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Restricted</u>	<u>Total</u>
Donor restricted endowment funds	\$ 4,752,441	\$ (10,409,606)	\$ 142,571,455	\$ 136,914,289
Board designated quasi-endowment funds	-	-	-	-
	<u>\$ 4,752,441</u>	<u>\$ (10,409,606)</u>	<u>\$ 142,571,455</u>	<u>\$ 136,914,289</u>
Endowment net assets, June 1, 2008	<u>\$ 6,967,488</u>	<u>\$ 12,156,682</u>	<u>\$ 110,230,070</u>	<u>\$ 129,354,240</u>
Endowment investment return:				
Interest and dividends	-	1,966,019	-	1,966,019
Realized and unrealized losses	-	(23,346,810)	-	(23,346,810)
Total endowment investment	-	(21,380,791)	-	(21,380,791)
Contributions	883,078	136,544	33,682,386	34,702,008
Release of restrictions	1,561,766	(1,134,766)	(427,000)	-
Endowment expenses	(4,847,166)	-	(914,001)	(5,761,167)
Appropriation for spending 3%	69,603	(69,603)	-	-
Appropriation of endowment administrative fee 2%	117,671	(117,671)	-	-
Endowment net assets, June 30, 2009	<u>\$ 4,752,441</u>	<u>\$ (10,409,606)</u>	<u>\$ 142,571,455</u>	<u>\$ 136,914,289</u>

Return Objectives and Risk Parameters

The Foundation has adopted investment policies and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

NOTE 16. ENDOWMENTS (Continued)

Return Objectives and Risk Parameters (Continued)

donor-specified periods. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce a long-term rate of return on assets while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time to achieve, at a minimum, a real (inflation adjusted) total return, net of investment management fees, that is consistent with spending requirements.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation's spending policy states that the Finance and Audit Committee will recommend, subject to approval by the Board of Directors, the annual spending distribution to be made to endowed accounts. The spending distribution is determined as a percentage of the endowment's average yearly market value (gift corpus plus undistributed investment earnings since inception) and is distributed at the close of the Foundation's fiscal year. Spending distributions are dependent on the Foundation's investment returns and are therefore not guaranteed. If in any given year investment losses reduce the endowment's market value below original corpus, future spending distributions are contingent on first restoring the endowment to its original corpus, before any distribution is made for spending. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

SUPPLEMENTARY INFORMATION
(Unaudited)

FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY

EMINENT SCHOLARS CHAIR PROGRAM

SCHEDULE OF RECEIPTS, EXPENDITURES AND ENDOWMENT BALANCES - SCHEDULE I

YEAR ENDED JUNE 30, 2009
(Unaudited)

	Beginning Balance July 1, 2008	<u>Contribution</u>		Interest and Investment Gains/Losses(1)	Expenditures	Transfers	Ending Balance June 30, 2009
		<u>Amount</u>	<u>Received</u>				
1117030 Edna Gene and Jordan Davidson Endowed Chair							
Permanently restricted	\$ 1,000,000	-					\$ 1,000,000
Unrestricted	\$ 836,839			(322,983)	\$ 205,860		\$ 307,996
1139070 George C. Barley Endowed Chair							
Permanently restricted	\$ 1,080,000	-					\$ 1,080,000
Unrestricted	\$ 405,861			(253,860)	\$ 6,765		\$ 145,236
1200220 James L. Knight Endowed Chair in MIS							
Permanently restricted	\$ 1,031,794	-					\$ 1,031,794
Unrestricted	\$ 624,667			(344,229)	\$ 24,966		\$ 255,471
1270040 Knight Ridder Chair in Global Management							
Permanently restricted	\$ 1,020,000	-					\$ 1,020,000
Unrestricted	\$ 168,211			(236,006)	\$ 82,213		\$ (150,008)
1270050 Knight Ridder Chair in International Management							
Permanently restricted	\$ 1,020,000	-					\$ 1,020,000
Unrestricted	\$ 175,248			(236,007)	\$ 63,285		\$ (124,043)
1270060 Byron Harless Chair in Management Development							
Permanently restricted	\$ 1,020,000	-					\$ 1,020,000
Unrestricted	\$ 130,520			(236,007)	\$ 54,878		\$ (160,364)
1270070 James K. Batten Chair in Strategic Management							
Permanently restricted	\$ 1,020,000	-					\$ 1,020,000
Unrestricted	\$ 123,061			(236,006)	\$ 41,438		\$ (154,383)
1270080 Alvah Chapman Endowed Chair in Management							
Permanently restricted	\$ 1,020,000	-					\$ 1,020,000
Unrestricted	\$ 111,107			(232,446)	\$ 51,994		\$ (173,333)
1280060 Ryder Chair in Management Information Systems							
Permanently restricted	\$ 1,020,000	-					\$ 1,020,000
Unrestricted	\$ 223,198			(229,391)	\$ -		\$ (6,193)
1280070 Ryder Business Leadership Chair							
Permanently restricted	\$ 1,020,000	-					\$ 1,020,000
Unrestricted	\$ 112,776			(233,972)	\$ 46,572		\$ (167,769)
1280080 Ryder Decision Sciences Chair							
Permanently restricted	\$ 1,020,000	-					\$ 1,020,000
Unrestricted	\$ 109,685			(233,972)	\$ -		\$ (124,288)
1280090 Ryder Global							
Permanently restricted	\$ 1,020,000	-					\$ 1,020,000
Unrestricted	\$ 155,235			(233,972)	\$ 73,989		\$ (152,727)
1410020 JLK Chair in Education Reform & Innovation							
Permanently restricted	\$ 1,022,170	-					\$ 1,022,170
Unrestricted	\$ 184,545			(242,806)	\$ 79,454		\$ (137,715)
1410030 Center for Urban Development Endowment							
Permanently restricted	\$ 1,022,171	-					\$ 1,022,171
Unrestricted	\$ 170,588			(242,807)	\$ 65,498		\$ (137,716)
1410040 Center for Urban Development Endowment							
Permanently restricted	\$ 1,022,171	-					\$ 1,022,171
Unrestricted	\$ 167,761			(242,805)	\$ 62,673		\$ (137,716)
1410050 Center for Urban Development Endowment							
Permanently restricted	\$ 1,022,171	-					\$ 1,022,171
Unrestricted	\$ 163,627			(242,806)	\$ 58,538		\$ (137,716)

FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY

EMINENT SCHOLARS CHAIR PROGRAM

SCHEDULE OF RECEIPTS, EXPENDITURES AND ENDOWMENT BALANCES - SCHEDULE I

(Continued)

YEAR ENDED JUNE 30, 2009

(Unaudited)

	Beginning Balance July 1, 2008	<u>Contribution</u>		Interest and Investment Gains/Losses(1)	<u>Expenditures</u>	<u>Transfers</u>	Ending Balance June 30, 2009
		<u>Amount</u>	<u>Received</u>				
1600170 Coulter Biomedical Eminent Chair							
Permanently restricted	\$ 2,000,000	-					\$ 2,000,000
Unrestricted	\$ 372,762			(479,931)	\$ 100,000		\$ (207,170)
1700090 Paul L. Cejas Endowed Scholarship Chair							
Permanently restricted	\$ 1,020,000	-					\$ 1,020,000
Unrestricted	\$ 53,060			(220,550)	\$ 40,000		\$ (207,490)
2400050 MCH Pediatrics Chair Endowment							
Permanently restricted	\$ 500,000	500,000					\$ 1,000,000
Unrestricted	\$ (15,984)			(131,342)	\$ -		\$ (147,326)
2400060 Leon Med Ctr Geriatrics Chair							
Permanently restricted	\$ 2,000,250	6,425	May-09				\$ 2,006,675
Unrestricted	\$ (21,315)			(427,534)	\$ -		\$ (448,849)
4100190 We Will Rebuild Chair in Hurricane Studies							
Permanently restricted	\$ 1,050,000	-					\$ 1,050,000
Unrestricted	\$ 518,048	-		(286,590)	\$ 4,929		\$ 226,528
	<u>\$27,722,236</u>	<u>\$506,425</u>		<u>\$ (5,546,022)</u>	<u>\$ 1,063,052</u>		<u>\$21,619,588</u>

(1) Represents allocated investment losses. The investment losses were allocated to the unrestricted/temporarily restricted fund as required by donor-imposed restrictions.

FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY

MAJOR GIFTS PROGRAM

SCHEDULE OF RECEIPTS, EXPENDITURES AND ENDOWMENT BALANCES - SCHEDULE II

YEAR ENDED JUNE 30, 2009

(Unaudited)

	Beginning Balance July 1, 2008	Contribution		Interest and Investment Gains(1)	Expenditures	Transfers	Ending Balance June 30, 2009
		Amount	Received				
1000030 Madeline Kitts Scholarship:							
Permanently restricted	\$ 457,093	\$ -					\$ 457,093
Temporarily restricted	301,481	-		\$ (135,271)	\$ 76,891		\$ 89,319
1000060 Patricia and Phillip Frost Endowed Professorship:							
Permanently restricted	150,000	-					\$ 150,000
Unrestricted	148,317	-		(48,940)	20,389		\$ 78,989
1000140 Perlman Family Faculty Grant Endowment							
Permanently restricted	153,176	-					\$ 153,176
Unrestricted	31,438	-		(34,242)	19,979		\$ (22,783)
1000420 Perry Graduate Scholarship:							
Permanently restricted	254,552	-					\$ 254,552
Temporarily restricted	57,068	-		(59,057)	25,000		\$ (26,989)
1000460 Aventura Marketing:							
Permanently restricted	207,517	-					\$ 207,517
Temporarily restricted	32,036	-		(46,655)	9,500		\$ (24,119)
1000510 Garcia-Zamor Haitian American Endowment:							
Permanently restricted	300,000	-					\$ 300,000
Temporarily restricted	46,264	-		(66,528)	15,000		\$ (35,264)
1000570 Bank of America Scholarship Endowment:							
Permanently restricted	175,000	-					\$ 175,000
Temporarily restricted	40,586	-		(41,583)	12,000		\$ (12,997)
1000610 Lucille E. Snaith Memorial Scholarship Endowment							
Permanently restricted	152,500	-					\$ 152,500
Temporarily restricted	20,483	-		(34,000)	7,000		\$ (20,517)
1000650 Manuel and Mercedes Mosteiro Scholarship Endow							
Permanently restricted	227,645	27,707	Oct-08; May-09				\$ 255,352
Temporarily restricted	21,219	-		(53,232)	10,000		\$ (42,013)
1000710 Sedanos Family First Generation Scholarship							
Permanently restricted	150,000	-					\$ 150,000
Temporarily restricted	2,493	-		(32,335)	2,000		\$ (31,842)
1100090 Judith Evans Parker							
Permanently restricted	100,000	4,915					\$ 104,915
Temporarily restricted	13,911	-	Sep-08	(24,426)	5,400		\$ (15,915)
1111110 Barnes & Noble Creative Writing Endowment:							
Permanently restricted	450,000	-					\$ 450,000
Unrestricted	65,606	-		(100,380)	11,796		\$ (46,569)
1119050 Helen J. Dunnick:							
Permanently restricted	224,521	-					\$ 224,521
Unrestricted	18,153	-		(49,987)	10,482		\$ (42,316)
1119070 Sephardic Oriental Jewish Endowment:							
Permanently restricted	1,020,000	-					\$ 1,020,000
Temporarily restricted	166,101	6,600	Apr-09	(226,194)	69,298		\$ (122,792)
1131050 Stanley Glaser Endowed Professorship in Biological Science							
Permanently restricted	150,000	-					\$ 150,000
Unrestricted	88,621	-		(48,447)	6,869		\$ 33,305
1131100 Kelly Tropical Botany Scholarship Endowment							
Permanently restricted	150,000	-					\$ 150,000
Temporarily restricted	18,079	-		(34,850)	3,500		\$ (20,271)
1139040 S.E. Environmental:							
Permanently restricted	1,029,000	-				(427,000)	\$ 602,000
Unrestricted	124,557	-		(203,174)	91,313		\$ (169,930)

FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY

MAJOR GIFTS PROGRAM

SCHEDULE OF RECEIPTS, EXPENDITURES AND ENDOWMENT BALANCES - SCHEDULE II

(Continued)

YEAR ENDED JUNE 30, 2009

(Unaudited)

	Beginning Balance July 1, 2008	<u>Contribution</u>		Interest and Investment Gains(1)	<u>Expenditures</u>	<u>Transfers</u>	Ending Balance June 30, 2009
		<u>Amount</u>	<u>Received</u>				
1139080 Miccosukee Indians Everglades Endowment:							
Permanently restricted	1,620,000	-					\$ 1,620,000
Unrestricted	362,511	-		(365,028)	30,000		\$ (32,517)
1139110 JM Hibbard Memorial Lectures							
Permanently restricted	150,000	-					\$ 150,000
Unrestricted	6,793	-		(32,492)	3,532	(1,361)	\$ (30,593)
1200040 Business Men's Insurance Marketing Professorship:							
Permanently restricted	134,600	-					\$ 134,600
Unrestricted	90,990	-		(45,126)	18,740		\$ 27,123
1200070 Burdines Professorship:							
Permanently restricted	225,000	-					\$ 225,000
Unrestricted	49,379	-		(49,896)	22,446		\$ (22,963)
1200100 Deloitte & Touche Accounting Scholarship Endowment							
Permanently restricted	137,556	-					\$ 137,556
Temporarily restricted	39,837	-		(31,893)	11,500		\$ (3,556)
1200110 Drexel Burnham Lambert Endowed Scholarship in CBA							
Permanently restricted	142,500	-					\$ 142,500
Temporarily Restricted	93,500	-		(46,532)	10,542		\$ 36,425
1200140 FIBA Professorship:							
Permanently restricted	150,000	-					\$ 150,000
Unrestricted	23,839	-		(34,711)	5,093		\$ (15,965)
1200150 Wachovia Business Ethics Scholarship							
Permanently restricted	300,000	-					\$ 300,000
Temporarily restricted	81,448	-		(69,426)	8,000		\$ 4,022
1200180 Herbert Wertheim Professorship in College of Business							
Permanently restricted	150,000	-					\$ 150,000
Unrestricted	71,135	-		(40,587)	15,473		\$ 15,076
1200190 Ingersoll-Rand IB Prof Endowment							
Permanently restricted	150,002	-					\$ 150,002
Unrestricted	15,923	-		(33,564)	3,330		\$ (20,971)
1200250 Bank America Business Ethics Scholarship:							
Permanently restricted	300,000	-					\$ 300,000
Temporarily restricted	87,220	-		(70,091)	8,000		\$ 9,129
1200260 Union Planters National Bank:							
Permanently restricted	487,500	-					\$ 487,500
Temporarily restricted	132,540	-		(111,881)	4,000		\$ 16,659
1200280 Suntrust Professorship:							
Permanently restricted	225,000	-					\$ 225,000
Unrestricted	35,994	-		(51,009)	7,105		\$ (22,120)
1200290 AXA Foundation Business Ethics Scholarship:							
Permanently restricted	210,275	-					\$ 210,275
Temporarily restricted	59,581	-		(47,902)	8,000		\$ 3,679
1200330 David Parker:							
Permanently restricted	100,000	-					\$ 100,000
Temporarily restricted	12,421	-		(23,363)	3,958		\$ (14,900)
1200560 Global Entrepreneurship Center (Pino)							
Permanently restricted	2,500,000	-					\$ 2,500,000
Unrestricted	184,182	6,000	Nov-08	(538,948)	58,329		\$ (407,096)
1260020 Jerome Bain Endowed Scholarship:							
Permanently restricted	150,000	-		(44,161)			\$ 105,839
Temporarily restricted	129,881	-			16,413		\$ 113,468

FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY

MAJOR GIFTS PROGRAM

SCHEDULE OF RECEIPTS, EXPENDITURES AND ENDOWMENT BALANCES - SCHEDULE II

(Continued)

YEAR ENDED JUNE 30, 2009

(Unaudited)

	Beginning Balance July 1, 2008	Contribution Amount	Received	Interest and Investment Gains(1)	Expenditures	Transfers	Ending Balance June 30, 2009
1260030 Jerome Bain Real Estate Institution:							
Permanently restricted	1,020,000	-					\$ 1,020,000
Unrestricted	255,124	20,000	Oct-08; Feb-09	(234,439)	152,641		\$ (111,957)
1270030 Knight Ridder Center Endowment:							
Permanently restricted	548,707	-					\$ 548,707
Unrestricted	79,561	-		(120,326)	39,152		\$ (79,917)
1280040 Ryder Center for Business Logistics:							
Permanently restricted	150,000	-					\$ 150,000
Unrestricted	159,329	52,202	Jun-09	(45,791)	26,627	(1,040)	\$ 138,072
1280050 Ryder System Endowed Professorship:							
Permanently restricted	150,000	-					\$ 150,000
Unrestricted	81,542	-		(44,961)	4,328	1,040	\$ 33,292
1300030 Henry Milander:							
Permanently restricted	524,399	-					\$ 524,399
Temporarily restricted	360,805	-		(141,085)	-		\$ 219,720
1400040 Patricia and Phillip Endowed Professorship in Education:							
Permanently restricted	150,000	-					\$ 150,000
Unrestricted	87,100	-		(46,868)	3,633		\$ 36,599
1400140 Bellsouth Scholarship Endowment:							
Permanently restricted	150,000	-					\$ 150,000
Temporarily restricted	39,502	-		(35,648)	14,000		\$ (10,146)
1400150 Pat Tornillo Scholarship Endowment:							
Permanently restricted	370,000	-					\$ 370,000
Temporarily restricted	100,909	-		(83,637)	-		\$ 17,272
1400180 Mark Blum Memorial Scholarship Endowment:							
Permanently restricted	227,996	640	Feb-09				\$ 228,636
Temporarily restricted	28,251	-		(49,757)	16,000		\$ (37,506)
1400200 Robert R. Bellany Scholarship Endowment:							
Permanently restricted	682,500	-					\$ 682,500
Temporarily restricted	128,665	-		(153,276)	21,500		\$ (46,111)
1500030 Hospitality Management Minority Endowment:							
Permanently restricted	441,496	-					\$ 441,496
Temporarily restricted	83,207	100	May-09	(97,607)	52,751		\$ (67,051)
1500040 N.A.C. Professorship in Hospitality Management:							
Permanently restricted	155,000	-					\$ 155,000
Unrestricted	145,208	-		(50,153)	5,740		\$ 89,315
1500100 Coca Cola Professorship:							
Permanently restricted	150,000	-					\$ 150,000
Unrestricted	70,966	-		(44,922)	2,454		\$ 23,591
1500140 James Bruce Wallace/R. Tuesday Scholarship Fund:							
Permanently restricted	150,000	-					\$ 150,000
Temporarily restricted	78,636	-		(44,855)	14,251		\$ 19,530
1500160 Ernest R. Graham Endowed Professorship:							
Permanently restricted	150,000	-					\$ 150,000
Unrestricted	115,734	-		(49,772)	16,101		\$ 49,861
1500180 Metromedia Restaurants Endowed Scholarships:							
Permanently restricted	170,000	-					\$ 170,000
Temporarily restricted	49,567	-		(41,587)	11,215		\$ (3,235)
1500190 Beverage Management Endowment:							
Permanently restricted	454,819	-					\$ 454,819
Unrestricted	65,889	-		(102,418)	-		\$ (36,529)

FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY

MAJOR GIFTS PROGRAM

SCHEDULE OF RECEIPTS, EXPENDITURES AND ENDOWMENT BALANCES - SCHEDULE II

(Continued)

YEAR ENDED JUNE 30, 2009

(Unaudited)

	Beginning Balance July 1, 2008	<u>Contribution</u>		Interest and Investment Gains(1)	<u>Expenditures</u>	<u>Transfers</u>	Ending Balance June 30, 2009
		<u>Amount</u>	<u>Received</u>				
1500210 FIU Hospitality Review:							
Permanently restricted	187,500	-					\$ 187,500
Temporarily restricted	39,206	-		(47,028)	6,289		\$ (14,111)
1500220 Hospitality Management Program:							
Permanently restricted	213,152	-					\$ 213,152
Unrestricted	81,400	-		(49,291)	-		\$ 32,109
1500230 John Kluge Endowed Scholarship:							
Permanently restricted	710,000	-					\$ 710,000
Temporarily restricted	180,510	-		(166,329)	36,700		\$ (22,519)
1500240 Hospitality Computer Endowment:							
Permanently restricted	175,637	-					\$ 175,637
Temporarily restricted	43,490	-		(40,797)	-		\$ 2,692
1500290 Hospitality Computer Endowment:							
Permanently restricted	155,469	100	Jan-09				\$ 155,569
Temporarily restricted	55,361	-		(35,614)	7,000		\$ 12,747
1500300 H.R. Chaplin Beverage Management Chair							
Permanently restricted	1,020,000	-					\$ 1,020,000
Temporarily restricted	300,093	-		(238,708)	637		\$ 60,748
1500370 Marriott Scholarship Endowment							
Permanently restricted	300,000	-					\$ 300,000
Temporarily restricted	6,114	-		(64,647)	2,710		\$ (61,243)
1500410 Ocean Waters Hospitality Scholarship							
Permanently restricted	150,000	-					\$ 150,000
Temporarily restricted	3,896	-		(32,043)	1,750		\$ (29,897)
1600020 Endowed Scholarships in Engineering:							
Permanently restricted	150,000	-					\$ 150,000
Temporarily restricted	28,398	2,500	Apr-09	(35,046)	9,720		\$ (13,868)
1600030 Endowed Professorship in Engineering:							
Permanently restricted	100,000	-					\$ 100,000
Unrestricted	82,541	-		(26,097)	1,000		\$ 55,444
1600140 Norman Weldon Biomedical:							
Permanently restricted	150,000	-					\$ 150,000
Temporarily restricted	21,170	-		(34,758)	5,000		\$ (18,588)
1600180 Bioinstrumentation/Biomeasurement Professorship							
Permanently restricted	1,000,000	-					\$ 1,000,000
Temporarily restricted	174,927	-		(237,750)	50,000		\$ (112,823)
1600190 Biomedical Engineering Excellence Endowment:							
Permanently restricted	2,000,000	-					\$ 2,000,000
Unrestricted	332,420	-		(471,504)	95,000		\$ (234,084)
1600210 Cardiovascular Engineering Center:							
Permanently restricted	500,000	-					\$ 500,000
Unrestricted	81,892	-		(117,875)	25,000		\$ (60,983)
1600220 Lucent Technology CALA Dist. Professorship:							
Permanently restricted	450,000	-					\$ 450,000
Unrestricted	100,320	-		(99,792)	906		\$ (377)
1600240 Biomedical Engineering Research Institute:							
Permanently restricted	1,000,000	-					\$ 1,000,000
Unrestricted	159,920	-		(235,750)	50,000		\$ (125,831)
1600250 WH Coulter Biomedical Scholarship:							
Permanently restricted	1,000,000	-					\$ 1,000,000
Unrestricted	158,785	-		(235,751)	50,000		\$ (126,966)

FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY

MAJOR GIFTS PROGRAM

SCHEDULE OF RECEIPTS, EXPENDITURES AND ENDOWMENT BALANCES - SCHEDULE II

(Continued)

YEAR ENDED JUNE 30, 2009

(Unaudited)

	Beginning Balance July 1, 2008	Contribution		Interest and Investment Gains(1)	Expenditures	Transfers	Ending Balance June 30, 2009
		Amount	Received				
1600260 WH Coulter Biomedical Scholarships:							
Permanently restricted	500,000	-					\$ 500,000
Unrestricted	81,892	-		(117,875)	25,000		\$ (60,983)
1600270 Coulter Young Inventor Award Endowment							
Permanently restricted	1,500,000	-					\$ 1,500,000
Temporarily Restricted	300,584	-		(363,870)	75,000		\$ (138,286)
1600280 Coulter Biomedical Lecture Series							
Permanently restricted	500,000	-					\$ 500,000
Temporarily Restricted	86,017	-		(117,876)	24,261		\$ (56,120)
1600330 Ware Professorship							
Permanently restricted	150,000	-					\$ 150,000
Unrestricted	38,383	-		(34,256)	-		\$ 4,127
1600450 Ware Foundation Research							
Permanently restricted	629,500	70,500	Jan-09				\$ 700,000
Unrestricted	139,462	65,000	Jun-09	(143,288)	80,000		\$ (18,826)
1600480 Kelly Foundation Construction & Engineering							
Permanently restricted	100,000	-					\$ 100,000
Unrestricted	(455)	-		(21,429)	-		\$ (21,884)
1700080 Paul L. Cejas Architecture Endowment							
Permanently restricted	730,009	-					\$ 730,009
Unrestricted	70,294	-		(157,702)	22,133		\$ (109,541)
1740040 Evejyn Spitalny Endowment in Music							
Permanently restricted	153,181	-					\$ 153,181
Unrestricted	44,126	-		(38,927)	12,737		\$ (7,538)
1740060 Wertheim Performing Arts Scholarship							
Permanently restricted	1,020,000	-					\$ 1,020,000
Unrestricted	228,009	-		(247,209)	65,769		\$ (84,969)
1800150 Dresnick Scholars Endowment:							
Permanently restricted	152,297	-					\$ 152,297
Temporarily restricted	22,836	-		(36,403)	6,129		\$ (19,696)
1800170 A. Friedman Health & Nursing Endowment:							
Permanently restricted	150,000	-					\$ 150,000
Temporarily restricted	14,335	-		(34,160)	5,752		\$ (25,577)
1810040 School of Nursing Endowment I:							
Permanently restricted	1,586,152	3,500	Jan-09				\$ 1,589,652
Unrestricted	229,083	-		(437,737)	38,368		\$ (247,023)
1810050 Betty Florman Nursing Scholarship:							
Permanently restricted	150,000	-					\$ 150,000
Temporarily restricted	15,457	-		(34,320)	6,127		\$ (24,990)
1810110 BC/BS Nursing Scholarship Endowment							
Permanently restricted	150,000	-					\$ 150,000
Temporarily restricted	11,809	-		(33,635)	5,663		\$ (27,489)
1810130 North Dade Medical Nursing Lab Equipment							
Permanently restricted	437,500	-					\$ 437,500
Temporarily restricted	60,880	-		(130,695)	2,151		\$ (71,965)
1810140 North Dade Medical Nursing Lab Equipment							
Permanently restricted	1,750,000	-					\$ 1,750,000
Temporarily restricted	175,098	-		(522,783)	96,258		\$ (443,943)
1900050 Janet Chusmir Endowed Scholarship in School of							
Permanently restricted	313,210	-					\$ 313,210
Temporarily restricted	236,599	-		(97,130)	12,807		\$ 126,662

FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY

MAJOR GIFTS PROGRAM

SCHEDULE OF RECEIPTS, EXPENDITURES AND ENDOWMENT BALANCES - SCHEDULE II

(Continued)

YEAR ENDED JUNE 30, 2009

(Unaudited)

	Beginning Balance July 1, 2008	Contribution		Interest and Investment Gains(1)	Expenditures	Transfers	Ending Balance June 30, 2009
		Amount	Received				
1900060 W.R. Hearst Professorship:							
Permanently restricted	300,000	-					\$ 300,000
Unrestricted	135,803	-		(78,840)	20,326		\$ 36,637
2000050 Judge Thomas Britton Scholarship Endowment							
Permanently restricted	265,000	-					\$ 265,000
Temporarily restricted	52,351	-		(59,095)	30,233		\$ (36,977)
2000070 Cuban American Bar Scholarship Endowment							
Permanently restricted	111,900	-					\$ 111,900
Temporarily restricted	8,233	-		(24,109)	4,400		\$ (20,276)
2000120 Law Professorship Endowment							
Permanently restricted	1,275,000	-					\$ 1,275,000
Unrestricted	7,625	-		(274,805)	-		\$ (267,180)
2100030 Endowed Professorship in Computer Sciences #1							
Permanently restricted	153,360	-					\$ 153,360
Unrestricted	158,265	-		(49,524)	2,706		\$ 106,035
2100040 Endowed Professorship in Computer Sciences #2							
Permanently restricted	153,360	-					\$ 153,360
Unrestricted	160,746	-		(49,525)	2,706		\$ 108,516
2100050 Endowed Graduate Fellowship in Computer Sciences #1							
Permanently restricted	153,410	-					\$ 153,410
Unrestricted	124,508	-		(49,535)	8,706		\$ 66,267
2100060 Endowed Graduate Fellowship in Computer Sciences #2							
Permanently restricted	153,360	-					\$ 153,360
Unrestricted	188,673	-		(49,524)	43,406		\$ 95,743
2100070 Ryder System endowment Professorship in Computer Sciences							
Permanently restricted	150,000	-					\$ 150,000
Unrestricted	228,802	-		(47,326)	2,586		\$ 178,890
2200030 General Library Purchase Endowment:							
Permanently restricted	632,443	8,000	Aug-08; Feb-09				\$ 640,443
Temporarily restricted	239,867	-		(147,995)	-		\$ 91,872
2200040 Green Library Endowment:							
Permanently restricted	800,500	500	May-09				\$ 801,000
Temporarily restricted	109,165	-		(183,161)	34,608		\$ (108,604)
2300030 Honors College General Endowment							
Permanently restricted	108,683	6,294	Feb-09				\$ 114,977
Temporarily restricted	39,929	25,425	Jul-08	(26,013)	24,647		\$ 14,694
2300060 Harvey L. Young:							
Permanently restricted	150,800	-					\$ 150,800
Temporarily restricted	31,676	-		(35,197)	4,000		\$ (7,521)
2300070 Lucille E Snaith Memorial Scholarship Endowment							
Permanently restricted	500,000	-					\$ 500,000
Temporarily restricted	93,784	-		(114,646)	7,500		\$ (28,362)
2500030 R. Stempel Public Health Scholarship Endowment							
Permanently restricted	3,298,411	-					\$ 3,298,411
Temporarily restricted	730,440	-		(757,658)	67,755		\$ (94,973)
2500060 CV Starr Scholarship							
Permanently restricted	3,341,851	55,000	Apr-09				\$ 3,396,851
Temporarily restricted	542,878	-		(758,260)	16,526		\$ (231,908)
2530040 Bank of America Scholarship Endowment (CUPA):							
Permanently restricted	150,000	-					\$ 150,000
Temporarily restricted	44,195	-		(34,444)	-		\$ 9,751

FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY

MAJOR GIFTS PROGRAM

SCHEDULE OF RECEIPTS, EXPENDITURES AND ENDOWMENT BALANCES - SCHEDULE II

(Continued)

YEAR ENDED JUNE 30, 2009

(Unaudited)

	Beginning Balance July 1, 2008	Contribution Amount Received	Interest and Investment Gains(1)	Expenditures	Transfers	Ending Balance June 30, 2009
3000080 Dorothea and Steven Green Endowment						
Permanently restricted	3,200,010	-				\$ 3,200,010
Temporarily restricted	689,472	-	(732,113)	169,358		\$ (211,999)
3100100 Wolfsonian Program Endowment						
Permanently restricted	495,884	-				\$ 495,884
Temporarily restricted	45,483	-	(112,232)	-		\$ (66,749)
4020150 Michael Felsberg Scholarship						
Permanently restricted	100,400	-				\$ 100,400
Temporarily restricted	11,018	-	(21,627)	-		\$ (10,609)
4100030 City of Homestead Campus						
Permanently restricted	250,000	-				\$ 250,000
Temporarily restricted	273,224	-	(73,860)	4,036		\$ 195,328
4100200 Hurricane Center Endowment						
Permanently restricted	700,008	-				\$ 700,008
Unrestricted	431,371	-	(199,042)	176,774		\$ 55,555
4200070 ER & C Gross Scholarship Endowment:						
Permanently restricted	254,755	-				\$ 254,755
Temporarily restricted	61,445	-	(58,986)	3,962		\$ (1,503)
4410020 CAMP for Justice Scholarship Endowment						
Permanently restricted	150,000	-				\$ 150,000
Temporarily restricted	18,233	-	(32,398)	7,000	-	\$ (21,165)
	<u>\$66,858,764</u>	<u>\$354,983</u>	<u>\$ (12,971,008)</u>	<u>\$ 2,462,371</u>	<u>\$ (428,361)</u>	<u>\$51,352,013</u>

FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY

MAJOR GIFTS PROGRAM

SCHEDULE OF RECEIPTS, EXPENDITURES AND ENDOWMENT BALANCES - SCHEDULE II

YEAR ENDED JUNE 30, 2009

(Unaudited)

	Beginning Balance July 1, 2008	State Match Presented	State Match Received	Write- Offs	Ending Balance June 30, 2009
B. Priority List					
Honors College General Endowment	\$ 51,650	\$ -	\$ -	\$ -	51,650
CV Starr Scholarship Program Endowment	74,531	-	-	-	74,531
Cuban American Bar Scholarship Endowment	50,050	-	-	-	50,050
Ware Foundation Research Endowment	50,000	-	-	-	50,000
Kelly Foundation Construction & Engineering	50,000	-	-	-	50,000
North Dade Medical Foundation FIU					
College of Medicine (E)	5,000,000	-	-	-	5,000,000
Jane Hsiao Asian Art Endowment	751,755	-	-	-	751,755
Wolfsonian Program Endowment	53,000	-	-	-	53,000
MCH Eminent Scholars Chair in Pediatrics (E)	250,000	-	-	-	250,000
C.V. Starr Scholarship Program Endowment*	125,000	-	-	-	125,000
Lennar Corporation Scholarship Endowment	50,000	-	-	-	50,000
R. Kirk Landon General Endowment	-	250,000	-	-	250,000
Pino Global Entrepreneurship Center Endowment - 3	-	230,000	-	-	230,000
Barnes & Noble Creative Writing Endowment	-	75,000	-	-	75,000
Pino Global Entrepreneurship Center Endowment - 2	-	150,000	-	-	150,000
Leon Medical Center Eminent Scholars Chair in Geriatrics	-	2,000,250	-	-	2,000,250
	<u>\$ 6,505,986</u>	<u>\$ 2,705,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,211,236</u>



FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC.
BOARD OF DIRECTORS

OFFICERS AND EXECUTIVE COMMITTEE

Fiscal Year

July 1, 2008 - June 30, 2009

(Unaudited)

Joseph L. Caruncho, '81, *Chairperson*
T. Gene Prescott, *Vice Chairperson*
Noel Guillama-Alvarez, *Treasurer*
Veronica Cervera Goeseseke, *Secretary***

Nelson L. Adams, III	Donald E. Lefton
Michael M. Adler	Jim Mandich*
David F. Alfonso, '96*	Ray E. Marchman
Antonio Argiz	Michael R. Mendez, '03
Richard Brilliant, '74*	Albert Morrison, Jr.
Nicholas G. Bustle, '88*	Eileen Moss, '82*
Carlos B. Castillo, '88	Marcel Navarro, '93*
Thomas Cornish, '85	Ramiro Ortiz
Carlos de Céspedes*	Luis E. Perez, '78
Kathryn G. Dinkin*	Marcos A. Perez, '90, '00
Albert E. Dotson, Sr., <i>Ex-Officio</i>	David L. Perlman
Carlos Duarte, '94, '99*	Justo L. Pozo, '80
Ramon Flores*	Carolina Rendeiro*
Dany Garcia	Laurie Richardson, <i>Ex-Officio</i>
Jorge J. Gonzalez	Carlos A. Sabater, '81
Gerald C. Grant, Jr., '78, '89	Ana Maria Silva, <i>Ex-Officio</i>
Dorothea Green*	Ronald A. Shuffield
John M. Hogan	Theodore Spak*
Morris I. Hollander, <i>Ex-Officio</i>	Jose Perez de Corcho, Jr., <i>Ex-Officio</i>
Peggy M. Hollander	Jose J. Valdes-Fauli*
Jeffrey L. Horstmyer	Mitchell Wolfson, Jr.
Rosa L. Jones, <i>Ex-Officio</i>	Isaac Zelcer
S. Lawrence Kahn, III	Sanford L. Ziff
Christopher G. Korge	

**Did not serve as a Director for the entire fiscal year*

***Did not serve as Officer for the entire fiscal year*

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INTERNATIONAL
UNIVERSITY
FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC.
BOARD OF DIRECTORS

OFFICERS AND EXECUTIVE COMMITTEE

Fiscal Year

July 1, 2008 - June 30, 2009

(Continued)

JOSEPH L. CARUNCHO, '81, Chairperson for the Board of Directors

Dates of Service: 11.29.06 – 12.31.09

Committee Affiliations:

- > Executive Committee, *Chairperson*
- > Ex-Officio Member of all Committees (non-voting)

T. GENE PRESCOTT, Vice Chairperson for the Board of Directors

Date of Service: 3.26.03– Present

Committee Affiliations:

- > Executive Committee, *Vice Chairperson*
- > Finance & Audit Committee, *Member*
- > Investment Special Committee, *Member*

NOEL J. GUILLAMA-ALVAREZ, Treasurer for the Board of Directors

Dates of Service: 11.27.02 – Present

Committee Affiliations:

- > Executive Committee, *Member*
- > Finance and Audit Committee, *Chairperson*
- > Investment Special Committee, *Chairperson*

VERONICA CERVERA GOESEKE, Secretary for the Board of Directors

Dates of Service: 4.6.06 – Present

Committee Affiliations:

- > Executive Committee, *Member*
- > Development Committee, *Member*

MICHAEL M. ADLER

Dates of Service: 3.24.04 – Present

Committee Affiliations:

- > Executive Committee, *Member*
- > Development Committee, *Chairperson*

ALBERT E. DOTSON, SR.

Dates of Service: 3.26.08- Present

Committee Affiliations:

- > Executive Committee, *Board of Trustees Representative*



FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC.
BOARD OF DIRECTORS

OFFICERS AND EXECUTIVE COMMITTEE

Fiscal Year

July 1, 2008 - June 30, 2009

(Continued)

GERALD C. GRANT, JR., '78, '89

Dates of Service: 4.6.06 – Present

Committee Affiliations:

- > Executive Committee, *Special Member*
- > Investment Special Committee, *Member*

ROSA L. JONES

Dates of Service: 11.28.01– Present

Committee Affiliations:

- > Executive Committee, *Presidential Designee*

RAY E. MARCHMAN

Dates of Service: 3.29.00– Present

Committee Affiliations:

- > Executive Committee, *Member*
- > University & Community Relations Committee, *Chairperson*

RONALD A. SHUFFIELD

Dates of Service: 11.28.01– Present

Committee Affiliations:

- > Executive Committee, *Member*
- > Recruitment Committee, *Chairperson*

COMPLIANCE REPORT



**Independent Auditors' 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***

Members of the Board of Directors and the Finance and Audit Committee
Florida International University Foundation, Inc. and Subsidiary
Miami, Florida

We have audited the consolidated financial statements of Florida International University Foundation, Inc. and Subsidiary (the Foundation) as of and for the year ended June 30, 2009 and have issued our report thereon dated January 20, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Foundation's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing the assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the Foundation's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the Foundation's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Foundation's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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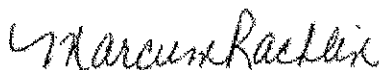
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Members of the Board of Directors and the Finance and Audit Committee
Florida International University Foundation, Inc. and Subsidiary
Page Two

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's consolidated financial statements are free of 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, the Finance and Audit Committee, management, the State University System of Florida, the Florida Board of Governors, and the Board of Trustees of Florida International University and is not intended to be and should not be used by anyone other than these specified parties.



a division of Marcum LLP
Miami, Florida
January 20, 2010

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**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

February 20, 2010

**Subject: Florida International University Research Foundation, Inc. Financial Audit,
2008-2009**

Proposed Board Action:

Adopt the following Resolution:

WHEREAS, pursuant to Regulation FIU-1502 (2)(f), the Florida International University Research Foundation, Inc. (FIU Research Foundation, Inc.) must submit an independently conducted financial audit of its accounts and records, which has been approved by its governing board and recommended by the University President to the Florida International University Board of Trustees (the BOT) for review and approval; and

WHEREAS, the FIU Research Foundation, Inc. Financial Audit for 2008-2009, attached hereto as Exhibit "B", was approved by the FIU Research Foundation, Inc. Board of Directors Executive Committee on January 8, 2010 and the University President is recommending its approval, pending ratification of the FIU Research Foundation, Inc. Board of Directors Full Board;

THEREFORE, BE IT RESOLVED that the BOT hereby approves the attached FIU Research Foundation, Inc. Financial Audit for 2008-2009 pending ratification of the FIU Research Foundation, Inc. Board of Directors Full Board, and authorizes the Executive Director of the FIU Research Foundation, Inc. to take all actions necessary pertaining to this Financial Audit, including filing the report with the Auditor General.

BACKGROUND INFORMATION:

LEGAL AUTHORITY:

Regulation FIU-1502 (2)(f), states in relevant part:

(2)(f) Have a financial audit of its accounts and records to be conducted by an independent certified public accountant after the close of each fiscal year.

ARTICLE 4 Section 4 of the Florida International University Research Foundation, Inc. Bylaws, states in relevant part:

(iii) To cause an annual audit to be made by an independent certified public accountant of the corporation's books and records as soon as possible after the close of the fiscal year of the Research Foundation and to have the results reported to the Chairperson of the Research Foundation immediately and to the full Board at its next meeting thereafter.

Exhibits/Supporting Documents:

- **Exhibit "B":** Florida International University Research Foundation, Inc. Financial Audit 2008-2009

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FLORIDA INTERNATIONAL UNIVERSITY
RESEARCH FOUNDATION, INCORPORATED
(A Direct Support Organization)

FINANCIAL STATEMENTS

JUNE 30, 2009

FLORIDA INTERNATIONAL UNIVERSITY RESEARCH FOUNDATION, INCORPORATED

(A Direct Support Organization)

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INDEPENDENT AUDITORS' REPORT

Members of the Board of Directors and the Assistant Vice President of Direct Support Organizations
Florida International University Research Foundation, Incorporated
Miami, Florida

We have audited the accompanying statement of net assets of Florida International University Research Foundation, Incorporated (the Research Foundation), a direct support organization and component unit of Florida International University, as of June 30, 2009 and the related statements of revenues, expenses and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Research Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Research Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Research Foundation as of June 30, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 18, 2009 on our consideration of the Research Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. 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 provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Members of the Board of Directors and the Assistant Vice President of Direct Support Organizations
Florida International University Research Foundation, Incorporated
Page Two

The Research Foundation has not presented management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of the financial statements.

Marcum Rachlin

Miami, Florida
December 18, 2009

FLORIDA INTERNATIONAL UNIVERSITY RESEARCH FOUNDATION, INCORPORATED
(A Direct Support Organization)

STATEMENT OF NET ASSETS

JUNE 30, 2009

ASSETS

Assets:

Cash	\$ 1,288,669
Due from FIU	<u>2,212,265</u>
Total assets	<u>3,500,934</u>

LIABILITIES

Current Liabilities:

Accounts payable	2,100
Accrued interest payable	20,265
Derivative liability	42,168
Current portion of notes payable	2,030,000
Due to FIU	<u>774,188</u>
Total current liabilities	2,868,721

Noncurrent Liabilities:

Notes payable	<u>515,000</u>
Total liabilities	<u>3,383,721</u>

NET ASSETS

Unrestricted Net Assets	<u>\$ 117,213</u>
-------------------------	-------------------

See notes to financial statements.

FLORIDA INTERNATIONAL UNIVERSITY RESEARCH FOUNDATION, INCORPORATED
(A Direct Support Organization)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2009

Operating Revenues:	
Miscellaneous revenues	\$ 124,902
Operating Expenses:	
Operating expenses	<u>28,532</u>
Operating Income	<u>96,370</u>
Non-Operating Revenues (Expenses):	
Non-operating revenue	73,345
Interest expense	(105,302)
Unrealized loss on derivative instrument	<u>(1,467)</u>
Total non-operating expenses	<u>(33,424)</u>
Change in Net Assets	62,946
Net Assets, Beginning	<u>54,267</u>
Net Assets, Ending	<u>\$ 117,213</u>

See notes to financial statements.

FLORIDA INTERNATIONAL UNIVERSITY RESEARCH FOUNDATION, INCORPORATED
(A Direct Support Organization)

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2009

Cash Flows from Operating Activities:	
Cash received from FIU	\$ 926,117
Cash paid for program activities	<u>(264,937)</u>
Net cash provided by operating activities	<u>661,180</u>
Cash Flows from Non-Capital Financing Activities:	
Receipts from FIU	1,890,572
Interest paid	(120,988)
Repayment of note payable	<u>(1,970,000)</u>
Net cash used by non-capital financing activities	<u>(200,416)</u>
Cash Flows from Investing Activities:	
Investment income	<u>508</u>
Net cash provided by investing activities	<u>508</u>
Increase in Cash	461,272
Cash, Beginning	<u>827,397</u>
Cash, Ending	<u>\$ 1,288,669</u>
Reconciliation of Operating Income to Net Cash	
Provided by Operating Activities:	
Operating income	\$ 96,370
Changes in assets and liabilities:	
(Increase) decrease in:	
Due to FIU	566,744
Grant receivable	249,373
Decrease in:	
Accounts payable	<u>(251,307)</u>
Net cash provided by operating activities	<u>\$ 661,180</u>
Non-Cash Investing and Financing Activities:	
Unrealized loss on derivative instrument	<u>\$ (1,467)</u>

See notes to financial statements.

FLORIDA INTERNATIONAL UNIVERSITY RESEARCH FOUNDATION, INCORPORATED

(A Direct Support Organization)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Florida International University Research Foundation, Incorporated (the Research Foundation or the Foundation), a Florida not-for-profit corporation, is a direct support organization and a component unit of Florida International University and was organized in the State of Florida on November 25, 1997 for educational and scientific purposes. The articles of incorporation were amended and restated on March 24, 2008.

The Research Foundation is a tax-exempt organization as defined by Section 501(c)(3) of the Internal Revenue Code. The Research Foundation provides direct support to Florida International University (FIU or the University) in matters pertaining to research, and has been designated by the FIU Board of Trustees as a University Direct Support Organization pursuant to §1004.28, Florida Statutes.

Basis of Presentation

The financial statements of the Research Foundation have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Research Foundation reports under the GASB standards because as a direct support organization, it meets the criteria regarding the popular election of officers or appointment of a controlling majority of the members of the Organization's governing body by one or more state or local governments. Therefore, the Research Foundation is reported as a governmental entity.

In accordance with GASB Statement No. 34, the Research Foundation met the criteria to use enterprise fund accounting and financial reporting. Accordingly, the financial statements are reported using the economic resources measurement focus and accrual basis of accounting, which recognizes revenue when earned and expenses when a liability is incurred, regardless of timing of the related cash flow.

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, the Foundation applies all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

FLORIDA INTERNATIONAL UNIVERSITY RESEARCH FOUNDATION, INCORPORATED

(A Direct Support Organization)

NOTES TO FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derivative Financial Instrument

The Research Foundation entered into an interest rate swap agreement to reduce its exposure to market risks from changing interest rates. For interest rate swaps, the differential to be paid or received is accrued and recognized as interest income (expense) and may change as market interest rates change. The fair value of the swap agreement is presented in the statement of net assets. The change in the fair value is presented as an unrealized gain or loss in the statement of revenues, expenses and changes in net assets.

Long-Term Debt

Long-term debt is reported as a liability in the statement of net assets. Issuance costs were not material and were expensed in a prior year.

Flow Assumption for Restricted Assets

If both restricted and unrestricted assets are available for use for a certain purpose, it is the Research Foundation's policy to use restricted assets first, then use unrestricted assets as needed.

NOTE 2. CONCENTRATION OF CREDIT RISK

Cash

The Research Foundation maintains deposit balances with financial institutions that, from time to time, may exceed federally insured limits. At June 30, 2009, the Research Foundation had \$315,658 that was in excess of federally insured limits.

In addition, the Research Foundation maintains a deposit balance in Colombia, South America, to manage its Columbian operations pertaining to a U.S. Agency for International Development (USAID) grant. The balance in this account of \$342,543 as of June 30, 2009 is not FDIC insured and is subject to foreign exchange risk. The Research Foundation maintains its cash balances with high quality financial institutions, which the Research Foundation believes limits these risks.

FLORIDA INTERNATIONAL UNIVERSITY RESEARCH FOUNDATION, INCORPORATED

(A Direct Support Organization)

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3. DUE FROM/ TO FLORIDA INTERNATIONAL UNIVERSITY

The \$2,212,265 reported as due from FIU consists primarily of amounts owed by the University to the FIU Research Foundation to fund the principal payments of the note payable to Regions Bank. The amount due to the University totaling \$774,188 represents funds that were sent to Colombia as part of a federal grant. This liability will be reduced as vendors are paid in Columbia. The funds for grant operations in Colombia are repaid to the University once the reimbursements are received from the grantor.

NOTE 4. RELATED PARTY TRANSACTIONS

On February 10, 2005, the FIU Board of Trustees approved a Settlement Agreement with various agencies of the United States government, including the Department of Justice related to the Hemispheric Center for Environmental Technology whereby all audit claims were settled and the University agreed to repay \$11,500,000 in grants to the Federal Government.

On May 3, 2005, the University entered into an agreement with the FIU Research Foundation, Incorporated whereas the Research Foundation authorized the issuance of a promissory note in an aggregate principal amount not to exceed \$10,000,000, plus interest, to finance the payment of amounts due under the Settlement Agreement dated February 10, 2005 and certain costs relating to the financing.

To assist the University, the Research Foundation issued on June 30, 2005 two series of notes, one for \$7,955,000 (tax exempt) and one for \$1,670,000 (taxable) for a total of \$9,625,000 (see note 5), and forwarded \$9,591,096 to the Federal Government. The Taxable Note totaling \$1,670,000 was paid off on October 1, 2006.

The University is obligated to fund the issuance costs and both the principal and interest payments on the obligations of the Research Foundation. The Research Foundation made principal payments on the remaining note in the amount of \$1,970,000 during the year. The University is expected to fund the remaining principal balance on the note.

NOTE 5. LONG-TERM DEBT

The debt activity for the year ended June 30, 2009 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Due in One Year</u>
Tax Exempt Note	<u>\$4,515,000</u>	<u>\$ -</u>	<u>\$1,970,000</u>	<u>\$2,545,000</u>	<u>\$2,030,000</u>

FLORIDA INTERNATIONAL UNIVERSITY RESEARCH FOUNDATION, INCORPORATED*(A Direct Support Organization)***NOTES TO FINANCIAL STATEMENTS**

(Continued)

NOTE 5. LONG-TERM DEBT (Continued)

\$7,955,000 Florida International University Research Foundation, Incorporated Tax-Exempt Note, Series 2005, dated June 30, 2005; interest at 65% of three month LIBOR plus 39.23 basis points; interest and principal payable on a quarterly basis with a final principal payment of \$515,000 on July 1, 2010.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2010	\$2,030,000	\$36,970	\$2,066,970
2011	<u>515,000</u>	<u>4,100</u>	<u>519,100</u>
	<u>\$2,545,000</u>	<u>\$41,070</u>	<u>\$2,586,070</u>

NOTE 6. DERIVATIVE FINANCIAL INSTRUMENTS

On June 30, 2005, the Research Foundation entered into an interest rate swap agreement with a commercial bank on a notional amount of \$7,955,000 (see debt terms in Note 5). Under the swap agreement, the Research Foundation agrees to pay a fixed rate of 3.15% and receive a variable rate based on 65% of 3 month LIBOR rate plus 0.3923%. As of June 30, 2009, the Research Foundation reported a derivative liability of \$42,168 in the statement of net assets and an unrealized loss of \$1,467 in the statement of revenues, expenses and changes in net assets. The difference is due to the negative derivative's value of \$40,701 in prior year. The swap agreement has a maturity date of July 1, 2010.

NOTE 7. CHANGE IN ACCOUNTING POLICY

Revenues and expenses relating to its grant activities in Colombia are now being reported at the University level. Formerly, operating revenues and expenses related to the grant activities in Colombia were solely reflected in the Research Foundation. The Research Foundation and the University will continue to record the corresponding transfer of funds to Colombia as a due to/from component unit. This change had no effect on the net assets of the Research Foundation.

COMPLIANCE SECTION



**Independent Auditors' 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***

Members of the Board of Directors and the Assistant Vice President of Direct Support Organizations
Florida International University Research Foundation, Incorporated
Miami, Florida

We have audited the financial statements of Florida International University Research Foundation, Incorporated (the Research Foundation or the Foundation) as of and for the year ended June 30, 2009, and have issued our report thereon dated December 18, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Research Foundation's internal control over financial reporting as a basis for designing our auditing procedures 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 Research Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Research Foundation's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing the assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the Research Foundation's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the Research Foundation's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Research Foundation's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Members of the Board of Directors and the Assistant Vice President of Direct Support Organizations
Florida International University Research Foundation, Incorporated
Page Two

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Research Foundation's financial statements are free of 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*.

This report is intended solely for the information and use of the Board of Directors, management, the State University System of Florida and the Florida Board of Governors and the Board of Trustees of Florida International University and is not intended to be and should not be used by anyone other than these specified parties.

Marcum Rachlin

Miami, Florida
December 18, 2009

**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

February 20, 2010

Subject: Florida International University Athletics Finance Corporation, Financial Audit, 2008-2009

Proposed Board Action:

Adopt the following Resolution:

WHEREAS, pursuant to Regulation FIU-1502 (2)(f), the Florida International University Athletics Finance Corporation (FIU Athletics Finance Corp.) must submit an independently conducted financial audit of its accounts and records, which has been approved by its governing board and recommended by the University President to the Florida International University Board of Trustees (the BOT) for review and approval; and

WHEREAS, the FIU Athletics Finance Corp. Financial Audit for 2008-2009, attached hereto as Exhibit "C", has been submitted and approved by the FIU Athletics Finance Corp. Board of Directors on January 15, 2010 and the University President is recommending its approval;

THEREFORE, BE IT RESOLVED that the BOT hereby approves the attached FIU Athletics Finance Corp. Financial Audit for 2008-2009 and authorizes the Executive Director of the FIU Athletics Finance Corp. to take all actions necessary pertaining to this Financial Audit, including filing the report with the Auditor General.

BACKGROUND INFORMATION:

LEGAL AUTHORITY:

Regulation FIU-1502 (2)(f), states in relevant part:

(2)(f) Have a financial audit of its accounts and records to be conducted by an independent certified public accountant after the close of each fiscal year.

ARTICLE 5 Section 4 of the Florida International University Athletics Finance Corp, Inc. Bylaws, states in relevant part:

(d) To cause an annual audit to be made by an independent certified public accountant of the Corporation's books and records as soon as possible after the close of the fiscal year of the Corporation and to have the results reported to the Chairperson of the Corporation immediately and to the full Board at its next meeting thereafter.

Exhibits/Supporting Documents:

- **Exhibit "C":** Florida International University Athletics Finance Corporation, Financial Audit 2008-2009

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FIU ATHLETICS FINANCE CORPORATION
(A Direct Support Organization)

FINANCIAL STATEMENTS

JUNE 30, 2009

FIU ATHLETICS FINANCE CORPORATION
(A Direct Support Organization)

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INDEPENDENT AUDITORS' REPORT

Members of the Board of Directors and the Assistant Vice President of Direct Support Organizations
FIU Athletics Finance Corporation
Miami, Florida

We have audited the accompanying statement of net assets of FIU Athletics Finance Corporation (the Athletics Finance Corporation), a direct support organization and component unit of Florida International University, as of June 30, 2009 and the related statements of revenues, expenses and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Athletics Finance Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Athletics Finance Corporation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Athletics Finance Corporation as of June 30, 2009, and the respective changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 18, 2009 on our consideration of the Athletics Finance Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. 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 provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Members of the Board of Directors and the Assistant Vice President of Direct Support Organizations
FIU Athletics Finance Corporation
Page Two

The Athletics Finance Corporation has not presented management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of the financial statements.

Marcum Rachlin

Miami, Florida
December 18, 2009

FFU ATHLETICS FINANCE CORPORATION
(A Direct Support Organization)

STATEMENT OF NET ASSETS

JUNE 30, 2009

ASSETS

Current Assets:

Cash	\$ 566,668
Investments	4,827,268
Suites and ticket sales receivable	419,765
Interest receivable	4,798
Prepaid rent and other	1,184,366
Due from FIU	90,410
Total current assets	<u>7,093,275</u>

Noncurrent Assets:

Restricted cash	3,500,000
Restricted investments	1,957,792
Suites and ticket sales receivable	420,000
Bond issuance costs	443,481
Prepaid rent	25,965,333
Total noncurrent assets	<u>32,286,606</u>
Total assets	<u>39,379,881</u>

LIABILITIES

Current Liabilities:

Accounts payable	1,884
Bonds payable	730,000
Accrued interest payable	144,968
Derivative liability	1,756,577
Deferred revenue	963,606
Due to FIU	498,084
Total current liabilities	<u>4,095,119</u>

Noncurrent Liabilities:

Due to FIU	3,500,000
Bonds payable	34,270,000
Total noncurrent liabilities	<u>37,770,000</u>
Total liabilities	<u>41,865,119</u>

NET ASSETS

Unrestricted Net Assets (Deficit)	<u>\$ (2,485,238)</u>
-----------------------------------	-----------------------

See notes to financial statements.

FIU ATHLETICS FINANCE CORPORATION

(A Direct Support Organization)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2009

Operating Revenue:	
Athletic support	\$ 873,333
Ticket sales	649,189
Sky suite revenues	557,200
Contributions	380,600
NCAA and conference payments	300,000
Rental income	118,797
General concessions and vending commissions	29,997
Total operating revenues	<u>2,909,116</u>
Operating Expenses:	
Amortization of prepaid rent	970,338
Professional fees	293,453
Utilities	108,812
Materials and supplies	45,095
Banking fees	7,258
Other operating expenses	394
Total operating expenses	<u>1,425,350</u>
Operating income	<u>1,483,766</u>
Non-Operating Revenues (Expenses):	
Interest income	125,837
Interest expense and fiscal charges	(1,445,395)
Unrealized loss on investments	(1,175,948)
Other non-operating expenses	(4,552)
Total non-operating expenses	<u>(2,500,058)</u>
Change in Net Assets	(1,016,292)
Net Assets (Deficit), Beginning	<u>(1,468,946)</u>
Net Assets (Deficit), Ending	<u>\$ (2,485,238)</u>

See notes to financial statements.

FIU ATHLETICS FINANCE CORPORATION

(A Direct Support Organization)

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2009

Cash flows from operating activities:	
Operating receipts	\$ 2,908,898
Payments to vendors	<u>(16,377,080)</u>
Net cash used by operating activities	<u>(13,468,182)</u>
Cash flow from capital and related financing activities:	
Interest paid	<u>(1,445,395)</u>
Net cash used by capital and related financing activities	<u>(1,445,395)</u>
Cash Flows from Investing Activities:	
Proceeds from sales and maturities of investments	14,869,094
Interest income	<u>142,745</u>
Net cash provided by financing activities	<u>15,011,839</u>
Increase in Cash	98,262
Cash, Beginning (Includes Restricted Cash)	<u>3,968,406</u>
Cash, Ending (Includes Restricted Cash)	<u>\$ 4,066,668</u>
Reconciliation of Operating Income to Net Cash	
Used by operating activities:	
Operating income	\$ 1,483,766
Changes in assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	(421,670)
Prepaid rent and other	<u>(12,566,126)</u>
Increase (decrease) in:	
Accounts payable	(27,676)
Accrued interest payable	365
Due to FIU	<u>(1,959,961)</u>
Miscellaneous	(4,552)
Deferred revenue	<u>27,672</u>
Net cash used by operating activities:	<u>\$ (13,468,182)</u>
Non-Cash Investing and Financing Activities:	
Unrealized loss on derivative instrument	<u>\$ 748,747</u>
Increase in Prepaid Rent for Construction Draw	<u>\$ 12,546,165</u>

See notes to financial statements.

FIU ATHLETICS FINANCE CORPORATION
(A Direct Support Organization)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The FIU Athletics Finance Corporation (the Athletics Finance Corporation or the Organization), a Florida not-for-profit corporation, is a direct support organization and a component unit of Florida International University and was organized in the State of Florida on November 20, 2006 to facilitate the financing of projects related to the FIU football stadium.

The Athletics Finance Corporation is a tax-exempt organization as defined by Section 501(c)(3) of the Internal Revenue Code. The Athletics Finance Corporation provides direct support to Florida International University (FIU or the University) in matters pertaining to the financing of the FIU football stadium and subsequently managing and operating the facility and has been designated by the FIU Board of Trustees as a University Direct Support Organization pursuant to §1004.28, Florida Statutes.

Basis of Presentation

The financial statements of the Athletics Finance Corporation have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Athletics Finance Corporation reports under the GASB standards because as a direct support organization it meets the criteria regarding the popular election of officers or appointment of a controlling majority of the members of the Organization's governing body by one or more state or local governments. Therefore, the Athletics Finance Corporation is reported as a governmental entity.

In accordance with GASB Statement No. 34, the Athletics Finance Corporation met the criteria to use enterprise fund accounting and financial reporting. Accordingly, the financial statements are reported using the economic resources measurement focus and accrual basis of accounting, which recognizes revenue when earned and expenses when a liability is incurred, regardless of timing of the related cash flow.

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, the Athletics Finance Corporation applies all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements.

FIU ATHLETICS FINANCE CORPORATION
(A Direct Support Organization)

NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

Investments

The Athletics Finance Corporation participates in investment pools through the State Board of Administration in accordance with the provisions of §17.61 and §215.49, Florida Statutes. These investment pools operate under investment guidelines established by §215.47, Florida Statutes. The Organization also invests in SEC Rule 2a-7 eligible money market funds.

Derivative Financial Instrument

The Athletics Finance Corporation entered into an interest rate swap agreement to reduce its exposure to market risks from changing interest rates. For interest rate swaps, the differential to be paid or received is accrued and recognized in interest expense and may change as market interest rates change. The fair value of the swap agreement is presented in the statement of financial position. The change in the fair value is presented as an unrealized gain or loss in the statement of revenues, expenses and changes in net assets.

Long-Term Debt

Long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Issuance costs are presented in the financial statements as a noncurrent asset and are being amortized over the life of the bonds.

Prepaid Rent

Pursuant to two (2) ground sublease agreements, the Organization prepaid a portion of their rent obligation to the University. The prepaid lease payments will be amortized on a straight-line basis over the life of the sublease, commencing in fiscal year ending June 30, 2009.

Flow Assumption for Restricted Assets

If both restricted and unrestricted assets are available for use for a certain purpose, it is the Athletics Finance Corporation's policy to use restricted assets first, and then use unrestricted assets as needed.

FIU ATHLETICS FINANCE CORPORATION
(A Direct Support Organization)

NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 2. CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Athletics Finance Corporation to concentrations of credit risk consist principally of cash in banks and investments.

Deposits

The Athletics Finance Corporation places substantially all of its cash with high quality financial institutions which the Athletics Finance Corporation believes limits these risks. At June 30, 2009, \$3,823,934 was in excess of the Federal Depository Insurance Company (FDIC) limits.

Investments

In addition, the Athletics Finance Corporation maintains investment accounts with financial institutions that are not insured by the FDIC. These funds may be subject to insurance by Securities Investor Protection Corporation (SIPC), subject to various limitations. At June 30, 2009, \$6,785,060 was held in these accounts. The Athletics Finance Corporation believes that the number, diversity and financial strength of the issuers mitigate the credit risks associated with all investments.

NOTE 3. INVESTMENTS

Investments are made in accordance with the trust indenture dated April 1, 2007. The Athletics Finance Corporation's investments at June 30, 2009, are reported at fair value, as follows:

<u>Investment Type</u>	<u>Amount</u>
External Investment Pools:	
Florida State Board of Administration:	
Local Government Surplus Funds Trust Fund:	
LGIP	\$ -
Fund B	705,057
Money Market Mutual Funds	6,080,003
Total investments (includes restricted investments)	<u>\$ 6,785,060</u>

The Athletics Finance Corporation reported investments at fair value totaling \$705,057 at June 30, 2009, in the Fund B Surplus Funds Trust Fund. The Local Government Surplus Funds Trust Fund (LGIP) and the Fund B are administered by State Board of Administration (SBA) pursuant to Section 218.405, Florida Statutes. The State Board of Administration governs the LGIP under Ch. 19-7 of the Florida Administrative Code. LGIP is not a registrant with the Securities and Exchange Commission (SEC); however, the board has adopted operating procedures consistent with the requirements for a SEC 2a7- like fund. The SBA has reported that LGIP is a "2a-7 like" pool and, therefore, these investments are valued using the pooled share price. Fund B is

FIU ATHLETICS FINANCE CORPORATION
(A Direct Support Organization)

NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 3. INVESTMENTS (Continued)

accounted for as a fluctuating net asset value (NAV) pool. The fair value factor for June 30, 2009 was .5137094. The Fund B is not subject to participant withdrawal requests. Distributions from Fund B, as determined by the SBA, are effective by transferring eligible cash or securities to the LGIP, consistent with the pro rata allocation of pool shareholders of record at the creation of fund B. One hundred percent of such distributions from Fund B are available as liquid balance within the LGIP. The investments in the LGIP and Fund B are not insured by FDIC or any other government agency. Subsequent to June 30, 2009, the LGIP will now be known as Florida PRIME.

The Organization also invests in money market mutual funds that only invest in U.S. Government issues and other AAA rated issues with a maturity of 397 days or less. The fund maintains an average maturity of less than 60 days and is rated AAA by Standard and Poor's. The fund complies with the requirements of Rule 2a-7 under the 1940 Act, which sets forth portfolio quality and diversification restrictions for money market mutual funds. The fair market value of these funds was \$6,080,003 at June 30, 2009.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2009, LGIP Fund A and the money market mutual fund investments were rated AAAM by Standard and Poor's. Fund B is not rated by any nationally recognized statistical rating agency.

Concentration Credit Risk

GASB Statement 40 requires disclosure when 5% or more of the portfolio is invested in any one issuer. Investments held in the Fund B administered by State Board of Administration (SBA) consist of approximately 10% of total investments. Approximately 90% of the investments are held with Regions Morgan Keegan money market mutual funds. According to the bond indenture, the organization can invest the bond proceeds in these investment vehicles; there are no stated limitations on the amount that can be invested in any one issuer. The short term nature of the investments is due to liquidity needs, since those funds are being used for construction costs, operating expenses and debt service payments. The Organization does not view the excess concentration over 5% to be an additional risk.

Interest Rate Risk

A portfolio's weighted average days to maturity (WAM) reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the LGIP to interest rate changes.

The weighted average life (WAL) of Fund B at June 30, 2009 was 6.87 years. A portfolio's WAL is the dollar weighted average length of time until securities held reach maturity. WAL is based on legal final maturity dates for Fund B as of June 30, 2009.

FIU ATHLETICS FINANCE CORPORATION
(A Direct Support Organization)

NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 4. BOND ISSUANCE COSTS

As of June 30, 2009, issuance costs related to both the tax exempt and taxable bonds (FIU Athletics Finance Corporation Capital Improvement Revenue Bonds Series 2007A and 2007B) totaled \$443,481, net of amortization. The bond issuance costs will be amortized over the term of the bonds which mature in March 2033.

Bond issuance costs	\$ 560,146
Less adjustment for reduction of closing costs	56,561
Less accumulated amortization	<u>60,104</u>
Bond issuance costs, net	<u>\$ 443,481</u>

NOTE 5. LONG-TERM DEBT

The debt activity for the year ended June 30, 2009 is as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Payments</u>	Ending <u>Balance</u>	Due Within <u>One Year</u>
Tax Exempt Capital Improvement					
Revenue Bonds	\$ 28,000,000	\$ -	\$ -	\$ 28,000,000	\$ -
Taxable Capital Improvement					
Revenue Bonds	<u>7,000,000</u>	<u>-</u>	<u>-</u>	<u>7,000,000</u>	<u>730,000</u>
	<u>\$ 35,000,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,000,000</u>	<u>\$ 730,000</u>

On April 20, 2007, the Athletics Finance Corporation issued \$28,000,000 of its Capital Improvement Revenue Bonds (Football Stadium Project) Series 2007A and \$7,000,000 of its Taxable Capital Improvement Revenue Bonds (Football Stadium Project) Series 2007B. These bonds were issued and secured under and pursuant to a Trust Indenture, dated April 1, 2007, between the Athletics Finance Corporation and a commercial bank, as trustee, and shall be payable from pledged revenues. The bond proceeds will be used to (i) finance certain football stadium improvements, (ii) fund capitalized interest through March 1, 2009, (iii) fund a deposit to a debt service reserve fund, and (iv) pay costs related to the issuance of the bonds. The bonds shall be secured by operating and non-operating revenues of the facility and of the University athletic fees. The bonds are scheduled to mature on March 1, 2033.

The Athletics Finance Corporation has funded a debt service reserve fund in an amount equal to the maximum allowable debt service on the bond in the current and any future fiscal year. This debt service reserve fund currently totals \$1,957,792 and is presented in restricted investments.

The interest rate on these bonds is both fixed and variable and is subject to a hedge agreement that was entered into to try to reduce the exposure to market risks from changing interest rates. Interest is computed on the basis of the actual number of days elapsed over a year of 365 or 366 days.

FIU ATHLETICS FINANCE CORPORATION
(A Direct Support Organization)

NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 5. LONG-TERM DEBT (Continued)

Year ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 730,000	\$ 1,585,156	\$ 2,315,156
2011	775,000	1,540,675	2,315,675
2012	825,000	1,495,516	2,320,516
2013	880,000	1,441,092	2,321,092
2014	940,000	1,389,380	2,329,380
2015-2019	5,655,000	6,057,645	11,712,645
2020-2024	7,225,000	4,637,735	11,862,735
2025-2029	9,070,000	2,951,071	12,021,071
2030-2033	8,900,000	862,804	9,762,804
	<u>\$35,000,000</u>	<u>\$21,961,074</u>	<u>\$56,961,074</u>

NOTE 6. LETTER OF CREDIT AGREEMENT

On April 1, 2007, Regions Bank issued a letter of credit to serve as security for the payments of the bonds. The Letter of Credit will be in effect until April 15, 2012, and will automatically extend equal to the remaining balance of the bonds payable for a period of one year, subject to approval of Regions Bank but not to extend beyond April 15, 2033. Athletics Finance Corporation agrees to repay any draws against the Letter of Credit plus annual interest equal to the Three Month LIBOR plus two percent (2%). Construction draws to date as of June 30, 2009 were \$28,100,076.

The Athletics Finance Corporation is required under the terms of the letter of credit agreement dated April 1, 2007 to have deposited with Regions Bank \$3,500,000 in an interest-bearing reserve fund and is presented in restricted cash.

NOTE 7. DERIVATIVE FINANCIAL INSTRUMENTS

On May 30, 2007, Athletics Finance Corporation entered into an interest rate swap agreement with a commercial bank with a notational amount of \$21,000,000 which represents the fixed portion of the bonds payable mentioned in Note 5 above. Under the swap agreement, the Athletics Finance Corporation agrees to pay a fixed rate of 4.1451% and receive a variable rate based on the SIFMA index (tax-exempt variable demand bond index maintained by the Bond Marketing Association). As of June 30, 2009, the Athletics Finance Corporation reported a derivative liability of \$1,756,577 in the statement of net assets and an unrealized loss on derivative instrument of \$748,747 in the statement of revenues, expenses and changes in net assets. The swap agreement has a maturity date of March 1, 2033.

FIU ATHLETICS FINANCE CORPORATION
(A Direct Support Organization)

NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 8. DEFERRED REVENUES

The Athletics Finance Corporation and the University have pledged future revenues in order to meet certain minimum bond requirements under the issue of bond-related debt to finance the stadium project. Non-operating revenues may include athletic fees collected by the University, fund raising revenues, conference payments, naming rights revenues, capital gifts and investment revenues related to any of the above. Operating revenues related to the sale of football stadium suites and club seats have been deferred. Revenues are deferred until the year they are earned. Suite sales will be recognized annually based on their corresponding contracts.

The following schedule presents sales commitments under suite agreements and ticket sales that expire on June 30, 2014:

Year Ending June 30:	
2010	\$ 513,606
2011	330,000
2012	40,000
2013	40,000
2014	40,000
	<u>\$ 963,606</u>

NOTE 9. LEASE COMMITMENTS

Florida International University and the FIU Athletics Finance Corporation entered into two 25-year ground sublease agreements dated April 1, 2007 rendering the rights to the FIU Athletics Finance Corporation to issue a series of capital improvement bonds of which a portion of the proceeds, along with contributions from the University, is to finance a stadium improvement project located on University premises. Under this agreement the FIU Athletics Finance Corporation shall prepay to the University for rental of the premises in the sum of \$28,819,024. The following schedule by years represents management's best estimate of future minimum rental expense that will be recognized for these sublease agreements:

Year Ending June 30:	
2010	\$ 1,164,405
2011	1,164,405
2012	1,164,405
2013	1,164,405
2014	1,164,405
2014 - 2018	5,822,025
2019 - 2023	5,822,025
2024 - 2028	5,822,025
2029 - 2033	4,560,586
	<u>\$27,848,686</u>

FIU ATHLETICS FINANCE CORPORATION
(A Direct Support Organization)

NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 9. LEASE COMMITMENTS (Continued)

Reconciliation of the Statement of Net Assets to the Lease Commitment:

Current prepaid rent and other	\$ 1,184,366
Non current prepaid rent	25,965,333
Less other prepaids	(19,961)
Construction payments to be made during fiscal year ended June 30, 2010	<u>718,948</u>
	<u>\$27,848,686</u>

As of June 30, 2009, construction draws amounting to \$28,100,076 have been paid by the University to various contractors. The balance of \$718,948 is expected to be paid during fiscal year ended June 30, 2010. The prepaid rent has been amortized by \$970,338 in the current year. This represents 10 months of amortization since the stadium opened September 1, 2008.

COMPLIANCE SECTION



**Independent Auditors' 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**

Members of the Board of Directors and the Assistant Vice President of Direct Support Organizations
FIU Athletics Finance Corporation
Miami, Florida

We have audited the financial statements of FIU Athletics Finance Corporation (the Athletics Finance Corporation or the Organization) as of and for the year ended June 30, 2009, and have issued our report thereon dated December 18, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Athletics Finance Corporation's internal control over financial reporting as a basis for designing our auditing procedures 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 Athletics Finance Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing the assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the Athletics Finance Corporation's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the Athletics Finance Corporation's financial statements that is more than inconsequential will not be prevented or detected by the Organization's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Athletics Finance Corporation's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Members of the Board of Directors and the Assistant Vice President of Direct Support Organizations
FIU Athletics Finance Corporation
Page Two

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Athletics Finance Corporation's financial statements are free of 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, management, the State University System of Florida and the Florida Board of Governors and the Board of Trustees of Florida International University and is not intended to be and should not be used by anyone other than these specified parties.



Miami, Florida
December 18, 2009

**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

February 20, 2010

**Subject: The Florida International University Herbert Wertheim College of
Medicine Self-Insurance Program Investment Policy**

Proposed Board Action:

Adopt the following Resolution:

BE IT RESOLVED, that the Florida International University Board of Trustees (the BOT) approves the Florida International University Self Insurance Program (FIU-SIP) Investment Policy FIU-SIP adopted in accordance with Board of Governors Regulation 10.001 on February 3, 2010 as stated in the FIU-SIP Resolution attached hereto and incorporated herein as Exhibit “D;” and

BE IT FURTHER RESOLVED, that the BOT delegates to the University President the authority to forward the proposed FIU-SIP Investment Policy to the Board of Governors and to request that the Board of Governors take the necessary action to approve the FIU-SIP Investment Policy as provided in Board of Governors Regulation 10.001(1)(d)13 ; and

BE IT FURTHER RESOLVED, that the FIU-SIP Council may approve any subsequent amendments to the proposed revisions in response to comments received from the Board of Governors;

AND BE IT FURTHER RESOLVED, that the President report to the BOT at its next regularly scheduled meeting on any substantive changes made to the proposed FIU-SIP Investment Policy as a result of comments received by the Board of Governors.

BACKGROUND INFORMATION:

LEGAL AUTHORITY:

Section 7(d), Art. IX establishing the Board of Governors as a Constitutional body and empowering the Board of Governors to “operate, regulate, control, and be fully responsible for the management of the whole university system.”

Section 1004.24, Florida Statutes authorizes the Board of Governors to establish self insurance programs (“SIP”) to provide comprehensive general liability coverage, including professional liability coverage for health care coverage for:

- a) The Board of Governors and its officers and members.
- b) A university board of trustees and its officers and members.
- c) The faculty and other employees and agents of a university board of trustees.
- d) The students of a state university.
- e) A state university or any college, school, institute, center, or program thereof.
- f) Any not-for-profit corporation organized pursuant to chapter 617, and the directors, officers, employees, and agents thereof, which is affiliated with a state university, if the corporation is operated for the benefit of the state university in a manner consistent with the best interests of the state, and if such participation is approved by a self-insurance program council, the university president, and the board of trustees.

Board of Governors Regulation 10.001(1)(d)13, mandates that the FIU-SIP establish an investment policy in accordance with Section 215.47, Florida Statutes, and mandates that the Board of Governors approve the investment policy.

Exhibits/Supporting Documents:

- **EXHIBIT “D”:** FIU Self-Insurance Program Investment Policy and FIU Self Insurance Program Resolution



**FLORIDA INTERNATIONAL UNIVERSITY
HERBERT WERTHEIM COLLEGE OF MEDICINE
SELF-INSURANCE PROGRAM
INVESTMENT POLICY**

APPROVED AS OF FEBRUARY 3, 2010

The Florida International University Self-Insurance Program Council ("Council") is responsible for the oversight and approval of the overall investment policy and investment portfolio of the Florida International University Self-Insurance Program ("FIUSIP"). The intent of this policy is to define the management process for capturing investment opportunities as they may occur and to set forth reasonable parameters to ensure prudence and care in the execution of the investment program, in accordance with applicable law.

I. Governance; Definition of the Fund

- A. Investment of assets of the FIUSIP shall be governed by a SIP Investment Committee (the "Investment Committee") of the Council which shall have responsibility for FIUSIP investments and the allocation thereof. The Council may, in its discretion, serve as the Investment Committee until such time as the Council deems it prudent to constitute an Investment Committee.
- B. The Investment Committee shall consist of no less than three members appointed by the Council. The Council shall select the Chairperson of the Investment Committee. In addition to the appointed Investment Committee members, the University Chief Financial Officer, University Treasurer, and Executive Associate Dean for Finance & Administration, Wertheim College of Medicine shall be ex officio members of the Investment Committee. Investment Committee members need not be members of the Council, provided that such members have demonstrable knowledge, experience and familiarity with financial investments and portfolio management.
- C. For purposes of this Investment Policy document, monies available for investment (hereinafter referred to as the "Fund") means an amount equal to the sum derived when, at any given time, the amount of cash in FIUSIP's investment custody account is added to an amount equal to the fair market value of all securities held in the investment custody account of the FIUSIP on behalf of the FIUSIP.

II. Investment Committee Responsibilities and Procedures:

- A. The Investment Committee, with the guidance and recommendations of its advisors and consultants, shall be responsible for:
1. Meeting as needed, but no less than once per fiscal year, at the discretion of the Chair of the Council or Chair of the Investment Committee, to review the manner in which the Fund is invested, with outcomes of said meetings to be reported to the Council;
 2. Reviewing the implementation of this Investment Policy at least once each fiscal year and recommending to the Council any changes in investment strategy;
 3. Investing the Fund in conformance with this Investment Policy as approved by the Council. The Investment Committee shall have no power in any way to modify, alter, add to, or subtract from any provisions of this Investment Policy as approved by the Council;
 4. Ensuring that the objectives stated in the Investment Policy are practical and reflect the mission of the FIUSIP;
 5. Recommending the engagement of investment advisors, consultants, managers, and/or custodians for the approval of the Council and/or recommending the termination of such advisors, consultants, managers or custodians that fail to maintain acceptable quantitative (e.g. risk/return profile) and/or qualitative (e.g. organizational changes) standards;
 6. Implementing and monitoring the asset allocation targets;
 7. Determining whether the investment objectives set forth herein are being met and whether the investment guidelines and applicable law are being followed;
 8. Providing regular performance reports to the Council.
- B. The staff, as assigned by the Council in consultation with the University, is an integral part of the day to day requirements of the operating portfolio. The staff has the responsibility of administering and coordinating the implementation decisions made by the Investment Committee and the Council. The staff is responsible for:
1. Administering the investments of the Fund at the lowest possible cost, being careful to avoid sacrificing quality;
 2. Executing the rebalancing procedures, as necessary;

3. Maintaining day-to-day interaction with the investment advisors, consultants, managers, and custodians.
- C. No member of the Investment Committee shall have or appear to have a material personal interest, either directly or indirectly, in conflict with the interests of FIUSIP, unless such interest is disclosed and approved as provided herein. In the event any member of the Investment Committee should have any conflict of interest, he or she shall disclose such conflict to the Council and, if so directed by the Council, shall abstain from voting or acting on matters involving the conflict. The Council shall decide what action, if any, to take in light of the conflict of interest. Such action may, but is not required to, include accepting the individual's abstention, requiring the individual to terminate the conflict of interest, or causing the individual's appointment to the Investment Committee to be terminated.

A member of the Investment Committee shall be deemed to have a possible or actual conflict if he or she has a substantial existing or potential personal interest in a matter which impairs or might appear to impair the member's ability to exercise independent and unbiased judgment in the good faith discharge of his or her duties to FIUSIP.

In addition to limitation on conflicts of interest, no member of the Investment Committee, nor a business entity of which the member is also an officer, director, employee, or substantial owner, shall enter into a transaction with the FIUSIP unless such transaction is disclosed fully to the Council. The Council must approve the transaction by a vote of three-fourths (3/4) of all Council members. The Council's determination regarding any transaction that may constitute a conflict of interest must be consistent with applicable Florida law including Chapter 112 of the Florida Statutes.

The mere employment by an officer or employee of FIUSIP or member of the Investment Committee by the Florida International University Board of Trustees or any of its component or supporting organizations, or by an insured entity of the FIUSIP, shall not constitute a conflict of interest.

- D. The Council will, to the extent legally permissible indemnify and hold harmless each member of the Investment Committee from all actions, proceedings, claims, or demands by any persons, corporations, associations, or entities whatsoever in which such person may be involved by reason of his or her service on the Investment Committee, and will indemnify and hold harmless each member of the Investment Committee against all costs, damages, or expenses which the Investment Committee member may pay, sustain, or incur by reason or in consequence of such service; provided, however, such member was exercising due care and diligence in the performance of his or her duties on behalf of the FIUSIP, and provided that no settlement shall be entered into without the prior consultation and approval of the Council.

- E. The investment advisors, consultants, managers, and custodians shall:
1. Recommend to the Investment Committee changes in investment objectives, policies, and procedures;
 2. Make purchases and sales of securities in accordance with the Investment Policy; and
 3. Report their respective activities to the Investment Committee and in such manner and in such frequency as may be requested, from time to time, by the Investment Committee.

III. Investment Objectives

The overall investment objective of the Fund is to achieve a favorable rate of return, in combination with preservation of principal and liquidity, subject to the quality, diversification, and maturity restrictions imposed by the investment guidelines contained in this Investment Policy and all Florida Statutes cited herein.

IV. Investment Guidelines

- A. Investment of the Fund shall be governed by the following investment guidelines, consistent with Chapter 215.47:
1. The Fund may be invested with no limitation in any security described in Section 215.47(1), Florida Statutes.
 2. Subject to the investment percentage limitations described therein, the Fund may be invested in the securities described in Section 215.47(2), (3), (4), (5), and (6).
 3. All holdings of investment will be of sufficient size in issues actively traded to ensure marketability and liquidity to facilitate transactions at minimum cost and to permit accurate market valuation.
 4. All purchases and sales of securities will be executed by the Investment Committee or its agent(s) at the most advantageous price to the Fund with principal dealers in the particular securities being purchased or sold.
 5. The investment performance of the Fund shall be measured in terms of total return against appropriate benchmarks or market indices having the same investment characteristics and guidelines as the Fund. In the evaluation of performance no distinction shall be made between realized and unrealized returns or between the income and capital components of total return of the Fund.

6. Consistent with the foregoing, the Investment Committee may adopt any such additional guidelines and/or objectives it may deem necessary or appropriate to fulfill its fiduciary responsibilities.

**THE FLORIDA INTERNATIONAL UNIVERSITY
HERBERT WERTHEIM COLLEGE OF MEDICINE
SELF INSURANCE PROGRAM COUNCIL
RESOLUTION**

3 FEBRUARY 2010

**SUBJECT: THE FLORIDA INTERNATIONAL UNIVERSITY HERBERT WERTHEIM
COLLEGE OF MEDICINE SELF INSURANCE PROGRAM INVESTMENT POLICY**

**PROPOSED THE FLORIDA INTERNATIONAL UNIVERSITY HERBERT WERTHEIM
COLLEGE OF MEDICINE SELF INSURANCE COUNCIL ACTION:**

WHEREAS, the Florida Board of Governors has established a Florida International University Herbert Wertheim College of Medicine Self Insurance Program known as the Florida International University Self Insurance Program ("FIU-SIP") pursuant to Section 1004.24, Florida Statutes and Board of Governors Regulation, 10.001 (the "SIP Regulation");

WHEREAS, the SIP Regulation mandates that the FIU-SIP adopt an investment policy which meets the requirements and limitations of Section 215.47, Florida Statutes;

WHEREAS, the SIP Regulation allows the FIU-SIP Council to invest its funds pursuant to Section 215.47, Florida Statutes

WHEREAS, the SIP Council believes it to be in the best interest of the FIU-SIP to adopt the FIU-SIP Investment Policy attached as Exhibit "A" hereto and to invest its fiscal assets pursuant to a prudent investor standard and in accordance with all applicable laws, rules and regulations;

THEREFORE, BE IT RESOLVED that the Council hereby approves the FIU-SIP Council Investment Policy approved herein and attached to this Resolution as Exhibit "A," and recommends its adoption to the Florida International University Board of Trustees and the Florida Board of Governors.

EXHIBITS/SUPPORTING DOCUMENTS:

- EXHIBIT "A" – SELF INSURANCE
PROGRAM INVESTMENT POLICY

FACILITATOR/PRESENTER:

JOHN A. ROCK, M.D., SELF INSURANCE
PROGRAM COUNCIL MEMBER

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**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

February 20, 2010

Subject: Revision of Regulation 408 – Foreign Exchange Visitor Insurance Requirements

Proposed Board Action:

Adopt the following Resolution:

WHEREAS, the Florida International University Board of Trustees (the BOT) is authorized to adopt regulations to comply with federal law; and

WHEREAS, pursuant to federal law, the University, as a sponsor, must require exchange visitors to have insurance in effect that meets the requirements of the federal law; and

WHEREAS, the University would like to amend the requirements in the regulation to provide that exchange visitors sponsored by the University will meet the University's insurance requirement if their insurance policy meets the federal requirements;

THEREFORE, BE IT RESOLVED, that the BOT approves the amendment to the Foreign Exchange Visitor Insurance Requirements Regulation FIU-408, attached hereto as Exhibit "E".

BE IT FURTHER RESOLVED, that the BOT delegates authority to the University President to forward the Regulation to the Board of Governors for approval and to approve any subsequent amendments that are based on comments to the Regulation received from the Board of Governors and as a result of the regulation-making process; and

BE IT FURTHER RESOLVED, that the President report to the BOT at its next regularly scheduled meeting on any substantive change requested or made to the Regulation as a result of comments received from the Board of Governors and the regulation-making process.

Background Information:

A. Legal Authority:

BOG Regulation 1.001 University Boards of Trustees Powers and Duties, provides in pertinent part:

(3)(j) Each board of trustees is authorized to promulgate university regulations in accordance with the Regulation Development Procedure adopted by the Board of Governors.

(8)(e) Each board of trustees is responsible for compliance with all applicable laws, rules, regulations, and requirements.

Title 22 of the Code of Federal Regulations (C.F.R.) Section 62.14 (Insurance) provides in pertinent part:

(a) Sponsors shall require each exchange visitor to have insurance in effect which covers the exchange visitor for sickness or accident during the period of time that an exchange visitor participates in the sponsor's exchange visitor program. Minimum coverage shall provide:

- (1) Medical benefits of at least \$50,000 per accident or illness;
- (2) Repatriation of remains in the amount of \$7,500;
- (3) Expenses associated with the medical evacuation of the exchange visitor to his or her home country in the amount of \$10,000; and
- (4) A deductible not to exceed \$500 per accident or illness.

B. Explanation for Proposed Board Action:

The Foreign Exchange Visitor Insurance Requirements regulation is being amended to clarify that:

1. Exchange visitors who are University employees may use the insurance offered to them as employees to meet the University insurance requirements provided they obtain supplemental insurance to meet the other requirements specified by federal law, and
2. To allow exchange visitors to meet the University's requirements for insurance by obtaining an insurance policy that meets the requirements specified by federal law.

Exhibits/Supporting Documents:

- **Exhibit “E”:** Foreign Exchange Visitor Insurance Requirements, FIU-408

**THE FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES
FLORIDA BOARD OF GOVERNORS
NOTICE OF AMENDMENT OF REGULATION**

REGULATION NO.: FIU-408

REGULATION TITLE: Foreign Exchange Visitor Insurance Requirements

SUMMARY: This regulation provides the revised insurance requirements for foreign exchange visitors.

TEXT OF REGULATION: The full text of the Proposed Amended Regulation can be viewed below and on the website of The Florida International University Board of Trustees, <http://bot.fiu.edu/regulations/>. If you would like a copy of the Proposed Amended Regulation, please contact Eli Deville, Coordinator, Administrative Services, Office of the General Counsel, (305) 348-2103.

AUTHORITY: Board of Governors Regulations 1.001 and 6.009.

NAME OF PERSON INITIATING PROPOSED REGULATION: Douglas Wartzok, Interim Provost and Executive Vice President.

ANY PERSON SEEKING TO COMMENT ON THE PROPOSED AMENDED REGULATION MUST SUBMIT COMMENTS IN WRITING TO THE CONTACT PERSON LISTED BELOW. ALL WRITTEN COMMENTS MUST BE RECEIVED BY THE CONTACT PERSON WITHIN 14 CALENDAR DAYS OF THE DATE OF PUBLICATION OF THIS NOTICE.

CONTACT PERSON REGARDING THE PROPOSED AMENDED REGULATION: Eli Deville, Coordinator, Administrative Services, Office of the General Counsel, Florida International University, 11200 SW 8th Street, PC 511, Miami, FL 33199. Email: devillee@fiu.edu Fax: (305) 348-3272. Phone: 305-348-2103.

DATE OF PUBLICATION: January 7, 2010

THE FULL TEXT OF THE PROPOSED AMENDED REGULATION IS PROVIDED BELOW:

FIU-408 Foreign Exchange Visitor Insurance Requirements.

(1) In compliance with its responsibilities under federal law, the University requires that exchange visitors with J-1 non-immigrant status who are sponsored by the University shall maintain a policy or policies of medical insurance, including repatriation and medical evacuation coverage, for themselves and their accompanying J-2 dependents for the full duration of their sponsored enrollment or program. For purposes of this regulation the term "exchange visitor" means a citizen of a foreign country who is sponsored by the University as either a student, teacher, professor, researcher, short-term scholar, specialist, visitor or other category of exchange visitor status as defined by the U.S. Department of State.

(a) ~~Only the~~ The following insurance policies will be considered adequate to meet this requirement:

- ___ 1. The University approved policy offered for purchase by exchange visitors; or,
- ___ 2. The insurance offered as part of the standard benefits package to exchange visitors who are University employees if such insurance covers their dependents and is supplemented by a separate policy providing medical evacuation and repatriation and any other requirements specified in Part 62.14(c)(1) of Title 22 of the Code of Federal Regulations; or

___ 3. An insurance policy that meets the requirements specified in Part 62.14(c)(1) of Title 22 of the Code of Federal Regulations approved by the University.

(b) Proof of this type of insurance coverage for exchange visitors and all accompanying J-2 dependents shall be demonstrated as follows:

___ 1. For exchange visitors other than students, proof of insurance coverage shall be provided to the Office of International Student and Scholar Services prior to the issuance of the U.S. Department of State Form (the "Form") by the Office of International Student and Scholar Services.

___ 2. For exchange visitor students who are not degree-seeking students, proof of insurance coverage shall be provided to the Office of International Student and Scholar Services before the Form is issued by the Office of International Student and Scholar Services.

___ 3. For exchange visitor students who are admitted as degree-seeking students, proof of insurance coverage shall be provided to the Office of International Student and Scholar Services when the exchange visitor student arrives in the United States and prior to registering for classes for the semester in which the exchange visitor student has been admitted.

(c) The Form will be issued only for the stated period of insurance coverage. Proof of the extension of major medical, repatriation and medical evacuation insurance must be provided prior to the issuance of the extended for DS-2019. Exchange visitors who are eligible for the insurance available to University employees must obtain coverage under subparagraph (1)(a)1., above, and demonstrate proof thereof to the Office of International Student and Scholar Services for themselves and any accompanying dependents until such time as their employee and dependent coverage becomes effective before the Office of International Student and Scholar Services will issue the Form.

(d) This regulation should not be interpreted to mean that the University recommends or encourages any prospective exchange visitor to cancel existing insurance coverages. The insurance coverage required by this regulation satisfies the requirements of the U.S.

Department of State, the Florida Board of Governors and the University and may not cover all medical conditions which the exchange visitor and accompanying dependents may develop or the treatments which they require.

(e) Willful failure to maintain the required insurance coverage shall result in termination of participation in the exchange visitor program and/or employment.

Specific Authority BOG ~~Resolution dated January 7, 2003~~[Regulation 1.001](#). *Law Implemented* ~~BOG Resolution dated January 7, 2003~~[BOG Regulation 6.009](#) *History—Formerly 6P-3.02(5), 10-1-75, Repromulgated 12-23-76, Formerly 6C8-3.006, Amended 1-10-95, 11-14-08, _____.*

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**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

February 20, 2010

Subject: Approval of Regulation 1103 – Textbook Affordability

Proposed Board Action:

Adopt the following Resolution:

WHEREAS, the Florida International University Board of Trustees (the BOT) is required by Board of Governors Regulation to adopt a regulation that establishes textbook adoption procedures to minimize the cost of textbooks for students while maintaining the quality of education and academic freedom;

THEREFORE, BE IT RESOLVED, that the BOT approves the Textbook Affordability Regulation FIU-1103, with the changes reflected in the Notice of Change, attached hereto as Exhibit “F”.

Background Information:

A. Legal Authority:

BOG Regulation 1.001 University Boards of Trustees Powers and Duties, provides in pertinent part:

(3)(j). Each board of trustees is authorized to promulgate university regulations in accordance with the Regulation Development Procedure adopted by the Board of Governors.

BOG Regulation 8.003 Textbook Adoption, provides in pertinent part:

- (1) Each university board of trustees shall adopt a regulation that establishes textbook adoption procedures to minimize the cost of textbooks for students while maintaining the quality of education and academic freedom. At a minimum, the regulation shall provide for the following:
 - (a) A deadline for the adoption of textbooks each term that shall provide sufficient lead time for bookstores to confirm the availability of the requested materials and, where possible, maximize the number of used books available.
 - (b) A procedure to document the intent of the course instructor or the academic department offering the course to use all items ordered, including each individual item sold as part of a bundled package, before the adoption is finalized.
 - (c) A determination by the course instructor or academic department offering the course, before a textbook is adopted, of the extent to which a new edition differs significantly and substantively from earlier versions and the value of changing to a new edition.

- (d) A procedure to make required textbooks for each course offering available to students who otherwise cannot afford the cost of the textbook.
- (e) A procedure by which students can obtain required textbooks prior to receipt of their financial aid distribution, when necessary.
- (f) A deadline for posting a list of each required textbook for each course offering for the upcoming term on the university's website. The deadline shall be no later than thirty (30) days prior to the first day of classes for each term, and any request for an exception to the deadline shall be submitted in writing to the appropriate university official prior to the deadline and shall provide a reasonable justification for an exception. The posted list shall include the following information for each required textbook:

- 1. The International Standard Book Number (ISBN) or
- 2. Other identifying information which shall include, at a minimum:
 - (a) All authors listed,
 - (b) Publishers,
 - (c) Edition number,
 - (d) Copyright date,
 - (e) Published date, and
 - (f) Other relevant information necessary to identify the specific textbook required for each course.

B. Explanation for Proposed Board Action:

The Textbook Affordability regulation is being adopted to establish the textbook adoption procedures as required by the Board of Governors. The Notice of Proposed Regulation was posted on January 6, 2010. Comments were received and changes were made to the Proposed Regulation in response to such comments. The Notice of Change was posted on February 11, 2010.

Exhibits/Supporting Documents:

- **Exhibit “F”:** Textbook Affordability, FIU-1103

**THE FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES
FLORIDA BOARD OF GOVERNORS**

NOTICE OF PROPOSED REGULATION

REGULATION NO.: FIU-1103

REGULATION TITLE: Textbook Affordability

SUMMARY: The Florida International University, in response to comments received concerning the above regulation, has changed paragraphs (6) and (6)(b) to read as follows:

(6) No employee of Florida International University may demand or receive any payment, loan, subscription, advance, deposit of money, service, or anything of value, present or promised, in exchange for requiring students to purchase ~~a specific~~ purchases items. However, an employee may receive, subject to the requirements of the Florida Code of Ethics for Public Officers and Employees and the outside activity and conflict of interest requirements set forth in University regulations and collective bargaining agreements:

(b) Royalties or other compensation from sales of textbooks that include the instructor's own writing or work (which requires the filing and approval of the "Outside Activity and Conflict of Interest" form).

TEXT OF REGULATION: The full text of the Proposed Regulation can be viewed below and on the website of The Florida International University Board of Trustees, <http://bot.fiu.edu/regulations/>. If you would like a copy of the Proposed Regulation, please contact Eli Deville, Coordinator, Administrative Services, Office of the General Counsel, (305) 348-2103.

AUTHORITY: Florida Constitution and Board of Governors Regulation 8.003.

NAME OF PERSON INITIATING PROPOSED REGULATION: Douglas Wartzok, Interim Provost and Executive Vice President.

ANY PERSON SEEKING TO COMMENT ON THE PROPOSED REGULATION MUST SUBMIT COMMENTS IN WRITING TO THE CONTACT PERSON LISTED BELOW. ALL WRITTEN COMMENTS MUST BE RECEIVED BY THE CONTACT PERSON WITHIN 14 CALENDAR DAYS OF THE DATE OF PUBLICATION OF THIS NOTICE.

CONTACT PERSON REGARDING THE PROPOSED REGULATION: Eli Deville, Coordinator, Administrative Services, Office of the General Counsel, Florida International University, 11200 SW 8th Street, PC 511, Miami, FL 33199. Email: devillee@fiu.edu Fax: (305) 348-3272. Phone: 305-348-2103.

DATE OF PUBLICATION: February 11, 2010.

THE FULL TEXT OF THE REGULATION IS PROVIDED BELOW:

FIU- 1103 Textbook Affordability.

The Board of Trustees of Florida International University establishes the following procedures for minimizing the cost of textbooks to students while maintaining the quality of their educational experience and continuing to ensure academic freedom.

(1) No later than sixty (60) days prior to the beginning of each full semester, the Provost's Office shall notify the faculty of the requirements included in this Policy and encourage instructional faculty to be mindful of the importance of cost considerations as they consider the adoption of instructional materials.

(2) Textbooks and other instructional materials shall be adopted by transmitting a completed Textbook Adoption Form to the University Bookstore no later than forty-five (45) days prior to the first day of classes. This deadline is established to allow sufficient time for the Bookstore to confirm availability of the requested materials, to ensure availability of sufficient used instructional materials, and to allow the University Bookstore to coordinate its book-buy-back activities at the end of the semester with the book orders for the ensuing semester. When textbooks cannot be ordered within this time-frame, written explanations must be provided to the appropriate Dean's Office, and such orders should be completed as quickly as possible to allow for the availability of the materials.

(3) In submitting the Textbook Adoption Form to the University Bookstore, instructors must clearly distinguish the required materials from those which are recommended. By identifying any materials as required, instructors certify that the students need these materials for the course. By identifying any bundled materials as required, instructors certify that students must purchase all the items in the bundle. When it is possible to purchase the bundled materials separately, instructors should specify only those materials which the students need for the course as required. When new editions are ordered by an instructor, such orders shall constitute certification by the instructor that the new edition differs significantly and substantively from the earlier versions to warrant the change. When instructors do not believe this to be the case and when it will not impede the instruction of the course, faculty members may indicate on the Adoption Forms that students may purchase either the new or older editions as this will ensure affordability options to the students.

(4) Textbook Adoption orders placed by the deadline will be posted on the University Bookstore's website by course and linked to the student registration system prior to the beginning of the official registration period for each semester. Students may view the information on the required and recommended instructional materials for each course through either the Bookstore or the Registration websites. This posted information will include: ISBN, author(s) or editor(s), title, publisher, edition number, copyright and publication dates, or other relevant information necessary to clearly identify the specific materials students must purchase for the course.

(5) Determination of the students' ability to pay for instructional materials will be made through the standard student financial aid eligibility assessment. When financial aid applications are made within stated deadlines students with confirmed financial aid eligibility for textbooks will be notified of this prior to the beginning of each semester. They may elect to have their Panther Accounts credited with the approved funding so they may make textbook and instructional materials purchases from the University Bookstore directly.

(6) No employee of Florida International University may demand or receive any payment, loan, subscription, advance, deposit of money, service, or anything of value, present or promised, in exchange for requiring students to purchase a specific purchases items. However, an employee may receive, subject to the requirements of the Florida Code of Ethics for Public Officers and Employees and the outside activity and conflict of interest requirements set forth in University regulations and collective bargaining agreements:

(a) Sample copies, instructor copies, or instructional materials. These materials may not be sold for any type of compensation if they are specifically marked as free samples not for resale.

(b) Royalties or other compensation from sales of textbooks that include the instructor's own writing or work (which requires the filing and approval of the "Outside Activity and Conflict of Interest" form).

(c) Honoraria for academic peer review of course materials.

(d) Fees associated with activities such as reviewing, critiquing, or preparing support materials for textbooks.

(e) Training in the use of course materials and learning technologies.

Authority: Section 7(d), Art. IX, Fla. Const., FBOG Regulation 8.003. History-New _____.

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**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

February 20, 2010

Subject: Approval of the FIU Annual Report to the Board of Governors

Proposed Board Action:

Adopt the following Resolution:

WHEREAS, the Florida International University Board of Trustees (the BOT) is required to submit an annual report to the Board of Governors for approval; and

WHEREAS, the University submitted a draft of the 2009 Florida International University Annual Report to the Board of Governors for approval; and

WHEREAS, the draft of the 2009 Florida International University Annual Report was revised in response to requests from the Board of Governors staff, and has been approved by the Board of Governors contingent upon the BOT's approval;

THEREFORE, BE IT RESOLVED that the BOT approves the 2009 Florida International University Annual Report, attached hereto as Exhibit "G", as the final 2009 Florida International University Annual Report.

Background Information:

A. Legal Authority:

Florida Board of Governors Regulation 2.002, University Work Plans and Annual Reports, in pertinent part, provides:

- (1) The Board of Governors shall institute a planning and performance monitoring system that includes the university submission of work plans and annual reports designed to inform strategic planning, budgeting, and other policy decisions for the State University System.
- (2) Each university's work plans and annual reports shall reflect the institution's distinctive mission and focus on core institutional strengths within the context of State University System goals and regional and statewide needs.
- (5) Each board of trustees shall submit to the Board of Governors a university annual report that describes progress against articulated goals and summarizes other key data, with accompanying narrative to highlight or explain information, when applicable.

B. Explanation for Proposed Board Action:

The draft of the 2009 Florida International University Annual Report was submitted to the Board of Governors on December 18, 2009, revised in response to Board of Governors staff requests and is expected to be approved at the Board of Governors' meeting on January 26-27, 2010 contingent upon obtaining the BOT's approval.

Exhibits/Supporting Documents:

- **Exhibit “G”*: 2009 Florida International University Annual Report**

**Exhibit “G” is contained in pages 125 – 172 of this agenda.*

FIU 2009 Annual Report to BOG

Data Definitions

GOAL 1:

- **Baccalaureate Degrees Awarded and Graduate Degrees Awarded:** Graduate degrees include master's, research doctoral, and professional doctoral programs. Source: SUS Student Instruction File
- **# and % Baccalaureate Degrees Awarded (Non-Hispanic Blacks and Hispanics):** The number of baccalaureate degrees granted to non-Hispanic black students or Hispanic students. The percentage is the number of baccalaureate degrees awarded to each group divided by the total number of degrees awarded, excluding those awarded to non-resident aliens and those not reporting race/ethnicity. Source: SUS Student Instruction File
- **# and % Baccalaureate Degrees Awarded (Pell Recipients):** The number of baccalaureate degrees awarded to federal Pell grant recipients, an indicator of low family income. For this report, a Pell grant recipient is defined as a student who received Pell within six years of graduation. The percentage is the number of baccalaureate degrees awarded to Pell recipients as listed above divided by the total number of degrees awarded, excluding those awarded to non-resident aliens. Sources: SUS Student Instruction File and Student Financial Aid File

GOAL 2:

- **# Degrees Awarded in Select Areas of Strategic Emphasis:** Degrees as reported above by six-digit Classification of Instruction Program. The areas of strategic emphasis were selected by the Board of Governors staff in consultation with business and industry groups.
- **Pass Rates on Professional Licensure Examinations:** Many professional licensure data, gathered by the respective licensing boards and housed within the Department of Business and Professional Regulation, are not currently formatted and do not contain sufficient information to match to SUS data. Board of Governors staff will work with individuals from the appropriate agencies to try to get data in the needed format.

GOAL 3:

- **Federally Financed and Total Academic Research and Development Expenditures:** The National Science Foundation conducts an annual survey of colleges and universities regarding research and development expenditures. These amounts combine reported science and engineering R&D expenditures with reported non-science and engineering expenditures. Dollars are in nominal dollars (i.e., not inflation-adjusted). Source: <http://webcaspar.nsf.gov/>
- **# Licenses/Options Executed:** Count of the number of licenses/options executed in the fiscal year for all technologies. Each license agreement is counted separately. Source: AUTM Licensing Survey
- **Licensing Income Received:** License issue fees, payments under options, annual minimums, running royalties, termination payments, amount of equity received when cashed-in, and software and biological material end-user license fees of \$1,000 or more, but not research funding, patent expense reimbursement, valuation of equity not cashed-in, software and biological material end-user license fees of less than \$1,000, or trademark licensing royalties from university insignia. Source: AUTM Licensing Survey

RESOURCES, EFFICIENCIES, AND EFFECTIVENESS

· **6 -Year Graduation and Retention Rates (FTICs), 4-Year Graduation and Retention Rates (AA Transfers), 5-Year Graduation and Retention Rates (Other Transfers):** An FTIC cohort is defined as undergraduates entering in fall term or summer continuing to fall with fewer than 12 hours earned since high school graduation. An AA Transfer cohort is defined as undergraduates entering in fall term or summer continuing to fall and having earned an AA degree from an institution in the Florida College System. An Other Transfer cohort is defined as undergraduates entering in fall term or summer continuing to fall who are not FTICs or AA transfers. The rate is the percentage of the initial cohort that had either graduated from or was still enrolled in the sixth academic year for FTIC students, fourth year for AA Transfers, and fifth year for Other Transfers. Both full-time and part-time students are included in the calculation. Source: SUS Retention File

· **Student-Faculty Ratio:** The ratio of full-time equivalent students (full-time plus 1/3 part time) to full-time equivalent instructional faculty (full time plus 1/3 part time). In the ratio calculations, exclude both faculty and students in stand-alone graduate or professional programs such as medicine, law, veterinary, dentistry, social work, business, or public health in which faculty teach virtually only graduate-level students. This metric does not count undergraduate or graduate student teaching assistants as faculty. Source: Common Data Set/IPEDS

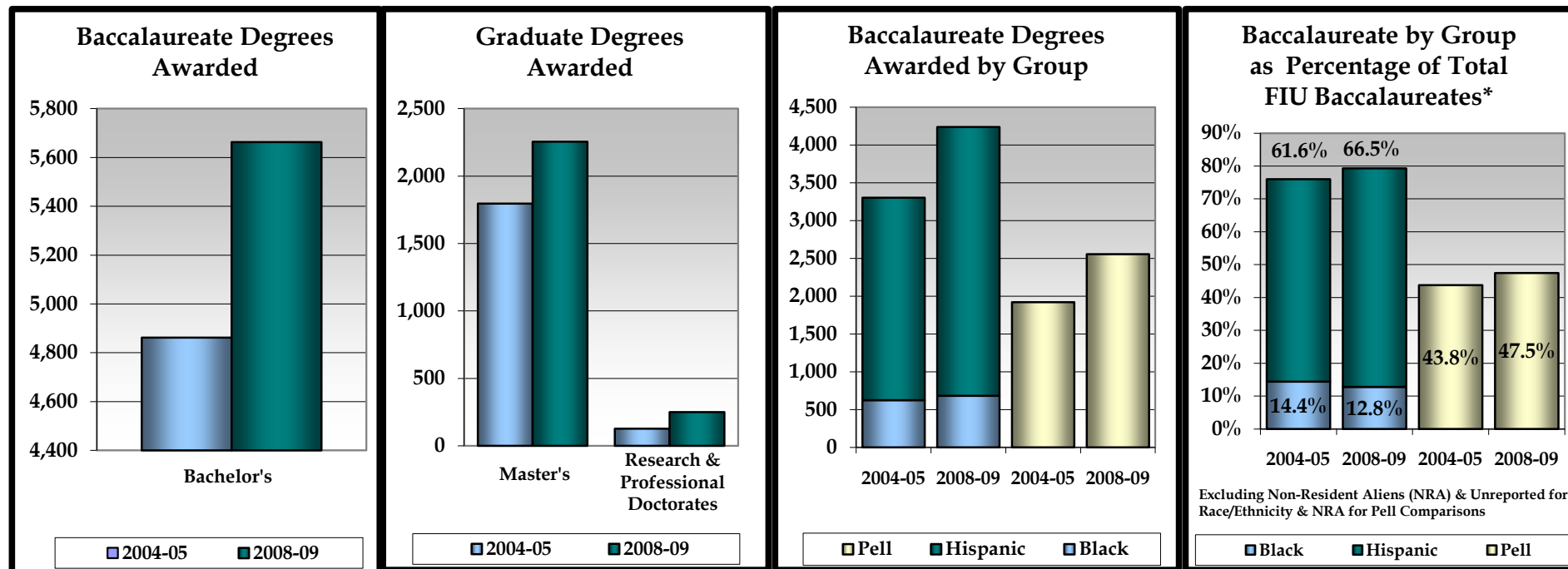
· **Funding per FTE Student:** E&G appropriation and tuition revenues are divided by total student FTE. Only state-fundable credit hours are used. To allow for national comparisons, FTE for this metric uses the standard IPEDS definition of FTE, equal to 30 credit hours for undergraduates and 24 for graduates. Sources: Operating Budget, SUS Student Instruction File

[Additional definition information in appendices.]

Florida International University 2009 Annual Report

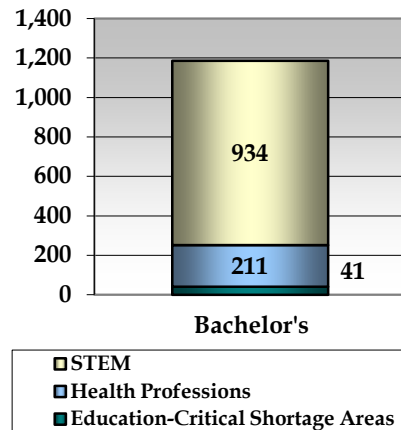
Sites and Campuses			University Park Campus, Biscayne Bay Campus, Pines Center Site					
Enrollments	Headcount	%	Degree Programs Offered (2008-09)			Carnegie Classification		
TOTAL (Fall 2008)	39,146	100%	TOTAL		179	Undergraduate Instructional Program:	Balanced arts & sciences/ professions, high graduate coexistence	
Black	4,839	12%	Baccalaureate		67	Graduate Instructional Program:	Comprehensive doctoral (no medical/veterinary)	
Hispanic	23,401	60%	Master’s & Specialist’s		81			
White	6,601	17%	Research Doctorates		28	Enrollment Profile:	High undergraduate	
Other	4,305	11%	Professional Doctorates		3	Undergraduate Profile:	Medium full-time four-year, selective, lower transfer-in	
Full-Time	23,286	59%	Faculty (Fall 2008)	Full-Time	Part-Time	Size and Setting:	Large four-year, primarily nonresidential	
Part-Time	15,860	41%				Basic:	Research Universities (high research activity)	
Undergraduate	30,428	78%	TOTAL		817	13	Elective Classification:	N/A
Graduate	6,629	17%	Tenure/T. Track		646	8		
Unclassified	2,089	5%	Non-Ten. Track		171	5		

BOARD OF GOVERNORS - STATE UNIVERSITY SYSTEM GOAL 1: ACCESS TO AND PRODUCTION OF DEGREES

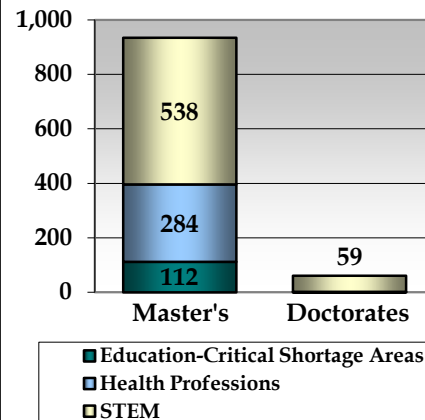


**BOARD OF GOVERNORS - STATE UNIVERSITY SYSTEM GOAL 2:
MEETING STATEWIDE PROFESSIONAL AND WORKFORCE NEEDS**

**Baccalaureate Degrees
Awarded in Select Areas
of Strategic Emphasis,
2008-09**



**Graduate Degrees
Awarded in Select Areas of
Strategic Emphasis, 2008-
09**



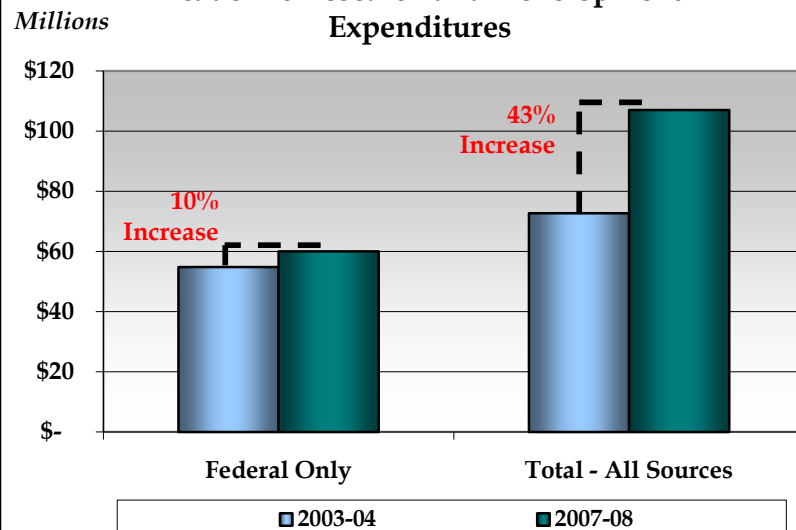
Pass Rates on Licensure Examinations

Board of Governors staff are working to match cohorts of university graduates with engineering, accounting, and other professional licensure data, which are gathered by the respective licensing boards and housed within the Department of Business and Professional Regulation. Historically, teacher certification examination pass rates have been reported for program completers only, resulting in a nearly 100% pass rate (because state-approved programs require passage of the certification exams for completion). Board staff are also developing an alternative measure of the effectiveness of educator preparation programs. For this year, nursing exam (NCLEX) first-time pass rates are the only meaningful licensure metrics available for bachelor's degree programs.

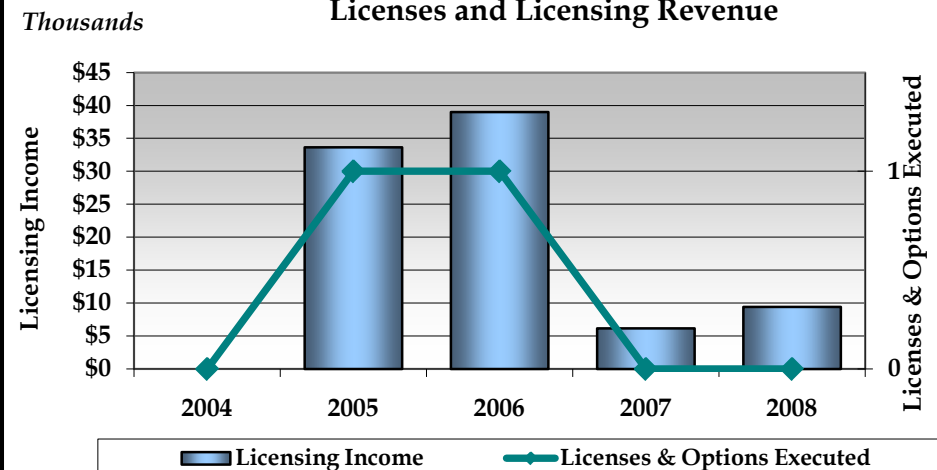
In 2008, FIU had 181 NCLEX test takers from its nursing bachelor's program, with a first-time pass rate of 89%.

**BOARD OF GOVERNORS - STATE UNIVERSITY SYSTEM GOAL 3:
BUILDING WORLD-CLASS ACADEMIC PROGRAMS AND RESEARCH CAPACITY**

**Academic Research and Development
Expenditures**



**University Innovations Generating Revenue Through
Technology Transfer:
Licenses and Licensing Revenue**



Key University Achievements

► Student awards/achievements

- FIU Physics students won the BandWidth Challenge at the Super Computing 2009 conference in Portland Oregon.
- FIU College of Law students placed second best brief in 2009 Skadden, Arps Foreign Direct Investment Moot competition in Frankfurt.
- At the 2009 National Model United Nations Conference, the FIU Model United Nations (MUN) team received the Outstanding Delegation Award, the highest accolade possible.

► Faculty awards/achievements

- Professor Pedro Jose "Joe" Greer, Chair of the Department of Humanities, Health & Society at Florida International University's Herbert Wertheim College of Medicine, received the Presidential Medal of Freedom.
- Suzanne Koptur, Professor in the Department of Biological Sciences, Alex Stepick, Director, Immigration & Ethnicity Institute, & Professor of Anthropology and Sociology, Matthew Mirow, Professor of Law at the College of Law, and Bianca Premo, Associate Professor, Department of History received Fulbright awards.
- Madavan Nair, professor and chair of immunology and associate dean of biomedical research, and Barry P. Rosen, professor and associate dean for research & graduate studies, both at the FIU Herbert Wertheim College of Medicine, have received NIH MERIT awards.

► Program awards/achievements

- FIU's International Business Program ranked in top 15 in US News and World Report.

- FIU's Hospitality Management program in association with Tianjin University of Commerce ranked in the top 10 programs in China by the Ministry of Education.
- The Patricia and Phillip Frost Art Museum has been named Best Art Museum, and its Kenan-Flagler Family Discovery Gallery as The Best Place for Kids to Unleash Their Creativity, by the Miami New Times.

► Research awards/achievements

- The Center for the Study of Matters at Extreme Condition (CeSMEC) at FIU led an international group of scientists that synthesized and characterized a single-element compound, Boron Boride (B28).
- A team of four universities led by FIU's Fernando Miralles-Wilhelm received a \$5 million grant from NASA for ecosystem research on the Everglades and Sian Ka'an wetlands in Mexico.
- Dr. Gary Rand, professor in the Department of Earth and Environment, and Dr. Piero Gardinali, associate professor in the Department of Chemistry and Biochemistry recently received a \$2.75 million agreement with the Miami-Dade County Water and Sewer Department to provide environmental research and analysis. Their groundbreaking project, only the second of its kind in the country, will determine the feasibility of using highly-treated reclaimed water for the Biscayne Bay Coastal Wetlands Rehydration Project.

► Institutional awards/achievements

- FIU was ranked #1 in the nation in awarding STEM degrees to underrepresented minorities in a recent study published by The Commission on Professionals in Science and Technology.

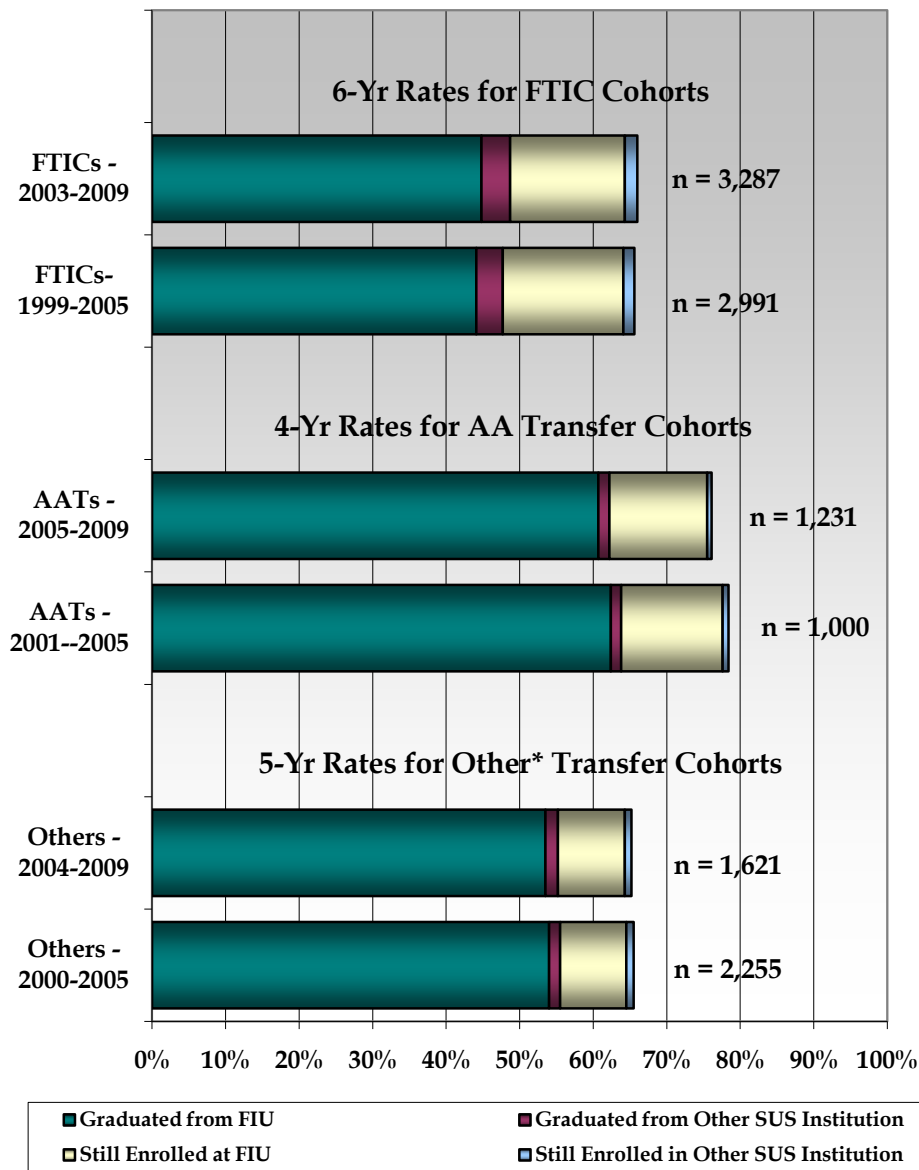
BOARD OF GOVERNORS - STATE UNIVERSITY SYSTEM GOAL 4:

MEETING COMMUNITY NEEDS AND FULFILLING UNIQUE INSTITUTIONAL RESPONSIBILITIES

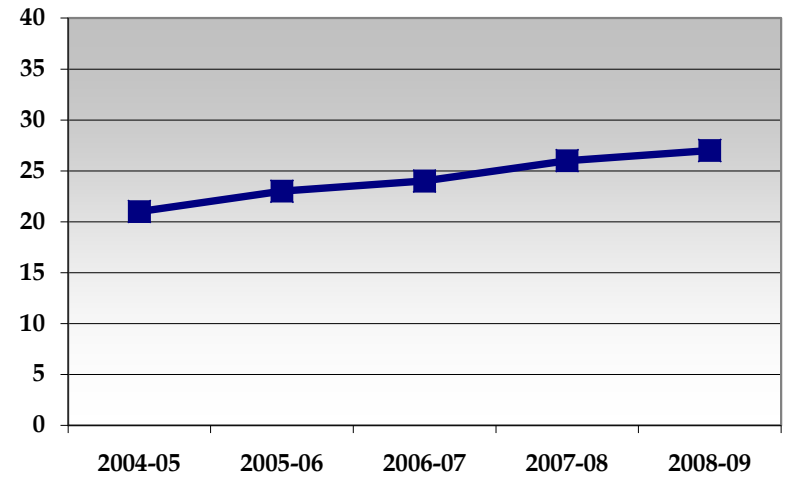
FIU's innovative Neighborhood HELP (Health Education Learning Program), which runs through the entire four years of medical school, will put medical students in teams with students of other disciplines. They will work together to address real medical, social and ethical issues experienced by disadvantaged families in South Florida.

[More information is available regarding this Goal in the subsequent narrative section of this report.]

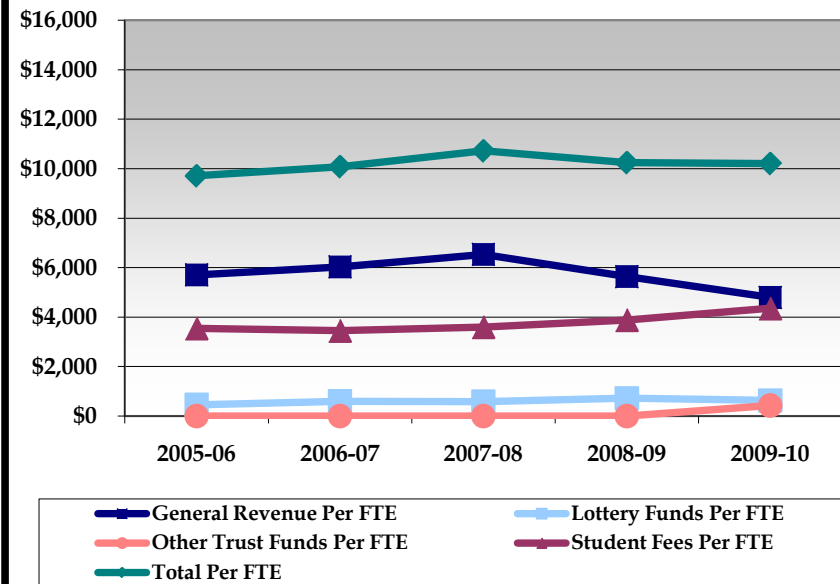
Undergraduate Retention and Graduation Rates



Student-to-Faculty Ratio



Appropriated Funding Per Actual Student FTE**



* The composition of "Other Transfer" cohorts may vary greatly by institution.

** FTE for this metric uses the standard IPEDS definition of FTE, equal to 30 credit hours for undergraduates and 24 for graduates.

Introduction**► Mission**

Florida International University is an urban, public, multi-campus research university serving South Florida, the state, the nation, and the international community. Our mission is to impart knowledge through excellent teaching, promote public service, discover new knowledge, solve problems through research, and foster creativity.

► Vision

A leading student-centered urban public research university that is locally and globally engaged.

► Other Contextual Introductory Comments

As an anchor public institution in South Florida, FIU is committed to providing quality learning, state-of-the-art research and creative activity, and problem-solving engagement.

As an institution of higher learning, Florida International University is committed to

- Freedom of thought and expression
- Excellence in teaching and in the pursuit, generation dissemination, and application of knowledge
- Respect for the dignity of the individual
- Respect for the environment
- Honesty, integrity, and truth
- Diversity
- Strategic, operational, and service excellence

- **BOARD OF GOVERNORS – STATE UNIVERSITY
SYSTEM GOAL 1: ACCESS TO AND PRODUCTION OF
DEGREES**

Provide enhanced academic, personal and cultural support, and assistance to qualified elementary, middle and high school students in Miami-Dade County that will result in increased graduation rates and eventual enrollment in a postsecondary institution

FIU has leveraged Federal educational opportunity outreach programs to motivate and support students from disadvantaged backgrounds to enroll and succeed in college.

The Pre-College Programs at Florida International University (FIU) give students the chance to explore careers and build their educational foundation in a variety of disciplines, including Science, Technology, Engineering, Mathematics (STEM), Social Sciences, English Literature and Grammar, and Foreign Languages. Students also become acclimated to college by taking classes on campus and adapting to the behavioral norms of college students. Additionally, participants in three of our programs are given the opportunity to have a residential summer experience and live on campus from 2 to 6 weeks. Through the pre-collegiate programs, students can experience a genuine college classroom environment, with tough courses to challenge their young minds. This reinforces the curriculum from high school, exposes students to college level work, and improves their study skills. The ultimate goal is to develop students who are intellectually prepared for the collegiate experience and the world around them.

GOAL 1: ACCESS TO AND PRODUCTION OF DEGREES (Continued)

Establish an advanced placement/dual enrollment public high school on the FIU Modesto Maidique campus

The Office of Undergraduate Education has developed an exciting new partnership with Miami-Dade County Public Schools (MDCPS) that allows top high school students take classes at FIU.

FIU's Academy for Advanced Academics offers an all-day university/high school experience on the FIU campus for 100 MDCPS students from five senior high schools.

The goal of this collaboration is to increase FIU's engagement with the South Florida community and to encourage these top students to form relationships with the university and continue their studies here. The university also helps prepare these students to achieve academic success in college so that we can retain them through graduation.

To be considered for admission into the program, students must have a GPA of at least a 3.0 and top scores on the PSAT.

Students at the Academy for Advanced Academics take all of their classes at the Modesto Maidique Campus, and build class schedules based on their academic interests.

In the morning, the high school students attend college classes taught by FIU professors alongside FIU undergraduates. They stay on campus in the afternoon for their Advanced Placement classes—college-level courses taught by high-school teachers.

By the time the students graduate from high school, they will have completed up to two full years of college.

BOARD OF GOVERNORS - STATE UNIVERSITY SYSTEM GOAL 2: MEETING STATEWIDE PROFESSIONAL AND WORKFORCE NEEDS

Increase the number of medical doctors in the State of Florida.

The Herbert Wertheim College of Medicine entered its first class of 43 students in 2009. That number will increase to 120 in 2013. By the nature of our innovative curriculum in NeighborhoodHELP™ communities (see below-Goal 4), it is anticipated that a majority of graduates will pursue a residency in a primary care specialty.

Increase the number of nurses in the State of Florida

The nation's first foreign-educated physicians to professional nurses program, pioneered at FIU in 2002 and expanded through distance learning technology to Orlando in 2004 and to Tampa in 2007, continues to transform foreign-educated physicians into nurses with their Bachelor of Science in Nursing degree through a fast-track, specialized curriculum. Building on the medical training these individuals have had in their home countries, they can become registered nurses after completing 5 semesters, a little more than 1 ½ years of classroom, clinical and community education and practice.

Not only do these graduates address the nursing shortage, but because 75% of them have immigrated from the Caribbean, Central and South America with 20% more having immigrated from prior Soviet Union countries, India, and China, they contribute to diversifying the nursing workforce. Minorities constitute 32% of the population of Florida (82% of population of Miami Dade County), but only 18% of Florida nurses are from these ethnic groups.

Through 2009, 378 nurses have entered the workforce through this program: 12 cohorts in Miami, 1 in Orlando (2004), and 2 in Tampa (2007 and 2009) and 122 graduates of this program are now enrolled in the MSN program. The program has been supported both by Federal grants and by hospitals that employ the graduates.

GOAL 2: MEETING STATEWIDE PROFESSIONAL AND WORKFORCE NEEDS (Continued)

Establish secondary teacher education programs in the College of Arts and Sciences

Through FIU's new secondary teacher education programs, the College of Arts and Sciences prepares students in their chosen science or math subject area, while the College of Education gives them the tools they will need in the classroom. By choosing new integrated education programs in biology, chemistry, mathematics, and physics, students will graduate with a Bachelor of Arts degree in their chosen discipline and will be eligible to obtain a full professional teaching certificate from the state of Florida. These teacher preparation programs are currently going through the state approval and accreditation process. The first graduates are expected in 2011. Programs also are planned in English and History, Geography, and Political Science for Social Studies certification.

FIU's graduates account for more than half of the teachers in Miami-Dade Public Schools, the fourth largest school system in the nation. This new model will infuse the teaching profession with the expertise needed to raise students' academic standings in math and science. In an effort to boost the number of math and science teachers, the new education programs include a component that allows students to "test drive" teaching through a no-strings-attached experience. The top students in introductory math and science classes will be invited to participate in a teaching seminar. The seminar gives students a hands-on introduction to teaching and an opportunity to work as paid lab assistants, where they guide their peers.

The new education programs extend beyond the classroom and include mentoring for aspiring teachers during their university years and as they enter their profession. The National Science Foundation has invested more than \$9 million in FIU projects that support future scientists and science and mathematics teachers. Additional support has been provided by the [Physics Teacher Education Coalition](#) (PhysTEC) and the U.S. Department of Education.

BOARD OF GOVERNORS - STATE UNIVERSITY SYSTEM GOAL 3: BUILDING WORLD-CLASS ACADEMIC PROGRAMS AND RESEARCH CAPACITY

Establish a Center of Excellence in Writing (CEW)

The CEW was established to assist graduate students with professional writing, including thesis and dissertation, and to help equip Ph.D. students to pursue external funding for their research collaborations with their faculty mentors. The CEW currently employs four half-time writing tutors to work exclusively with graduate students to improve thesis and dissertation writing. The ultimate goal of this program is to increase the quality of doctoral education at FIU as well as the quality of sponsored research.

Research Infrastructure Initiative

Initiated a Research Enhancement/Development unit within the Office of Research with responsibility for: a) enhancing the capacity of FIU faculty to successfully pursue sponsored research, and b) pursuing competitive Federal funding for research infrastructure at FIU (e.g., new research labs, renovation of research labs, research equipment). Two competitive proposals were submitted to NIH prior to July 1, 2009, one for a Vivarium to support the biomedical sciences and to enhance FIU's ability to engage in cutting-age research and to pursue outstanding scholar/researchers, and the other for the expansion and renovation of the nano-laboratory to support biomedical research at FIU and the University of Miami. Two other research infrastructure applications were submitted in September 2009. One requested from NIST an additional floor for the new International Hurricane Research Center for collaborative research with NOAA, and the other was submitted to the NSF for renovation of laboratories for the Southeast Environmental Research Center, whose research focuses on the environments with a major focus on the Everglades.

GOAL 3: BUILDING WORLD-CLASS ACADEMIC PROGRAMS AND RESEARCH CAPACITY (Continued)

Establish a strategic Cluster Hiring Initiative Program

Cluster hiring is a process by which faculty are recruited in groups built around common research and academic themes. The initiative will enhance cross-disciplinary student learning and benefit our local and state economy. Additionally, cluster hiring affords a means of advancing the University in strategically targeted areas.

One Cluster Hire in the area of ADHD (Attention Deficit Hyperactivity Disorder) was accomplished. This Cluster enhances a strong existing applied developmental psychology program and connects it to the new College of Medicine. The Cluster consists of three (3) positions across two units and colleges (Psychiatry in Medicine and Psychology in Arts & Sciences). The group will relocate a renowned ADHD research center from SUNY Buffalo to FIU and transfer over \$10 million in external funding. In addition to enhancing research capacity at FIU, this group will: a) establish collaborative programs to address ADHD and childhood problems with the Miami-Dade County Public School system, b) relocate to FIU a well-known ADHD summer treatment program that attracts clients from throughout the U.S. and the world, and c) establish a ADHD clinic at FIU which will serve the local community.

Research Space Allocation & Laboratory Renovation

Research space is a precious and finite resource. Quality research laboratories and facilities is a prerequisite to build world-class academic and research programs. To accomplish this, FIU has established a system for the allocation of research space and has begun a process of laboratory renovation and outfitting in conjunction with the new College of Medicine and the Cluster Hiring Initiative. Extensive renovations have been completed for laboratories in the life sciences and in environmental research. This program will continue for several years in efforts to attract world-class research faculty and cutting-edge sponsored research.

BOARD OF GOVERNORS - STATE UNIVERSITY SYSTEM GOAL 4: MEETING COMMUNITY NEEDS AND FULFILLING UNIQUE INSTITUTIONAL RESPONSIBILITIES

Initiate the NeighborhoodHELP™ Program

The Florida International University Herbert Wertheim College of Medicine is spearheading a unique undergraduate medical education program in collaboration with our colleges of public health, social work and nursing and our community partners to prepare physicians to assess and address the non-medical factors that affect health outcomes. FIU will be preparing physicians to practice medicine in an interdisciplinary and comprehensive manner through a curriculum that integrates the ethical foundations of medicine, social determinants of health, cultural competency, public health principles, and sustained community based participatory service-learning experiences.

To our knowledge, this is the only medical school program in the US that will allow students the opportunity to be immersed in the community developing interdisciplinary community partnerships over the entire course of their medical education. Students will work with community organizations, interdisciplinary teams and neighborhood households to identify and address existing healthcare needs and gaps in services by acting as advocates, facilitators and patient educators. The Green Family Medicine & Society program will run longitudinally throughout the four years of training with eight courses vertically integrated with the clinical Family Medicine curriculum throughout the four years of medical school. Medical students will be introduced to local issues of health disparities and community needs through hands on experiences through lectures, case-based small group discussions, and immersion in the community.

Over 1000 households have already been interviewed and baseline data collected to establish their eligibility for participation in this program

GOAL 4: MEETING COMMUNITY NEEDS AND FULFILLING UNIQUE INSTITUTIONAL RESPONSIBILITIES (Continued)

Community Summits

In Fall 2009, FIU President Mark B. Rosenberg initiated an unprecedented community engagement effort, bringing together 100 of South Florida's top education, business and civic leaders in two summits to discuss FIU's future. The gatherings were convened to engage a discussion of how FIU can best serve the community and to elicit input on critical issues that will shape the university's future direction. The summits yielded thoughtful assessments of FIU's strengths and challenges and a wealth of ideas for the future.

Everglades Restoration

FIU's Southeast Environmental Research Center is leading several federally funded initiatives to restore the Everglades. The center's research includes studies of seagrass, mangrove and wetland ecology, microbiology, ecosystem exposure to toxic chemicals, climate change and water quality. Among the largest research initiatives is the Florida Coastal Everglades Long-Term Ecological Research project, a \$10 million collaboration involving more than 50 scientists who are investigating the estuarine ecosystem of the Everglades.

Honors College Partnership with City of Sweetwater, FL

In Fall 2009, FIU's Honors College launched a sweeping partnership with the city of Sweetwater, FL, that will build students' leadership skills and improve the quality of life in that city. Honors College students will participate in diverse projects including tutoring children, helping to launch an athletic program for girls, and working with the elderly. A "green team" of students will promote environmental awareness with recycling and energy conservation programs and improve the aesthetic appearance of the city with neighborhood cleanups and by planting flowers and trees in parks and recreation areas.

Additional Information on Quality, Resources, Efficiencies, and Effectiveness

FIU is a national resource for graduating minorities. FIU grants more bachelor's degrees to minorities than any other university in the country. It ranks third in master's degrees awarded to minorities (after University of Phoenix and University of Southern California) and second in the total of both bachelor's and master's degrees awarded to minorities.

The government of the People's Republic of China selected Florida International University School of Hospitality Management from a group of elite hospitality schools in the U.S. and Europe as its partner in establishing a hospitality and tourism management campus in Tianjin, the third largest city in China which serves as the seaport for the capital, Beijing. The \$100 million FIU Tianjin Center, which was fully funded by the Chinese government, sits on 80 acres of land and contains more than 450,000 square feet of air conditioned space, including a dormitory tower 20 stories high, which can accommodate 1,000 students. The center has total capacity for 2,000 students. The Marriott Tianjin China Program opened in September 2006 and has graduated 183 students to date.

Mark B. Rosenberg was appointed the fifth president of FIU. All three finalists in the presidential search are currently serving as presidents of research universities. President Rosenberg identified his initial vision and goals in a document titled "Hit the Ground Running" that focused on four components: Revitalize and expand financial base; Achieve results-oriented student-centered academic excellence; Enhance quality and impact of research and creative initiatives; and Engage the community. These four components formed the basis for white papers drafted by faculty, staff, and administration work groups.

The College of Arts and Sciences has been reorganized through the creation of three schools: School of International and Public Affairs; School of the Environment and Society; and School of Integrated Life Sciences.

Additional Information on Quality, Resources, Efficiencies, and Effectiveness (continued)

The Landon Undergraduate School of Business was named one of the top undergraduate business programs by BusinessWeek; its Accounting program was ranked eighteenth and its Operations Management program ranked ninth. *U.S. News & World Report* has rated our undergraduate business program among the top fifteen in the country for the last five years – most recently we were ranked twelfth. *Hispanic Business* ranked the Chapman Graduate School of Business at Florida International University (FIU) in eighth place in the country for Hispanic MBAs. In its 2009 ranking of exceptional graduate programs globally and in Latin America, *América Economía*, the leading business magazine in Latin America, placed our Chapman Graduate School twentieth on the global list and fourteenth in the United States

Global Learning for Global Citizenship is the Quality Enhancement Plan (QEP) portion of FIU's reaccreditation process for the Southern Association of Colleges and Schools. It is a university-wide initiative that has been embraced by FIU's faculty, students, and administration as integral to achieving the founding purposes of the institution: education of students, service to the community, and greater international understanding. Program goals focus on providing global learning courses and co-curricular opportunities across the undergraduate curriculum, faculty and staff development for global learning, and the human, physical, and financial resources necessary to develop, implement, and sustain the QEP.

The new building to house the College of Nursing and Health Sciences was completed on time and under budget and was built to LEED Silver environmental quality standard.

Additional Resources

- ▶ Carnegie Classification
 - Basic:** Research Universities (high research activity)
 - Undergraduate Instructional Program:** Balanced arts & sciences/professions, high graduate coexistence
 - Graduate Instructional Program:** Comprehensive doctoral (no medical/veterinary)
 - Enrollment Profile:** High undergraduate
 - Undergraduate Profile:** Medium full-time four-year, selective, lower transfer-in
 - Size and Setting:** Large four-year, primarily nonresidential
<http://www.carnegiefoundation.org/classifications/sub.asp?key=748&subkey=13889&start=782>
- ▶ Voluntary System of Accountability College Portrait
<http://www.collegeportraits.org/FL/FIU>
- ▶ Common Data Set
<http://w3.fiu.edu/irdata/portal/cds.htm>
- ▶ College Navigator
<http://nces.ed.gov/collegenavigator/?q=florida+international+university&s=all&id=133951>
- ▶ FIU Office of Research
<http://osra.fiu.edu/>
- ▶ University Strategic Plan
http://w3.fiu.edu/irdata/portal/strat_plan.htm
- ▶ University Data Sources
 - FIU Office of Planning and Institutional Research
<http://w3.fiu.edu/irdata/portal/>
 - FIU Fact Book:
<http://w3.fiu.edu/irdata/portal/factbook.htm>
 - FIU Quick Facts
<http://w3.fiu.edu/irdata/portal/quickfacts.htm>

Appendices

List of Tables

1 - Budget

2 - Federal Stimulus Dollars (ARRA)

3 - Other Core Resources

4 - Enrollment and Funding

5 - Undergraduate Education Data

- A. Baccalaureate Degree Programs Implemented or Terminated**
- B. First-Year Persistence Rates**
- C. Undergraduate Progression and Graduation Rates**
- D. Baccalaureate Degrees Awarded**
- E. Baccalaureate Degrees Awarded in Areas of Strategic Emphasis**
- F. Baccalaureate Degrees Awarded to Underrepresented Groups**
- G. Baccalaureate Completions Without Excess Credit Hours**
- H. Undergraduate Course Offerings**
- I. Faculty Teaching Undergraduates**
- J. Undergraduate Instructional Faculty Compensation**
- K. Student-Faculty Ratios**
- L. Licensure Examination Pass Rates (Undergraduate)**
- M. Tuition Differential**

6 - Graduate Education Data

- A. Graduate Degree Programs Implemented or Terminated**
- B. Graduate Degrees Awarded**
- C. Graduate Degrees Awarded in Areas of Strategic Emphasis**
- D. Licensure Examination Pass Rates (Graduate)**

7 - Research and Economic Development Data

- A. Research and Development Expenditures**
- B. Other Research and Economic Development Outcomes**
- C. Centers of Excellence**
- D. Commercialization Assistance Grants**

8 - Voluntary Support of Higher Education

9 - Progress on Other Primary Institutional Goals and Metrics As Outlined in the University Work Plan

1 - Budget					
	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Estimates
Education and General					
<i>E&G Revenues</i>					
State Funds (Recurring GR & Lottery)	\$191,003,950	\$216,006,580	\$221,572,071	\$206,029,070	\$180,171,788
State Funds (Non-Recurring GR & Lottery)	\$476,554	\$1,500,000	\$12,384,962	\$9,587,997	\$1,202,411
Tuition (Resident/Non-Resident)	\$107,547,110	\$121,088,321	\$122,206,561	\$128,413,296	\$141,115,209
Tuition Differential (UG)	\$0	\$0	\$0	\$2,566,323	\$5,983,993
Other (Include Revenues from Misc. Fees & Fines)	\$2,487,956	\$2,453,429	\$2,478,005	\$2,640,819	\$2,567,067
Phosphate Research Trust Fund	\$0	\$0	\$0	\$0	\$0
Federal Stimulus Funds	\$0	\$0	\$0	\$0	\$14,250,535
TOTAL	\$301,515,570	\$341,048,330	\$358,641,599	\$349,237,505	\$345,291,003

	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Estimates
<i>E&G Expenditures</i>					
Instruction/Research	\$176,366,352	\$182,584,783	\$190,058,978	\$192,502,152	\$206,019,636
Institutes and Research Centers	\$805,859	\$807,777	\$2,219,037	\$1,190,150	\$743,027
PO&M	\$30,043,881	\$32,957,519	\$34,478,199	\$33,195,211	\$33,102,540
Administration and Support Services	\$34,296,517	\$42,797,098	\$46,159,437	\$41,085,034	\$44,175,791
Radio/TV	\$0	\$0	\$0	\$0	\$0
Library/Audio Visual	\$12,485,724	\$16,332,904	\$16,579,532	\$16,259,156	\$16,155,728
Museums and Galleries	\$3,086,425	\$3,158,294	\$3,081,449	\$3,102,438	\$3,093,386
Agricultural Extension	\$0	\$0	\$0	\$0	\$0
Allied Clinics	\$0	\$0	\$0	\$0	\$0
Student Services	\$20,555,264	\$21,450,686	\$21,999,030	\$20,751,117	\$21,809,917
Intercollegiate Athletics	\$463,420	\$496,734	\$493,112	\$497,435	\$497,217
TOTAL	\$278,103,442	\$300,585,795	\$315,068,774	\$308,582,693	\$325,597,242

	05-06 Actual	06-07 Actual	07-08 Actual	08-09 Actual	2009-10 Estimates
Contracts and Grants					
<i>Revenues</i>	\$102,177,782	\$116,404,932	\$101,593,689	\$103,332,747	\$111,159,114
<i>Expenditures</i>	\$90,684,117	\$110,792,960	\$98,407,954	\$105,487,682	\$111,245,873
Auxiliary Enterprises					
<i>Revenues</i>	\$119,149,687	\$161,571,396	\$167,654,586	\$166,757,480	\$166,593,232
<i>Expenditures</i>	\$105,567,834	\$141,666,048	\$156,364,887	\$160,309,345	\$165,616,408
Local Funds					
<i>Revenues</i>	\$143,146,345	\$142,880,313	\$123,831,359	\$134,714,848	\$131,313,975
<i>Expenditures</i>	\$149,793,366	\$137,997,387	\$119,254,124	\$137,798,965	\$131,437,960

TOTAL REVENUES	\$665,989,384	\$761,904,971	\$751,721,233	\$754,042,580	\$754,357,324
TOTAL EXPENDITURES	\$624,148,759	\$691,042,190	\$689,095,739	\$712,178,685	\$733,897,483

2 - Federal Stimulus Dollars (ARRA)	
	Proposed 2009-10
# Jobs Saved/Created	271.83
Proposed Operating Budget Detail	
Jobs Saved/Created	\$11,387,220
Scholarships	
Library Resources	
Building Repairs/Alterations	\$946,871
Motor Vehicles	
Printing	
Furniture & Equipment	\$838,149
Information Technology Equipment	\$402,000
Financial Aid to Medical Students	
Other:	\$676,295
TOTAL	\$14,250,535

1 - Budget (Medical)					
	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Estimates
Education and General					
<i>E&G Revenues</i>					
State Funds (Recurring GR & Lottery)	\$0	\$0	\$5,272,250	\$11,465,084	\$21,402,853
State Funds (Non-Recurring GR & Lottery)	\$0	\$0	\$0	\$0	\$0
Tuition (Resident/Non-Resident)	\$0	\$0	\$0	\$0	\$993,000
Tuition Differential (UG)	\$0	\$0	\$0	\$0	\$0
Other (Include Revenues from Misc. Fees & Fines)	\$0	\$0	\$0	\$42,350	\$52,769
Phosphate Research Trust Fund	\$0	\$0	\$0	\$0	\$0
Federal Stimulus Funds	\$0	\$0	\$0	\$0	\$866,405
TOTAL	\$0	\$0	\$5,272,250	\$11,507,434	\$23,315,027

	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Estimates
<i>E&G Expenditures</i>					
Instruction/Research	\$0	\$0	\$5,031,611	\$6,668,490	\$14,948,882
Institutes and Research Centers	\$0	\$0	\$0	\$0	\$0
PO&M	\$0	\$0	\$4,200	\$0	\$0
Administration and Support Services	\$0	\$0	\$77,355	\$2,161,089	\$4,729,066
Radio/TV	\$0	\$0	\$0	\$0	\$0
Library/Audio Visual	\$0	\$0	\$0	\$735,925	\$1,122,917
Museums and Galleries	\$0	\$0	\$0	\$0	\$0
Agricultural Extension	\$0	\$0	\$0	\$0	\$0
Allied Clinics	\$0	\$0	\$0	\$0	\$0
Student Services	\$0	\$0	\$0	\$1,242,530	\$1,920,840
Teaching Hospital	\$0	\$0	\$0	\$0	\$0
TOTAL	\$0	\$0	\$5,113,166	\$10,808,034	\$22,721,705

	05-06 Actual	06-07 Actual	07-08 Actual	08-09 Actual	2009-10 Estimates
Contracts and Grants					
<i>Revenues</i>	\$0	\$0	\$0	\$0	\$0
<i>Expenditures</i>	\$0	\$0	\$0	\$0	\$0
Auxiliary Enterprises					
<i>Revenues</i>	\$0	\$0	\$0	\$0	\$0
<i>Expenditures</i>	\$0	\$0	\$0	\$0	\$0
Local Funds					
<i>Revenues</i>	\$0	\$0	\$0	\$0	\$0
<i>Expenditures</i>	\$0	\$0	\$0	\$0	\$0

TOTAL REVENUES	\$0	\$0	\$5,272,250	\$11,507,434	\$23,315,027
TOTAL EXPENDITURES	\$0	\$0	\$5,113,166	\$10,808,034	\$22,721,705

2 - Federal Stimulus Dollars (ARRA)	
	Proposed 2009-10
# Jobs Saved/Created	8.25
Proposed Operating Budget Detail	
Jobs Saved/Created	\$866,405
Scholarships	
Library Resources	
Building Repairs/Alterations	
Motor Vehicles	
Printing	
Furniture & Equipment	
Information Technology Equipment	
Financial Aid to Medical Students	
Other:	
TOTAL	\$866,405

3 - Other Core Resources

Appropriated Funding per Actual Student FTE (US Definition)	2005-06	2006-07	2007-08	2008-09	2009-10
General Revenue per FTE	\$5,707	\$6,030	\$6,537	\$5,638	\$4,793
Lottery Funds per FTE	\$454	\$600	\$583	\$720	\$630
Other Trust Funds per FTE	\$0	\$0	\$0	\$0	\$426
Student Fees per FTE	\$3,548	\$3,450	\$3,600	\$3,885	\$4,357
Total per FTE Student	\$9,709	\$10,080	\$10,720	\$10,243	\$10,206

**** FTE for this metric uses the standard IPEDS definition of FTE, equal to 30 credit hours for undergraduates and 24 for graduates.**

Personnel Headcount	Fall 2004		Fall 2005		Fall 2006		Fall 2007		Fall 2008	
	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT
Total Tenure/ Tenure-track Faculty	628	4	596	10	606	9	656	3	646	8
Total Non-Tenure Track Faculty	141	33	146	27	134	27	172	6	171	5
Total Graduate Assistants/ Associates		839		851		922		1036		985
Total Executive/ Administrative/ Managerial	436	31	484	22	518	0	517	3	571	6
Total Other Professional	775	44	820	0	914	20	960	35	1028	32
Total Non-Professional	840	32	801	30	783	26	962	32	954	29
Space	Fall 2004		Fall 2005		Fall 2006		Fall 2007		Fall 2008	
Space Utilization Percentage (Classrooms)	142.36		143.07		165.28		165.08		178.44	

4 - Enrollment and Funding

<i>For entire institution: Annual FTE</i>	Funded 2007-08	2007-08 Actual	Funded 2008-09	2008-09 Actual	Funded 2009-10	2009-10 Estimated
FL Resident Lower	8,160	8,116	8,160	7,564	7,860	7,860
FL Resident Upper	11,682	11,190	11,682	11,490	11,682	11,682
FL Resident Grad I	2,875	2,901	2,962	3,100	3,095	3,095
FL Resident Grad II	311	287	311	340	311	311
Total FL Resident	23,028	22,494	23,115	22,494	22,948	22,948
Non-Res. Lower		514		464		483
Non-Res. Upper		707		679		705
Non-Res. Grad I		679		656		693
Non-Res. Grad II		244		258		255
Total Non-Res.	2,133	2,144	2,136	2,057	2,138	2,136
Total Lower		8,630		8,028		8,343
Total Upper		11,897		12,169		12,387
Total Grad I		3,580		3,756		3,788
Total Grad II		530		598		566
Total FTE	25,161	24,637	25,251	24,551	25,086	25,084
Total FTE - US Definition*	33,548	32,849	33,668	32,735	33,448	33,445

Annual FTE	Funded 2007-08	2007-08 Actual	Funded 2008-09	2008-09 Actual	Funded 2009-10	2009-10 Estimated
FL Resident Medical Headcount					40	40
Non-Res. Medical Headcount						
Total Medical Headcount					40	40
Total Non-Res. Med., Den., Vet. Medicine Headcount						
* Use FL - SUS definitions of FTE (Undergraduate FTE = 40 and Graduate FTE = 32 credit hours per FTE) for all items except the row named Total FTE- US Definition. For this row, use Undergraduate FTE = 30 and Graduate FTE = 24 credit hours.						

4 - Enrollment and Funding (Continued)

For each distinct location (main, branch, site, regional campus) with > 150 FTE.

SITE: UNIVERSITY PARK CAMPUS

FTE	2007-08 Actual	2008-09 Actual	2009-10 Estimated
Lower	6,590	6,034	6,374
Upper	8,184	8,127	8,502
Grad I	2,775	2,926	2,923
Grad II	497	565	526
Total	18,046	17,652	18,325

SITE: BISCAYNE BAY CAMPUS

FTE	2007-08 Actual	2008-09 Actual	2009-10 Estimated
Lower	970	910	976
Upper	1,786	1,867	1,893
Grad I	210	204	217
Grad II	5	6	6
Total	2,971	2,987	3,092

SITE: PINES CENTER SITE

FTE	2007-08 Actual	2008-09 Actual	2009-10 Estimated
Lower	59	49	51
Upper	303	285	304
Grad I	239	216	247
Grad II	24	23	29
Total	625	573	631

SITE: OTHER

FTE	2007-08 Actual	2008-09 Actual	2009-10 Estimated
Lower	1,011	1,035	942
Upper	1,624	1,890	1,688
Grad I	356	410	401
Grad II	4	4	5
Total	2,995	3,339	3,036

5 - Undergraduate Education Data

5A. Baccalaureate Degree Programs Implemented or Terminated	New Program or Termination?	Date Approved by UBOT	Date Approved by BOG, if Needed	Implementation Date, if New	Program CIP Code
Title and Program Level					
Dance, BA	Term	6/12/2008			50.0301
German, BA	Term	6/12/2008			16.0501
Health Sciences, BS	Term	6/12/2008			51
Health Info Mgt, BA	Term	6/12/2008			51.0706
Humanities, BA	Term	6/12/2008			24.0103
Insurance and Risk Mgt, BBA	Term	6/12/2008			52.1701
Logistics and Materials Mgt, BBA	Term	6/12/2008			52.0203
Music Teacher Ed, BS	Term	6/12/2008			13.1312
French Education, BS	Term	6/12/2009			13.1306
Mathematical Sciences, BS	Term	6/12/2009			27.0301
Occupational Therapy, BS	Term	6/12/2009			51.2306
Spanish Education, BS	Term	6/12/2009			13.1306
Exercise Science, BS	Term	6/12/2008			31.0505
Industrial Sys Eng, BS	Term	6/12/2008			14.2701
Travel and Tourism Mgt, BS	Term	6/12/2008			52.0903
English Teacher Ed, BS	Term	6/12/2009			13.1305
Math Teacher Ed, BS	Term	6/12/2008			13.1311
Science Teacher Ed, BS	Term	6/12/2008			13.1316
Social Sci Teacher Ed, BS	Term	6/12/2008			13.1317

5B. Successful First-Year Persistence Rates

YEAR OF SUS MATRICULATION	2003	2004	2005	2006	2007
Full-Time FTIC Cohort (Fall/Summer-Fall) Size	3,047	3,381	3,978	3,891	3,234
Percentage Enrolled in Same IHE After One Year	85.8%	86.0%	81.3%	84.0%	82.7%

5C. Successful Undergraduate Progression and Graduation Rates					
YEAR OF SUS MATRICULATION	1999	2000	2001	2002	2003
FTIC Cohort (Fall/Summer-Fall) Size	2,991	2,993	2,703	3,109	3,287
Percentage Graduated from Same IHE Within 4 Years	18.5%	18.0%	20.3%	18.6%	18.6%
Percentage Graduated from Other SUS IHE Within 4 Years	1.4%	1.3%	1.7%	1.3%	1.2%
Percentage Enrolled in Same IHE After 4 Years	48.5%	49.8%	47.6%	49.2%	48.0%
Percentage Enrolled in Other SUS IHE After 4 Years	3.1%	2.8%	2.7%	2.7%	3.8%
TOTAL 4-Year Success and Progress Rate (Graduated or Enrolled in SUS)	71.5%	71.9%	72.3%	71.8%	71.5%
Percentage Graduated from Same IHE Within 6 Years	44.1%	45.4%	47.2%	46.0%	44.8%
Percentage Graduated from Other SUS IHE Within 6 Years	3.6%	3.7%	4.0%	3.1%	3.9%
Percentage Enrolled in Same IHE After 6 Years	16.4%	15.4%	14.1%	14.8%	15.6%
Percentage Enrolled in Other SUS IHE After 6 Years	1.5%	1.1%	1.3%	1.3%	1.7%
TOTAL 6-Year Success and Progress Rate (Graduated or Enrolled in SUS)	65.6%	65.6%	66.6%	65.2%	66.0%

YEAR OF SUS MATRICULATION	2001	2002	2003	2004	2005
AA Transfer Cohort (Fall/Summer-Fall) Size	1,000	1,133	1,196	1,317	1,231
Percentage Graduated from Same IHE Within 2 Years	24.6%	23.8%	22.9%	22.5%	20.8%
Percentage Graduated from Other SUS IHE Within 2 Years	0.3%	0.3%	0.4%	0.3%	0.2%
Percentage Enrolled in Same IHE After 2 Years	62.4%	61.7%	62.3%	63.4%	64.1%
Percentage Enrolled in Other SUS IHE After 2 Years	1.3%	0.8%	1.1%	1.6%	1.4%
TOTAL 2-Year Success and Progress Rate (Graduated or Enrolled in SUS)	88.6%	86.6%	86.7%	87.8%	86.4%
Percentage Graduated from Same IHE Within 4 Years	62.4%	60.9%	62.5%	60.7%	60.7%
Percentage Graduated from Other SUS IHE Within 4 Years	1.4%	0.7%	1.4%	1.9%	1.5%
Percentage Enrolled in Same IHE After 4 Years	13.8%	14.6%	13.0%	15.1%	13.3%
Percentage Enrolled in Other SUS IHE After 4 Years	0.8%	0.5%	0.7%	1.1%	0.6%
TOTAL 4-Year Success and Progress Rate (Graduated or Enrolled in SUS)	78.4%	76.7%	77.6%	78.8%	76.1%

YEAR OF SUS MATIC	2000	2001	2002	2003	2004
Other Transfer Cohort (Fall/Summer-Fall) Size	2,255	2,162	2,237	2,010	1,621
Percentage Graduated from Same IHE Within 5 Years	54.0%	51.4%	53.1%	50.3%	53.5%
Percentage Graduated from Other SUS IHE Within 5 Years	1.5%	1.3%	1.6%	1.6%	1.7%
Percentage Enrolled in Same IHE After 5 Years	9.0%	9.1%	9.5%	10.0%	9.1%
Percentage Enrolled in Other SUS IHE After 5 Years	1.0%	0.7%	0.7%	0.9%	0.9%
TOTAL 5-Year Success and Progress Rate (Graduated or Enrolled in SUS)	65.5%	62.5%	64.9%	62.8%	65.2%
5D. Baccalaureate Degrees Awarded	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Baccalaureate Degrees	4,862	5,080	5,324	5,497	5,663
5E. Baccalaureate Degrees Awarded in Areas of Strategic Emphasis	Areas of Strategic Emphasis				
	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Education	76	71	53	56	41
Health Professions	240	278	207	205	211
Science, Technology, Engineering, and Math	874	968	987	987	934
Security & Emergency Services	213	262	261	261	269
Globalization	598	626	798	753	808
Regional Workforce Needs	1,333	1,332	1,474	1,388	1,468
TOTAL: Areas of Strategic Emphasis	3,334	3,537	3,780	3,650	3,731

5F. Baccalaureate Degrees Awarded to Underrepresented Groups	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
# of Baccalaureate Degrees Awarded to Black Non-Hispanic Students	624	648	650	711	682
% of Total Baccalaureate Degrees (Excluding Those Awarded to Non-Resident Aliens and Unreported) Awarded to Black Non-Hispanic Students	14.4%	14.0%	13.1%	13.6%	12.8%
# of Baccalaureate Degrees Awarded to Hispanic Students	2,678	2,903	3,169	3,369	3,555
% of Total Baccalaureate Degrees (Excluding Those Awarded to Non-Resident Aliens and Unreported) Awarded to Hispanic Students	61.6%	62.6%	63.8%	64.6%	66.5%
Number of Baccalaureate Degrees Awarded to PELL Recipients (Defined as Those Receiving PELL Within 6 Years of Graduation)	1,920	2,105	2,264	2,493	2,555
% of Total Baccalaureate Degrees (Excluding Those Awarded to Non-Resident Aliens) Awarded to PELL Recipients (Defined as Those Receiving PELL Within 6 Years of Graduation)	43.8%	45.0%	45.4%	47.6%	47.5%

5G. Baccalaureate Completion Without Excess Credit Hours	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
% of Total Baccalaureate Degrees Awarded Within 110% of Hours Required for Degree	45.5%	40.7%	42.2%	45.2%	47.6%
5H. Undergraduate Course Offerings	Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008
Number of Undergraduate Course Sections	2,532	2,567	2,667	2,688	2,518
% of Undergraduate Course Sections With < 30 Students	52.7%	49.3%	49.6%	53.1%	50.3%
% of Undergraduate Course Sections With >=30 and <50 Students	27.6%	30.0%	30.0%	28.6%	30.5%
% of Undergraduate Course Sections With >=50 and <100 Students	16.0%	16.6%	16.2%	15.0%	15.4%
% of Undergraduate Course Sections With >=100 Students	3.6%	4.2%	4.2%	3.2%	3.8%
5I. Faculty Teaching Undergraduates	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Percentage of Credit Hours Taught by Faculty	59.1%	57.7%	59.8%	61.2%	63.4%
Percentage of Credit Hours Taught by Adjunct Faculty	34.0%	34.5%	32.4%	30.1%	28.3%
Percentage of Credit Hours Taught by Graduate Students	5.1%	5.8%	5.8%	5.6%	5.7%
Percentage of Credit Hours Taught by Other Instructors	1.9%	2.1%	2.0%	3.1%	2.6%

5J. Undergraduate Instructional Faculty Compensation	Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008
Average Salary and Benefits for Faculty Who Teach at Least One Undergraduate Course	\$77,910	\$82,215	\$86,630	\$92,391	\$84,509
5K. Student/Faculty Ratio	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
IPEDS/Common Data Set Student-to-Faculty Ratio	21	23	24	26	27
5L. Licensure Pass Rates	2004	2005	2006	2007	2008
Nursing: Number of NCLEX First-Time Test Takers - Baccalaureate	131	155	195	176	181
Nursing: Pass Rate for NCLEX First-Time Test Takers - Baccalaureate	91.6%	95.5%	90.3%	84.7%	89.0%
Indicators for pass rates on other licensure exams will be added as data become available.					

5M. Tuition Differential	2008-2009	Sum-Fall 2009
Revenues		
Total Revenues Generated By the Tuition Differential	\$2,566,323	\$2,802,954
Waivers		
Number of Students Eligible for FSAG	8,686	4,044
Number of FSAG-Eligible Students Receiving a Waiver of the Tuition Differential		
Value of Tuition Differential Waivers Provided to FSAG-Eligible Students		

Report on the success of the tuition differential in achieving the articulated purpose. Include an update on any performance measures that were specified in the BOG-approved tuition differential proposal. [NOTE: In 2009, universities will only be able to report progress for the fall term and reiterate how the university will monitor the long-term success of the tuition differential.]

For 2008-2009 the University used the tuition differential revenues as follows:

1. Undergraduate faculty hires to improve graduation rates.
2. Enhanced disability services to increase resources for deaf and hearing impaired students.
3. Developed Office of Undergraduate Studies to strengthen undergraduate experience and academic components.
4. Undergraduate tutoring support - writing center - to strengthen students communication skills.
5. Summer courses - instructional funding - increase courses offered for the summer term.
6. Emergency - VOIP phones - enhance undergraduate security.
7. Upgrade of undergraduate computer lab.

For 2009-2010 the University is expected to use the tuition differential revenues as follows:

1. Need based financial aid.
2. Additional undergraduate faculty to improve graduation & retention rates.
3. Additional undergraduate advisors to improve the student to advisor rate.
4. Library - increase undergraduate scholarly journals and databases.
5. Dean of Undergraduate Studies.
6. Tutoring - Writing Support Center.
7. Undergraduate Faculty support to help improve graduation and retention rates.
8. Disability services - increase the number of resources to proctor exams.

Detailed expenditures of the revenues generated by the tuition differential will be captured in the Operating Budget submission each August.

6 - Graduate Education Data

6A. Graduate Degree Programs Implemented or Terminated	New Program or Termination?	Date Approved by UBOT	Date Approved by BOG, if Needed	Implementation Date, if New	Program CIP Code
Title and Program Level					
Exercise Science, MS	Term	6/12/2008			
Industrial Sys Eng, MS	Term	6/12/2008			
Travel and Tourism Mgt, MS	Term	6/12/2008			
English Teacher Ed, MS	Term	6/12/2008			
Math Teacher Ed, MS	Term	6/12/2008			
Science Teacher Ed, MS	Term	6/12/2008			
Social Sci Teacher Ed, MS	Term	6/12/2008			
Athletic Training, MS	New	6/28/2007		Fall 2007	51.0913
Envir and Urban Sys, MS	Term	6/12/2008			
Industrial Sys Eng, PhD	Term	6/12/2008			
Technology Mgt, MS	Term	6/12/2008			
English Education, MAT	Term	6/12/2008			
French Education, MAT	Term	6/12/2009			
Mathematics Teacher Ed, MAT	Term	6/12/2009			
Physical Therapy, MS	Term	6/12/2009			
Science Education, MAT	Term	6/12/2009			
Social Studies Education, MAT	Term	6/12/2009			
Spanish Education, MAT	Term	6/12/2009			
6B. Graduate Degrees Awarded	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Master's and Specialist	1,796	1,632	1,933	2,172	2,255
Research Doctoral	80	88	100	122	127
Professional Doctoral	47	82	86	90	123
Law	47	82	86	90	123
6C. Graduate Degrees Awarded in Areas of Strategic Emphasis	Areas of Strategic Emphasis				
	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Education	122	79	140	76	113
Health Professions	206	199	223	284	285
Science, Technology, Engineering, and Math	417	402	479	501	597
Security & Emergency Services	27	36	18	41	28
Globalization	101	87	112	142	124
Regional Workforce Needs	397	399	487	578	610
TOTAL: Areas of Strategic Emphasis	1,270	1,202	1,459	1,622	1,757
6D. Licensure Pass Rates	2004	2005	2006	2007	2008
Indicators for pass rates on other licensure exams will be added as data become available. [See ENDNOTES.]					

7 - Research and Economic Development Data

7A. Research and Development Expenditures	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Federally Financed Academic Research and Development Expenditures <i>(Thousand \$)</i>	\$54,834	\$58,718	\$58,158	\$62,366	\$60,045
Total Academic Research and Development Expenditures <i>(Thousand \$)</i>	\$72,724	\$87,720	\$84,697	\$108,015	\$107,025
Total Academic Research and Development Expenditures Per Full-Time, Tenured, Tenure-Earning Faculty Member (\$)	\$117,676	\$139,682	\$145,864	\$178,243	\$163,148
7B. Other Research and Economic Development Outcomes [for Entire University]*	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Invention Disclosures Received	0	15	20	13	18
Total U.S. Patents Issued	0	0	0	0	0
Patents Issued Per 1,000 Full-Time, Tenure and Tenure-Earning Faculty	0	0	0	0	0
Total Number of Licenses/Options Executed	0	1	1	0	0
Total Licensing Income Received	\$0	\$33,640	\$38,992	\$6,166	\$9,423
Jobs Created By Start-Ups in Florida	Data collection methodology still under discussion. (See endnote.)				
* Data will be provided by Board staff for institutions that have reported said data to AUTM.					

7C. Centers of Excellence (Please complete for each Center of Excellence)		
Name of Center of Excellence: Center of Excellence for Hurricane Damage Mitigation and Product Development	From First Year Up To Most Recent Year	Most Recent Year
Research Effectiveness		
Competitive Grants Applied For and Received	18 applied, 11 received for \$2,920,713	6 applied, 1 received for \$28,942
Total Research Expenditures	\$3,248,746	\$2,238,586
Publications in Refereed Journals From Center Research	2	4
Professional Presentations Made on Center Research	4	6
Invention Disclosures Filed and Issued	0	0
Technologies Licensed and Revenues Received	0	0
Collaboration Effectiveness		
Collaborations with Other Postsecondary Institutions	3	3
Collaborations with K-12 Education Systems/Schools	0	0
Collaborations with Private Industry	8	11
Students Supported with Center Funds	11	11
Students Graduated	0	0
Job Placements of Graduates Upon Leaving the Center	0	0
Economic Development Effectiveness		
Business Start-Ups in Florida	0	0
Jobs Created and Jobs Saved in Florida	5	5
Specialized Industry Training and Education	0	0
Dollars Acquired from Venture Capitalists and Other Investments	0	0

Center of Excellence Narrative Comments [Most Recent Year]

The FIU COE award was received in July 2008. Between July and December 2008 the International Hurricane Research underwent an administrative restructuring. Activities in Winter/Spring '09 concentrated on hiring or placement of Center personnel, including business director, and research/technology and outreach directors and developing a work plan for the three main areas of research. Delays with the Wall of Wind testing facility continue to limit research in the areas of hurricane damage mitigation and development of partnerships with industry. The Facility is planned for completion in Spring 2010.

Insert additional pages, as needed for additional Centers.

7D. Commercialization Assistance Grants

Narrative Comments [Most Recent Year]

Intent of Funds: To help FIU leverage its small staff to improve its technology transfer process for identifying and determining the best biomedical technologies for potential as startups, and to foster and improve joint-collaboration environment for commercialization opportunities.

Activities for 2009: Assessed and identified additional technologies, projects and technology portfolios, developed marketing plans and requested further patent protection. Identified and assessed databases to assist with marketing, showcasing and managing technologies.

Identified, developed marketing materials and conducted initial marketing for the following:

Novel Fabrication of Method of Nanoscale Fibers and Tubes portfolio of technologies (Fields: Molecular profiling, improvement of sensors and systems)

DNA Sensors Using Single-Walled Carbon Nanotubes (Fields: Microbiology, infectious diseases)

Based upon external interest and marketing results, narrowed previously identified technologies to the following with start up potential and potential for facilitation of commercialization between entrepreneurs and investors:

Intravascular Delivery System for a Catheter Deliverable Heart Valve Prosthesis, Catheter Deliverable Artificial Trileaflet Aortic Valve Prosthesis, Collapsible Heart Valve with Polymer Leaflets: Submitted this portfolio of technologies for presentation at investor showcase events. Presentations accepted at the 2009 WBT (World's Best Technologies) Showcase and at the Life Sciences Summit 2009. Worked with Florida Institute for Commercialization of Public Research to have Entrepreneur in Residence review potential of the technology.

Hand-held Optical Probe Based Imaging System, and related Automated Real Time Co-Registration Software: Further enhanced patent portfolio by continuing with patent prosecution and submitting a non-provisional patent application for the Automated Real Time Co-Registration Software (software in the medical imaging space). Worked with Florida Institute for Commercialization of Public Research to have Entrepreneur in Residence review potential of the technology.

The funds from the SURECAG grant used to date for development of business plans and marketing/descriptive materials have greatly assisted in marketing this portfolio of technologies to potential entrepreneurs and investors, and in obtaining feedback.

Insert additional pages, as needed for additional grants.

8 - Voluntary Support of Higher Education*

	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Endowment Market Value (Thousand \$)	\$71,879	\$74,396	\$80,283	\$91,876	\$97,064
Annual Gifts Received (\$)	\$13,981,116	\$14,483,986	\$13,891,812	\$10,873,175	\$18,796,862
Percentage of Graduates Who Are Alumni Donors	3.0%	3.4%	1.8%	4.4%	4.7%

* Data will be provided by Board staff for institutions that have reported said data through the NACUBO Endowment Study and the CAE Voluntary Support of Education (VSE) Survey.

[INCLUDE ADDITIONAL BACKGROUND DATA ASSOCIATED WITH GRAPHS INCLUDED FOR GOAL #4.]

ENDNOTES:

- Board staff are continuing to work with the SUS Technology Transfer Directors to determine the best way to capture consistent information regarding Jobs Created By Start-Ups in Florida in a cost-effective manner.

[Additional definition information will be added to final document.]

9. Progress on Other Primary Institutional Goals and Metrics As Outlined in the University Work Plan

Provide a report on progress to date on three - free other primary university goals and metrics that were identified in the institution's last annual work plan/proposal.

[NOTE: In 2009, universities may only be able to identify goals and metrics or report on progress on institutional strategic planning goals already in place.]

Improve Student Retention and Student:Faculty Ratios

Nine additional academic advisors were hired.

Ninety-four percent of packaged aid to eligible students was disbursed at the beginning of the semester.

Eighteen faculty were retained through counteroffers.

Twenty-one faculty were hired in core areas such as sciences, mathematics, and English.

Enhance Research and Doctoral Education

Overall applications increased 29% to 642 with total requested funding increasing by 24.5% to \$257 million, and awards increased 22% to ninety million.

A research cluster in Attention Deficit and Hyperactivity Disorders was recruited bringing with them over \$15 million in funded research.

FIU awarded 127 research doctoral degrees on track to award 150 by 2013.

Advance the College of Medicine

Clinical affiliation agreements signed with Jackson Public Health Trust, Leon Medical Centers, Mercy Hospital, Miami Children's Hospital, and Mount Sinai Medical Center. Faculty Practice Plan established.

Twenty-eight million in private funds raised and ten million from Miami-Dade County. NeighborhoodHELP program launched.

Ground broken for on-campus ambulatory care facility.

Annual Report Data Definitions

Budget	
E&G Revenues	
State Funds (recurring)	Definition: State recurring funds include general revenue and lottery appropriations made by the Florida Legislature. Source: Final Amendment Package amounts for general revenue and lottery (less non-recurring)
State Funds (non-recurring)	Definition: State non-recurring funds include general revenue and lottery appropriations made by the Florida Legislature. Source: Allocation Summary Non-Recurring Appropriations Section.
Tuition (Resident / Non-Resident)	Definition: Actual tuition revenues collected from resident and non-resident students. Source: Operating Budget, Report 625
Tuition Differential (UG)	Definition: Actual tuition differential revenues collected from undergraduate students. Source: Operating Budget, Report 625
Other Fees	Definition: Other revenue collections include items such as application fees, late registration fees, library fines, miscellaneous revenues. Source: Operating Budget, Report 625
Phosphate Research Trust Fund	Definition: State appropriation for the Institute of Phosphate Research at the University of South Florida. Source: Final Amendment Package
Federal Stimulus Funds	Definition: Non-recurring American Recovery and Reinvestment Act funds appropriated by the Florida Legislature. Source: Allocation Summary
E&G Expenditures	
Instruction & Research	Definition: Includes expenditures for state services related to the instructional delivery system for advanced and professional education. Includes functions such as all activities related to credit instruction that may be applied toward a postsecondary degree or certificate; non-project research and service performed to maintain professional effectiveness; individual or project research; academic computing support; academic source or curriculum development. Source: Operating Budget, Report 505C.
Institutes & Centers	Definition: Includes state services related to research organizations designed for mission-oriented, fundamental, and applied research projects. Source: Operating budget, Report 505C.
PO&M	Definition: Plant Operations & Maintenance expenditures related to the cleaning and maintenance of existing grounds and facilities, the providing of utility services, and the planning and design of future plant expansion and modification. Source: Operating Budget, Report 505C.

Administration & Support Services	<p>Definition: Expenditures related to the executive direction and leadership for university operations and those internal management services which assist and support the delivery of academic programs.</p> <p>Source: Operating Budget, Report 505C.</p>
Radio/TV	<p>Definition: Services related to the operation and maintenance of public broadcasting which is intended for the general public.</p> <p>Source: Operating Budget, Report 505C.</p>
Library/Audio Visual	<p>Definition: Expenditures include state services related to collecting, cataloging, storing, and distributing library materials.</p> <p>Source: Operating Budget, Report 505C.</p>
Museums & Galleries	<p>Definition: Expenditures related to the collection, preservation, and exhibition of historical materials, art objects, scientific displays and other objects at the UF Florida State Museum & Harn Museum; FSU Ringling Museum; FAMU Black Archives Museum; USF Contemporary Art Museum; FIU Wolfsonian Museum; and UWF Historic Preservation Board.</p> <p>Source: Operating Budget, Report 505C.</p>
Student Services	<p>Definition: Includes resources related to physical, psychological, and social well being of the student. Includes student service administration, social and cultural development, counseling and career guidance, financial aid, and student admissions and records.</p> <p>Source: Operating Budget, Report 505C.</p>
Intercollegiate Athletics	<p>Definition: Includes expenditures associated with Title IX activities and compliance.</p> <p>Source: Operating Budget, manual submission.</p>
Other Funding Sources	
Contracts & Grants	<p>Definition: Resources received from federal, state or private sources for the purposes of conducting research and public service activities. Revenues do not include transfers. Expenditures do not include non-operating expenditures.</p> <p>Source: Operating Budget, Report 615.</p>
Auxiliary Enterprises	<p>Definition: Resources associated with auxiliary units that are self-supporting through fees, payments and charges. Examples include housing, food services, bookstores, parking services, and health centers. Revenues do not include transfers. Expenditures do not include non-operating expenditures.</p> <p>Source: Operating Budget, Report 615.</p>
Local Funds	<p>Definition: Resources associated with student activity (supported by the student activity fee), student financial aid, concessions, intercollegiate athletics, and technology fee. Revenues do not include transfers. Expenditures do not include non-operating expenditures.</p> <p>Source: Operating Budget, Report 615. (Self Insurance is a manual submission and has not been included).</p>

Other Core Resources	
Revenues per FTE Student	<p>Definition: E&G appropriations, including tuition, are divided by total student FTE. Only state-fundable credit hours are used. To allow for national comparisons, FTE for this metric uses the standard IPEDS definition of FTE, equal to 30 credit hours for undergraduates and 24 for graduates.</p> <p>Sources: Operating Budget, SUS Student Instruction File</p>
Total Faculty Tenure/ Tenure-Track, Instruction/ Research/Public Service	<p>Definition: Combination of all tenured faculty (primarily instruction/research/public service) and all tenure-track faculty (primarily instruction/research/public service).</p> <p>Source: IPEDS Human Resources Survey, online title "Full- and part-time medical and non-medical staff by faculty status and primary function/occupational activity"</p>
Total Faculty Not on Tenure Track, Instruction/ Research/Public Service	<p>Definition: All non-tenure-track faculty (primarily instruction/research/public service). This includes adjunct faculty and faculty on multi-year contracts.</p> <p>Source: IPEDS Human Resources Survey, online title "Full- and part-time medical and non-medical staff by faculty status and primary function/occupational activity"</p>
Total Executive/ Administrative All	<p>Definition: Total executive/administrative and managerial positions regardless of faculty status</p> <p>Source: IPEDS Human Resources Survey, online title "Full- and part-time medical and non-medical staff by faculty status and primary function/occupational activity"</p>
Total Other Professional All	<p>Definition: Total other professional positions (support/service) regardless of faculty status</p> <p>Source: IPEDS Human Resources Survey, online title "Full- and part-time medical and non-medical staff by faculty status and primary function/occupational activity"</p>
Total Non-Professional All	<p>Definition: Total non-professional positions</p> <p>Source: IPEDS Human Resources Survey, online title "Full- and part-time medical and non-medical staff by faculty status and primary function/occupational activity"</p>
Total Graduate Assistants All	<p>Definition: Total graduate assistants</p> <p>Source: IPEDS Human Resources Survey, online title "Full- and part-time medical and non-medical staff by faculty status and primary function/occupational activity"</p>
Instructional Space Utilization Rate	<p>Definition: Subsection 1013.03 (2), F.S., establishes the utilization standard for "postsecondary education classrooms, a minimum room utilization rate of 40 hours per week and a minimum station utilization rate of 60 percent." In other words, 100% utilization means the classroom is 60% full for 40 hours a week. This metric applies that statutory definition to classroom space only.</p> <p>Source: Space File</p>

Enrollment and Funding	
FTE Enrollment by Residency, Actual and Funded	<p>Definition: Only state fundable credit hours are used. FTE in this instance uses the Florida definition of FTE, equal to 40 credit hours for undergraduates and 32 for graduates. Funded enrollment is reported in the General Appropriations Act and set by the legislature.</p> <p>Source: Student Data Course File, GAA</p>
Estimated FTE	<p>Definition: This is taken from the enrollment plans submitted by each university.</p> <p>Source: University enrollment plans</p>
Undergraduate Education Data	
First Year Persistence	<p>Definition: The percentage of a full-time, first-time-in-college (FTIC) undergraduate cohort, entering in fall term or summer continuing to fall, and who continue to enroll in the second year.</p> <p>Source: SUS Retention File</p>
4- and 6 -Year Progress and Success Rate (FTICs)	<p>Definition: First-time-in-college (FTIC) cohort is defined as undergraduates entering in fall term or summer continuing to fall with fewer than 12 hours earned since high school graduation. The rate is the percentage of the initial cohort that had either graduated or was still enrolled in the fourth or sixth academic year. Both full-time and part-time students are used in the calculation. PharmD students are removed from the cohorts.</p> <p>Source: SUS Retention File</p>
2- and 4 -Year Progress and Success Rate (AA Transfers)	<p>Definition: AA Transfer cohort is defined as undergraduates entering in fall term or summer continuing to fall and having earned an AA degree from an institution in the Florida College System. The rate is the percentage of the initial cohort that had either graduated or was still enrolled in the second or fourth academic year. Both full-time and part-time students are used in the calculation. PharmD students are removed from the cohorts.</p> <p>Source: SUS Retention File</p>
5-Year Graduation Rate (Other Transfers)	<p>Definition: Other Transfer cohort is defined as undergraduates entering in fall term or summer continuing to fall who are not FTICs or AA transfers. The rate is the percentage of this initial cohort that had graduated or was still enrolled in the fifth academic year. Both full-time and part-time students are used in the calculation. PharmD students are removed from the cohorts if still enrolled in the fifth year.</p> <p>Source: SUS Retention File</p>
Baccalaureate Degrees	<p>Definition: These are degrees granted as reported for data element 01081 in the Student Instruction File. These are counts of first majors only, so that they are unduplicated for students with dual majors/degrees.</p> <p>Source: SUS Student Instruction File</p>

Baccalaureate Degrees Awarded in Areas of Strategic Emphasis	<p>Definition: Bachelor's degrees as reported above by six-digit Classification of Instruction Program. The areas of strategic emphasis were selected by the Board of Governors staff with consultation with business and industry groups and input from universities. These counts may be duplicated if a student earns dual degrees in more than one strategic area.</p> <p>Source: SUS Student Instruction File</p>
# Baccalaureate Degrees (Non-Hispanic Blacks)	<p>Definition: The number of baccalaureate degrees granted to non-Hispanic black students. These are counts of first majors only, so that they are unduplicated for students with dual majors/degrees.</p> <p>Source: SUS Student Instruction File</p>
% Baccalaureate Degrees (Non-Hispanic Blacks)	<p>Definition: The number of baccalaureate degrees awarded to non-Hispanic black students divided by the total degrees awarded, excluding those awarded to non-resident aliens and unreported.</p> <p>Source: SUS Student Instruction File</p>
# Baccalaureate Degrees (Hispanics)	<p>Definition: The number of baccalaureate degrees granted to Hispanic students. These are counts of first majors only, so that they are unduplicated for students with dual majors/degrees.</p> <p>Source: SUS Student Instruction File</p>
% Baccalaureate Degrees (Hispanics)	<p>Definition: The number of baccalaureate degrees awarded to Hispanic students divided by the total degrees awarded, excluding those awarded to non-resident aliens and unreported.</p> <p>Source: SUS Student Instruction File</p>
# Baccalaureate Degrees (Pell Recipients)	<p>Definition: The number of baccalaureate degrees granted to Pell recipients, financial aid award code "001". A Pell recipient is defined as a student who received Pell within six years of graduation. These are counts of first majors only, so that they are unduplicated for students with dual majors/degrees.</p> <p>Source: SUS Student Instruction File and Student Financial Aid File</p>

% Baccalaureate Degrees (Pell Recipients)	<p>Definition: The number of baccalaureate degrees awarded to Pell recipients as listed above is divided by the total degrees awarded excluding those awarded to non-resident aliens.</p> <p>Source: SUS Student Instruction File and Student Financial Aid File</p>
% of Total Baccalaureate Degrees Awarded Within 110% of Hours Required for Degree	<p>Definition: For data reported through 2008-09, this metric will be aligned with the calculation used in past legislative accountability reports and performance funding calculations. Excluding students with dual majors, it computes total academic credit as a percentage of catalog hours required for the student's major (excluding remedial coursework). For the purposes of calculating excess hours, remedial credit hours includes up to 10 foreign language credit hours that are excluded for transfer students in Florida.</p> <p>Source: SUS Hours to Degree File</p>
Number of Undergraduate Course Sections	<p>Definition: The Common Data Set (CDS) definition will be used. According to CDS, a "class section is an organized course offered for credit, identified by discipline and number, meeting at a stated time or times in a classroom or similar setting, and not a subsection such as a laboratory or discussion session. Undergraduate class sections are defined as any sections in which at least one degree-seeking undergraduate student is enrolled for credit. Exclude distance learning classes and noncredit classes and individual instruction such as dissertation or thesis research, music instruction, or one-to-one readings. Exclude students in independent study, co-operative programs, internships, foreign language taped tutor sessions, practica, and all students in one-on-one classes. Each class section should be counted only once and should not be duplicated because of course catalog cross-listings." Certain portions of the CDS were summed to create groupings of less than 30 students, between 31 and 50 students, between 51 and 100 students, and more than 100 students.</p> <p>Source: Common Data Set</p>
% of Undergraduate Class Time Taught by Faculty, Adjunct Faculty, Graduate Students, and Others	<p>Definition: The total number of undergraduate credit hours taught will be divided by the undergraduate credit hours taught by each instructor type to create a distribution of the percentage taught by each instructor type. Four instructor types are defined as: faculty (pay plans 01, 02, and 22), OPS faculty (pay plan 06), graduate student instructors (pay plan 05), and others (all other pay plans). If a course has more than one instructor, then the total student credit hours for that course will be divided equally among the multiple instructors.</p> <p>Source: Instruction and Research Data File</p>

Average Salary and Benefits of Faculty Teaching Undergraduate Courses	<p>Definition: Average salary and benefits for all instructors of undergraduate courses who are on pay plan 22. This amount is based on fall term data only, and to make it more meaningful to the reader we annualize (to a fall + spring amount) the fall-term salary and benefits. It is limited to faculty who taught at least one undergraduate course in the fall term, and reported as employed for at least 0.1 person year in the fall term.</p> <p>Source: Instruction and Research Data File</p>
Student-Faculty Ratio	<p>Definition: The ratio of full-time equivalent students (full-time plus 1/3 part time) to full-time equivalent instructional faculty (full time plus 1/3 part time). In the ratio calculations, exclude both faculty and students in stand-alone graduate or professional programs such as medicine, law, veterinary, dentistry, social work, business, or public health in which faculty teach virtually only graduate-level students. This metric does not count undergraduate or graduate student teaching assistants as faculty.</p> <p>Source: Common Data Set/IPEDS</p>
Nursing: Number and Pass Rate of NCLEX First-Time Test Takers – Baccalaureate Only	<p>Definition: Pass rates on the National Council Licensure Examination (NCLEX) for each university are published by the Florida Department of Health at the following address:</p> <p>Source: http://www.doh.state.fl.us/mqa/nursing/nur_edu_info.html </p> <p>Notes: Indicators for pass rates on other licensure exams will be added as data become available. Currently, teaching certification examination pass rates are reported for program completers only, resulting in a 100% pass rate (because State-approved programs require passage of teacher certification exams for completion). Engineering, accounting, architecture, and other professional licensure data, gathered by the respective licensing boards and housed within the Department of Business and Professional Regulation, are not currently formatted or containing sufficient information to match to SUS data. Such a match is necessary to develop metrics reflecting pass rates for graduates in those fields.</p>
Number of Students Eligible for FSAG	<p>Definition: Total annual unduplicated count of undergraduates at the institution who were eligible for Florida Student Access Grant (FSAG) in the academic year, whether or not they received FSAG awards.</p>
Number of FSAG-Eligible Students Receiving a Waiver of the Tuition Differential	<p>Definition: Annual unduplicated count of FSAG-eligible students receiving a waiver, partial or full, of the tuition differential fees at the institution during the academic year, regardless of the reason for the waiver.</p>

Value of Tuition Differential Waivers Provided to FSAG-Eligible Students	Definition: Value of all tuition differential fee waivers received by FSAG-eligible undergraduates at the institution during the academic year, regardless of the reason for the waiver.
Graduate Education Data	
Graduate Degrees Awarded	<p>Definition: These are degrees granted as reported for data element 01081. Due to changes in IPEDS, the doctoral and first professional degree categories no longer exist. Now they are classified as doctoral research and doctoral professional with the doctoral professional including additional categories that had not previous been included in the first professional category. The universities reviewed their programs and made the classifications of their programs. The professional doctoral category will include all degrees in this category. Medicine, Law, and Pharmacy degrees will be reported as a sub-category of professional doctoral degrees. These are counts of first majors only, so that they are unduplicated for students with dual majors/degrees.</p> <p>Source: SUS Student Data Course File, element #01081 ("Degree-Level Granted")</p>
Graduate and Professional Degrees Awarded in Areas of Strategic Emphasis	<p>Definition: Graduate degrees as reported above by six-digit Classification of Instruction Program. The areas of strategic emphasis were selected by the Board of Governors staff with consultation with business and industry groups and input from universities. These counts may be duplicated if a student earns dual degrees in more than one strategic area.</p>
Research and Economic Development	
Federally Financed Academic Research and Development Expenditures (Actual Dollars)	<p>Definition: Each year the National Science Foundation conducts a survey of colleges and universities regarding research and development expenditures. Item 2A, Line 1400, science and engineering, is summed with Line 1500, non-science and engineering expenditures of column (2) Federal. Dollars are in thousands.</p> <p>Source: http://webcaspar.nsf.gov/</p>

Total Academic Research and Development Expenditures (Actual Dollars)	<p>Definition: Each year the National Science Foundation conducts a survey of colleges and universities regarding research and development expenditures. Item 2A, Line 1400, science and engineering, is summed with Line 1500, non-science and engineering expenditures of column (1) Total. Dollars are in thousands.</p> <p>Source: http://webcaspar.nsf.gov/</p>
Total Academic Research and Development Expenditures Per Full-Time, Tenured, Tenure-Earning Faculty Member	<p>Definition: Total R&D expenditures are divided by fall, full-time tenured/tenure-track faculty as reported to IPEDS. (For FGCU, the ratio will be based on both tenured/tenure-track and non-tenure-track faculty.) The fall faculty year used will align with the beginning of the fiscal year, so that (e.g.) 2007 FY R&D expenditures are divided by fall 2006 faculty.</p> <p>Sources: NSF Webcaspar database (R&D expenditures) and IPEDS (full-time faculty)</p>
Invention Disclosures Received	<p>Definition: Disclosures, no matter how comprehensive, that are made in the fiscal year.</p> <p>Source: The Association of University Technology Managers (AUTM) Licensing Survey (or using AUTM definitions for institutions that do not participate in that survey)</p>
Total U.S. Patents Issued	<p>Definition: U.S. patents issued or reissued in the fiscal year.</p> <p>Source: AUTM Licensing Survey (or using AUTM definitions for institutions that do not participate in that survey)</p>
Patents Issued Per 1,000 Full-Time, Tenure and Tenure Earning Faculty	<p>Sources: AUTM Licensing Survey or comparably defined data from institutions (patents) and IPEDS (full-time faculty)</p>
Total Number of Licenses/Options Executed	<p>Definition: Licenses/options executed in the fiscal year for all technologies. Each agreement is counted separately.</p> <p>Source: AUTM Licensing Survey (or using AUTM definitions for institutions that do not participate in that survey)</p>
Total Licensing Income Received	<p>Definition: License issue fees, payments under options, annual minimums, running royalties, termination payments, amount of equity received when cashed-in, and software and biological material end-user license fees of \$1,000 or more, but not research funding, patent expense reimbursement, valuation of equity not cashed-in, software and biological material end-user license fees of less than \$1,000, or trademark licensing royalties from university insignia.</p> <p>Source: AUTM Licensing Survey (or using AUTM definitions for institutions that do not participate in that survey)</p>
Jobs Created by Start-Ups in Florida	TBD

Centers of Excellence	
These metrics are consistent with the 2007-08 submissions for the annual Centers of Excellence report and should be reported in 2008-09 in a manner consistent with the prior year.	
Voluntary Support for Higher Education	
Endowment Market Value	<p>Definition: Endowment value at the end of the fiscal year, as reported in the annual NACUBO Endowment Study (changed to the NACUBO-Common Fund Study of Endowments in 2009).</p> <p>Source: NACUBO Endowment Study (or using NACUBO definitions for institutions that do not participate in that survey)</p>
Annual Gifts Received	<p>Definition: As reported in the Council for Aid to Education's Voluntary Support of Education (VSE) survey in the section entitled "Gift Income Summary," this is the sum of the present value of all gifts (including outright and deferred gifts) received for any purpose and from all sources during the fiscal year. (There's a deferred gift calculator at www.cae.org/vse.) It does not include pledges and bequest intentions. The present value of non-cash gifts is defined as the tax deduction to the donor as allowed by the IRS.</p> <p>Source: Voluntary Support of Education survey (or using VSE definitions for institutions that do not participate in that survey)</p>
Percentage of Alumni Who Are Donors	<p>Definition: As reported in the Council for Aid to Education's Voluntary Support of Education (VSE) survey in the section entitled "Additional Details," this is the number of alumni donors divided by the total number of alumni, as of the end of the fiscal year. "Alumni," as defined in this survey, include those holding a degree from the institution as well as those who attended the institution but did not earn a degree.</p> <p>Source: Voluntary Support of Education survey (or using VSE definitions for institutions that do not participate in that survey)</p>

**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

February 20, 2010

Subject: Amendment to the Operating Procedures of the Florida International University Board of Trustees

Proposed Board Action:

Adopt the following Resolution:

WHEREAS, the Operating Procedures of the Florida International University Board of Trustees, Article IV, "Amendment of Operating Procedures," provides that the Operating Procedures may be altered, amended or repealed by a two thirds vote of all members of the Board; and

WHEREAS, changes in the Board operations have necessitated changes to the Operating Procedures;

THEREFORE BE IT RESOLVED that the Florida International University Board of Trustees hereby adopts the amendments to the Operating Procedures of the Florida International University Board of Trustees attached to this Resolution as Exhibit "J."

BACKGROUND INFORMATION:

LEGAL AUTHORITY:

The Florida International University Board of Trustees Operating Procedures, Article IV, states,

The Operating procedures may be altered, amended or repealed by a two thirds vote of all members of the Board at any regular meeting, when notice of the proposed amendment or repeal is provided in the meeting notice.

BACKGROUND INFORMATION:

The Chair, in consultation with the President, has determined that changes are needed to BOT operations in order to better address the strategic priorities of the University.

Exhibits/Supporting Documents:

- **Exhibit "J":** Amendment to Operating Procedures of the Florida International University Board of Trustees

Facilitator/Presenter:

- Albert E. Dotson, Sr.

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OPERATING PROCEDURES OF THE FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES

ARTICLE I ORGANIZATION

Board of Trustees

The Florida International University Board of Trustees (the "Board") is established as a body corporate, with all powers of a body corporate as provided by Florida law, acting as an instrumentality of the state, pursuant to s. 768.28, Florida Statutes, for purposes of sovereign immunity. It shall serve as the governing body of the Florida International University (the "University") and perform all duties prescribed by law and by the Board of Governors. In consultation with the University President, it shall provide for academic freedom and academic responsibility at the University.

Membership

The Board shall be composed of thirteen persons, six members appointed by the Governor of the State of Florida, five citizen members appointed by the Board of Governors, subject to confirmation by the Senate. The Chair of the Faculty Senate and the President of the Florida International University Student Government Association shall also serve as voting Trustees during their terms of office.

Board members shall be appointed for staggered 5-year terms and may be reappointed for subsequent terms, except for the faculty and student representatives who shall serve for the duration of the term of their respective elected offices. The Chair of the Faculty Senate will be appointed each year by the first of August and the President of the Florida International University Student Government Association will be appointed each year by the first of May. Members of the Board shall serve without compensation but may be reimbursed for travel and per diem expenses in accordance with state law.

All Board members are public officers subject to the requirements of the Florida Code of Ethics.

Special Members of the Board

Following an individual's service as Chair or Trustee of the Board, the Board may designate such former Chair or Trustee as Chairperson Emeritus or Trustee Emeritus. The Board shall have the special member categories of Chairperson Emeritus and Trustee Emeritus for honorary purposes to recognize past Chairpersons and Trustees who have provided extraordinary service and contributions to the University and are no longer serving in that capacity.

~~The Board shall have the following special member categories for honorary and recognition purposes:~~

~~Chairperson Emeritus: This category honors a Chairperson of the Board, who has served as Chairperson for two complete terms, and has provided extraordinary service to the University.~~

~~Trustee Emeritus: A Trustee, who has served at least one full five year term, is no longer serving on the Board, has given distinguished service as a member of the Board and has made extraordinary contributions to the University.~~

Trustees shall be elected by a two-thirds vote of the Board for either of the above defined designations. Chairperson or Trustee Emeritus may be invited to attend meetings of the Board but shall not have the right to vote nor shall be considered in constituting a quorum.

Powers and Duties of the Board

The Board shall serve as the governing body of The Florida International University. It shall select the President of the Florida International University for ratification by the Board of Governors and shall hold the President responsible for the University's operation and management, performance, its fiscal accountability, and its compliance with federal and state laws and regulations of the Board of Governors. The Board shall have the authority to carry out all lawful functions permitted by the FIU BOT Operating Procedures, by regulations and policies of the Board of Governors or by law. The Board may adopt regulations and policies consistent with the University mission, with law, and with the regulations and policies of the Board of Governors, in order to effectively fulfill its obligations under the law.

Officers

The officers of the Board are the Board Chair, Board Vice-Chair, Treasurer, and the Executive Officer and Corporate Secretary. The Board shall select the Board Chair and Board Vice-Chair at the last regularly scheduled meeting of the fiscal year for a two year term to begin September 1. The Board Chair and Board Vice-Chair shall be eligible for reselection for one additional consecutive term. Any exception to this term of office must be approved by a two-thirds vote of the Board. The Treasurer shall be appointed by the Board Chair. The University President shall serve as Executive Officer and Corporate Secretary of the Board.

Board Chair: The Board Chair shall preside at all meetings of the Board, call special meetings of the Board when necessary, attest to actions of the Board, and notify the Board of Governors or the Governor, as applicable, in writing whenever a Board member has three consecutive unexcused absences from regular board meetings in any fiscal year, which may be grounds for removal.. The Board Chair shall also appoint Committee ~~and Workgroup~~ Chairs, determine composition of all Board Committees ~~and Workgroups~~ and otherwise serve as spokesperson for the Board.

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Board Vice-Chair:

The Board Vice-Chair shall act as Board Chair during the absence or disability of the Board Chair.

Treasurer: The Treasurer shall be responsible for oversight of all policies relating to the financial affairs of the University; may present a financial report to the Trustees at each meeting of the Board; and perform such other duties as may be assigned to him/her by the Board Chair, or the Board.

Corporate Secretary: The University President, as Executive Officer and Corporate Secretary, shall be responsible to the Board for all operations and administration of the University and for setting the agenda for meetings of the Board in consultation with the Chair.

Executive Officer:

As Executive Officer, the President shall serve as the principal liaison officer and official contact between the Board and the faculty, staff and students of the University. The President shall exercise such powers as are appropriate to his/her position in promoting, supporting and protecting the interests of the University and in managing and directing its affairs. The President may issue directives and executive orders consistent with existing Board policies and law. The President shall be responsible for all educational, financial, business and administrative functions of the University consistent with the policies established by the Board and shall exercise such other powers, duties and responsibilities as are delegated or assigned by the Board.

ARTICLE II MEETINGS

Regular meetings: The Board will meet no fewer than four times per fiscal year, at a time and place designated by the Board Chair. Meetings of the Board are open to the public and all official acts will be taken at public meetings. The schedule of meetings is to be available on the University website at <http://bot.fiu.edu/>.

~~The Director of Internal Audit shall present a report on the financial condition of the University to the full Board once every fiscal year at the November meeting.~~

A Trustee cannot participate in a regular board meeting via telephone or other communications media technology or video conferencing, unless such a meeting is conducted only via electronic means as provided below.

Meetings by Means of Telephone Conference Calls and other Communications Media Technology: Committees and Workgroups may, at the discretion of their Chairs, use telephone conference calls and other communications media technology to conduct Board business in the same manner as if the proceeding were held in person.

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The notice of any meeting conducted by means of communications media technology will state where and how members of the public may gain access to the meeting.

Special Meetings: The Board will meet in special meetings, including hearings and workshops, at a time and place designated by the Board Chair, or in the absence of the Board Chair by the Board Vice-Chair.

Notice of Regular, Special, and Committee ~~and of Workgroup~~ Meetings: Notice of regular meetings, committee ~~and workgroup~~ meetings, and special meetings of the Board will be given by posting on the University's website at <http://bot.fiu.edu/> and faxing such notice and agenda to a newspaper of general circulation not less than seven days before the event, and will include a statement of the general subject matters to be considered.

Emergency Meetings: An emergency meeting of the Board may be called by the Board Chair or the Board Vice-Chair in the Board Chair's absence, upon no less than forty-eight (48) hours notice whenever, in the opinion of the Board Chair or Board Vice-Chair, an issue requires immediate Board action. Whenever such emergency meeting is called, the Board Chair will notify the Corporate Secretary. The Corporate Secretary will immediately serve either verbal or written notice upon each member of the Board, post a notice on the University's website at <http://bot.fiu.edu/>, and shall provide notice to the public, by any procedure that is fair under the circumstances, stating the date, hour and place of the meeting and the purpose for which the meeting has been called. No other business will be transacted at the meeting unless additional emergency matters are agreed to by a majority of those Board members in attendance. The minutes of each emergency meeting will show the manner and method by which notice of such emergency meeting was given to each member of the Board and to the public.

Executive Session: The Legislature has provided limited exemptions from the Sunshine Law for certain meetings because of the confidential material that must be discussed. When the Board decides to avail itself of any such exemption, it will do so by convening an executive session of the Board.

A. Pending Litigation:

Meetings to discuss pending litigation in which the Board is presently a party before a court or administrative agency may be held in executive session outside the Sunshine, provided the following procedures and conditions are met.

1. Counsel for the Board must advise the Board at a public meeting that he or she desires an executive session and must state the basis therefor.
2. Only Board members, the Board's attorney(s) and the President of the University may attend a closed executive session to discuss pending litigation. Staff members or consultants are not permitted to attend. The Board must give advance public notice, pursuant to its

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procedures, of the time and date of the executive session, and must identify the names of the persons who will be attending the closed session.

3. The session must commence with an open meeting at which the Board Chair or his/her designee shall announce the commencement of the meeting, the estimated length of the closed executive session, and the names of the persons attending. At that point, the meeting is closed to all except those whose names have been announced. The executive session may then commence. At the conclusion of the executive session, the meeting must be reopened to the public and the person chairing the meeting shall announce the termination of the closed executive session.

4. A certified court reporter must record the entire executive session. The reporter must record the times of commencement and termination of the executive session; all discussions and proceedings; the names of all persons present at any time; and the names of all persons speaking. No portion of any executive session may be held off the record. The Board must have the court reporter's notes fully transcribed, and the transcript filed with its records custodian. The transcript is exempt from Florida's public records law, and is not to be disclosed until the litigation concludes. Upon the conclusion of the litigation, the transcript becomes part of the public record.

5. The subject matter of the closed session must be confined to settlement negotiations or strategy sessions related to litigation expenditures. The Board may not go beyond these strict parameters. No final action, no vote, and no decisive action may be taken during the closed session. Any final decision to settle a lawsuit, for a certain amount of money, or under certain conditions, is a decision that must be voted upon in a public meeting.

B. Collective Bargaining:

1. Meetings to discuss collective bargaining strategy are completely exempt from the Sunshine law, and may be held in executive session without conforming to any of procedures and conditions required for an executive session to discuss litigation.

2. Attendance at the meeting by staff is limited to those named by the President as having involvement or oversight as to collective bargaining negotiations.

3. All documents created for an executive session on collective bargaining are confidential and exempt from the Public Records provisions.

Quorum: A majority of the members of the Board must be present to constitute a quorum for the transaction of business.

Voting: Unless otherwise provided in these Operating Procedures, the decision of the majority of the Trustees in attendance and voting on the question shall prevail, except that a majority vote of all

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members of the Board is required for establishing policy, for making rules and regulations, for appointing and removing the President and for approving or discontinuing programs. No Trustee present at a Board, Committee ~~or Workgroup~~ meeting, who is a member of the Committee ~~or Workgroup~~, may abstain from voting except for those circumstances when a Trustee has a conflict of interest. If a Trustee has a conflict of interest with any agenda item, the Trustee shall advise the Chair of the conflict and abstain from voting. The Trustee shall complete a Memorandum of Voting Conflict Form within fifteen days of the meeting which shall be incorporated into the records of the meeting.

Voting by proxy or by mail shall not be permitted.

For purposes of these Operating Procedures the term "ex officio" shall mean that the person with such designation does not have a right to vote nor to be counted towards reaching a quorum.

At meetings of the Board, the Board shall vote on matters appearing on the Consent Agenda in its entirety, unless an individual Trustee requests that a separate vote be taken on a particular item. A separate vote shall be taken on each item appearing as an Action Item on the Agenda.

Parliamentary Rules: *Roberts Rules of Order*, newly revised, will be followed in conducting meetings of the Board, unless otherwise provided by the Board. The Chair shall resolve disputes regarding interpretations under Roberts Rules.

Agenda

The agenda for each meeting of the Board, ~~or a Committee or a Workgroup~~, shall be prepared by the Corporate Secretary or his/her designee, in consultation with the Board Chair, ~~or the Chair of the Committee, or the Chair of the Workgroup~~, as applicable. Every request for inclusion of an item on the agenda of a non-emergency meeting shall be put in writing and filed, together with any supporting documents, with the Corporate Secretary 30 days in advance of the meeting. The Corporate Secretary shall determine the propriety and practicability of including that item on the agenda for the meeting and may place time limits on any presentation or decline to place any matter on the agenda. The Corporate Secretary will assemble the items received, and provide a copy of the agenda to each member of the Board at least 7 days prior to the meeting. If additional items or supporting documentation become available, a supplemental agenda will be provided at least 3 days prior to the meeting. If a Trustee would like a non-agenda item to be placed on the agenda, he/she may do so through a written memorandum to the Corporate Secretary no later than 3 days before the non-emergency meeting of the Board, ~~or Committee or Workgroup~~.

No agenda item may come before the Board unless it has been previously considered and recommended by a Committee ~~or Workgroup~~ of the Board. However, an agenda item may be presented to the Board without prior consideration by a Committee ~~or Workgroup~~ if it is

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determined to be an emergency item by the Corporate Secretary in consultation with the Board Chair.

The agenda shall list the items in the order they are to be considered. Items may be considered out of their stated order at the discretion of the Chair.

Minutes

Minutes of the meetings of the Board, or Committees~~or Workgroups~~, shall be kept by the Corporate Secretary, who shall cause them to be printed and preserved and who shall transmit copies to the members of the Board. All lengthy reports shall be referred to in the minutes and shall be kept on file as part of the University records, but such reports need not be attached to the minutes except when so ordered by the Board.

ARTICLE III COMMITTEES ~~AND WORKGROUPS~~

The Board Chair may establish such committees and workgroups as he/she deems necessary for the orderly conduct of the Board's business.

The Board Chair, in consultation with the President, shall appoint members of Committees, their Chairs, and Vice-Chairs to substitute for the Chair of the Committee in his or her absence. Committee members, Chairs and Vice Chairs shall be appointed based upon their expertise in matters relating to that Committee. All Committees shall have no fewer than three members. A quorum for all Committees shall consist of a majority of the members.

~~There shall be a minimum of two (2) standing committees of the Board, a Finance and Audit Committee and an Academic Policy Committee. All Committees shall have no fewer than three members. A quorum for all Committees shall consist of a majority of the Committee.~~

~~Ad hoc Committees shall be appointed by the Board Chair upon authority of the Board with such powers and duties and period of service as the Board Chair may determine, provided that no ad hoc committee shall be created to act upon any matter appropriate to be acted upon by a standing committee. The Chair of any ad hoc committee shall be appointed by the Board Chair and shall perform his/her duties in consultation with the University President.~~

The duty of each Committee ~~and Workgroup~~ shall be to consider and make recommendations to the Board on matters before it. Unless specifically delegated by the Board to a Committee, ~~or Workgroup~~, authority to act in all matters is reserved exclusively to the Board. The Chairs of the Committees shall perform their duties and shall have the responsibility and authority to place matters on the Board's agenda, with the approval of the Board Chair.

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~~The Board Chair, in consultation with the President, shall appoint a Chair to head each Committee and Workgroup, and a Vice Chair to substitute for the Chair of the Committee or Workgroup in his or her absence.~~

The President shall be an ex officio member of every Committee ~~and Workgroup~~.

The following Committees shall be standing Committees of the Board until dissolved by the Board:

Executive Committees.

The Executive Committee shall be comprised of the Board Chair and Committee Chairs. The Executive Committee shall have and may exercise all powers and authority of the Board when the Trustees are not in session, subject only to such restrictions or limitations as the Trustees may from time to time specify, except that the Executive Committee shall have no authority to alter, amend, or repeal the Board of Trustees Operating Procedures. The Executive Committee shall meet at the call of the Chair of the Board. A majority of the voting members of the Executive Committee shall constitute a quorum and a majority vote of the voting members of the Committee present, after a quorum has been declared, shall be required to enact business of the Executive Committee. When urgency precludes a formal meeting, matters may be handled by telephone in accordance with provisions of these Operating Procedures. All actions of the Executive Committee shall be reported to the Trustees at the next ensuing meeting of the Board, or when deemed sufficiently important by the Board Chair and the University President, such actions shall be reported to the Trustees within thirty (30) days after such action is taken, or at a meeting of the Trustees if a meeting is held within that period of time. All actions of the Executive Committee shall be ratified by the Board and shall be included in the minutes of the Board. The Executive Committee shall constitute a presidential search committee of the Board to make recommendations to the Board upon the occurrence of a vacancy in the presidency and upon the selection of a president, constitute and appoint members to serve on a presidential transition team to organize an orderly transition of presidential leadership and introduction of the new president to the campus and local community.

The Academic Policy and Student Affairs Committee shall be responsible for oversight of all policies relating to the academic and student affairs of the University. It shall assist the Board in its oversight responsibilities relating to aspects of student life and student conduct. It shall review the infrastructure and resources necessary to deliver the academic and student life programs and for the accreditation of the University and professional programs. It shall be responsible for reviewing and considering policies relating to new and existing degree programs, instruction and research. It shall review and consider policies relating to the recruitment and retention of faculty members, including tenure, academic freedom and academic responsibility, codes of conduct and appropriate penalties for violations of University regulations pertaining to academic dishonesty, and student admissions, and make recommendations to the Board on these and other matters referred to it by the Board.

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The Athletics Committee shall serve as the primary advisory body to the President in matters relating to intercollegiate athletics. It shall insure the proper role of athletics within the overall mission of the University. It shall insure the integrity of the athletics program with regard to NCAA, Sun Belt Conference, state and federal law compliance and gender equity on Intercollegiate Athletics. It shall work to maintain the proper perspective of athletic competition within the university life of the student-athlete. It shall monitor the academic performance and progress made by student-athletes. It shall oversee all programs designed to insure the academic success, personal development and personal welfare of student-athletes.

The **Compensation Personnel** Committee shall consider and recommend to the Board the compensation and other conditions of employment of the President and conduct annual evaluations of the President for consideration and adoption by the Board. The Committee shall make recommendations to the Board regarding the resolution of impasses in collective bargaining and, if and as required by law, the ratification of collective bargaining agreements. The Committee shall also make recommendations to the Board on the regulations pertaining to employees of the University.

The External Relations Committee shall be responsible for reviewing and recommending to the Board policies relating to local, state and federal legislation. It shall work to identify all major local, state and federal activities affecting the University and will report to the Board recommended actions which will further the University's mission. It shall be responsible for reviewing and recommending to the Board policies affecting communications with the media and with the public, including alumni of the institution. It shall review and consider programs that advance the University's reputation and further the University's teaching, research, and service missions in the local, state, national, and international communities.

The Finance and Audit Committee shall be responsible for oversight of all policies relating to the financial affairs of the University in accordance with the Board's Finance and Audit Committee Charter, attached as Appendix "A".

~~**The Academic Policy Committee** shall be responsible for oversight of all policies relating to the academic and student affairs of the University. It shall review and consider policies relating to new and existing degree programs, instruction and research. It shall review and consider policies relating to the recruitment and retention of faculty members, including tenure, academic freedom and academic responsibility, codes of conduct and appropriate penalties for violations of University regulations pertaining to academic dishonesty, and student admissions, and make recommendations to the Board on these and other matters referred to it by the Board.~~

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Ad-Hoc Committees.

Ad-Hoc Committees shall be appointed by the Board Chair upon authority of the Board with such powers and duties and period of service as the Board Chair may determine, provided that no ad-hoc committee shall be created to act upon any matter appropriate to be acted upon by a standing committee. The Chair of any ad-hoc committee shall be appointed by the Board Chair and shall perform his/her duties in consultation with the University President.

~~Strategic Priority Workgroups. The Board Chair may establish such Strategic Priority Workgroups as he/she deems necessary to conduct the business of the Board and the University. The Board Chair, in consultation with the President, appoints the members and selects the Chairs of the Workgroups. Strategic Priority Workgroups' actions are reported as recommendations for consideration and action by the full Board. The Strategic Priority Workgroups shall meet as often as the Chair of the Workgroup shall determine and said meetings shall be noticed as set forth above. Minutes shall be taken and distributed to all Trustees. A majority of the Strategic Priority Workgroup voting members shall constitute a quorum for transaction of business.~~

ARTICLE IV AMENDMENT OF OPERATING PROCEDURES

These Operating procedures may be altered, amended or repealed by a two thirds vote of all members of the Board at any regular meeting, when notice of the proposed amendment or repeal is provided in the meeting notice.

ARTICLE V APPEARANCES BEFORE THE BOARD and BEFORE COMMITTEES and WORKGROUPS OF THE BOARD

Individuals or group representatives who desire to appear before the Board to initiate a subject within the Board's jurisdiction must submit their requests in writing at least seven (7) working days prior to the start of the meeting of the Board at The Florida International University Board of Trustees, 11200 S.W. 8 Street, PC 548, Miami, Florida 33199 at 11200 S.W. 8 Street, PC 528, Miami, Florida 33199, for the matter to be included in the agenda. The Corporate Secretary, in consultation with the Chair, will determine whether the item will be heard and when the item will be heard. Each Trustee will be provided with an opportunity to review the list of individuals who are on the agenda to appear before the Board, as well as the names of any who were not placed on the agenda.

The Board may place time limits on presentations or decline to hear any matter determined by it to be outside its jurisdiction or unrelated to a particular agenda item, or not practicable for a particular meeting.

The Chair may recognize any individual or representative of groups to address the Board.

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In order to proceed with the essential business of the Board in an orderly manner, any individual or group representative who attempts to disrupt a Board meeting will be subject to appropriate action pursuant to law.

ARTICLE VI CODE OF ETHICS

Code of Ethics—Conflict of Interest

Trustees stand in a fiduciary relationship to the University. Therefore, Trustees shall act in good faith, with due regard to the interests of the University, and shall comply with the fiduciary principles and law set forth in the Code of Ethics for Public Officers and Employees, Chapter 112, Part III, Florida Statutes. Trustees shall comport themselves in accord with the statutory Code of Ethics and the Conflict of Interest Policy attached to these Operating Procedures as Appendix "B". Each Trustee shall annually complete and sign a disclosure form as required by said policy.

ARTICLE VII ACADEMIC FREEDOM

Statement of Board Policy on Academic Freedom

Florida International University is dedicated to the transmission and advancement of knowledge and understanding. Academic freedom is essential to the achievement of these purposes. The University therefore supports and encourages freedom of inquiry for faculty members and students, to the end that they may responsibly pursue these goals through teaching, learning, research, discussion and publication, free from internal or external restraints that would unreasonably restrict their academic endeavors.

The University shall protect faculty and students in their responsible exercise of the freedom to teach and to learn.

It is the policy of the Florida International University to support and encourage full freedom within the law, of inquiry, discourse, teaching, research, and publication for all faculty. Members of the faculty are expected to recognize that accuracy, forthrightness and dignity benefit their association with the University and their position as men and women of learning. They should not represent themselves, without authorization, as spokespersons for the University.

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The University shall not penalize or discipline members of their faculties because of the exercise of academic freedom in the lawful pursuit of their respective areas of scholarly and professional interest and responsibility.

ARTICLE VIII MISCELLANEOUS PROVISIONS

Limitation of Liability and Indemnification

The Board shall be a corporation primarily acting as an instrumentality of the state pursuant to Section 768.28, Florida Statutes, for purposes of sovereign immunity. The University shall, to the extent legally permissible, indemnify, defend and hold harmless each of its Trustees, against all liabilities and expenses incurred in the connection with the disposition or defense of any action, suit or other proceeding, whether civil or criminal, in which such person may be involved by reason of University service, except with respect to any matter in which such person shall have been adjudicated in any proceeding not to have acted in good faith; and further provided that no settlement shall be entered into without the prior consultation and approval of a duly authorized representative of the Board.

Service of Process

Service of process may be made on the Corporate Secretary or his or her designee.

Fiscal Year

The fiscal year of the Board shall commence on July 1 of each year and end on June 30.

Sunshine Laws

Public access to Board records will be governed by the provisions of the Public Records Law, Chapter 119, Florida Statutes. Board Committee and Workgroup meetings shall be governed by the provisions of the Open Meetings Law, Chapter 286, Florida Statutes.

Corporate Seal

The corporation shall have a seal on which shall be inscribed "The Florida International University Board." The Corporate seal shall be used only in connection with the transaction of business of the Board and of the University. The Corporate Secretary may affix the seal on any document signed on behalf of the corporation. Permission may be granted by the Corporate Secretary for use of the seal in the decoration of any University building or in other special circumstances. The Corporate seal of the Board shall be consistent with the following form and design:



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Appendices: A & B

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Appendix "A"

THE FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES

FINANCE and AUDIT COMMITTEE CHARTER

PURPOSE

This charter sets forth the operations and responsibilities of the Finance and Audit Committee the ("Finance Committee") of the Florida International University (the "University"). The Finance Committee's primary function is to assist the University's Board of Trustees (the "Finance Board") in fulfilling its oversight responsibilities by reviewing procedures in place to assess and minimize significant risks, overseeing the quality and integrity of financial reporting practices (including the underlying system of internal controls, policies and procedures, regulatory compliance programs, and ethical code of conduct), and overseeing the overall audit process.

The Finance Committee's role is one of oversight, not preparation or operation. Its members rely on the representations of Senior Management, General Counsel, the Office of Internal Audit and the Auditor General, other committees and workgroups of the Board and other professional consultants. The Finance Committee promotes open communication among and between Senior Management, the Office of Internal Audit, the Auditor General, and the Board.

COMPOSITION AND MEMBER QUALIFICATIONS

- The Finance Committee consists of at least four members, all of whom are voting Trustees of the University.
- Members shall possess general accounting, business and financial knowledge, including the ability to read and understand fundamental financial statements. At least one member shall have accounting or financial expertise, as defined by the Board.
- Members shall be independent and objective in the discharge of their responsibilities. They are to be free of any financial, family, or other material personal relationship, including relationships

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with members of University management, University auditors and other professional consultants.

- A simple majority of the Finance Committee membership will constitute a quorum.
- It is the responsibility of the Finance Committee Chair to approve each meeting's agenda and to update the Board on the significant matters discussed by the Finance Committee.

GENERAL ACTIVITIES AND RESPONSIBILITIES

The Finance Committee shall:

- Meet four times each year.
- Provide the Board with regular updates of Finance Committee activities and make recommendations to the Board for matters within the Finance Committee's area of responsibility.
- Review the Finance Committee's charter periodically and recommend any proposed revisions for the Board's approval.
- Meet separately with:
 - the Office of Internal Audit without the presence of management;
 - Senior Management, without the presence of the Office of Internal Audit to discuss any matters the Finance Committee or these individuals believe should be discussed privately. This should be performed at least two times annually, at the conclusion of a regularly scheduled Finance Committee meeting.
- Ensure that the Office of Internal Audit understands that they are ultimately responsible to the Finance Committee and the Board and they should communicate directly with the Finance Committee Chair when deemed prudent and necessary.
- Have the authority to conduct investigations into any matters within the Finance Committee's scope of responsibilities, set forth below. During such investigations, the Finance Committee shall have unrestricted access to the University's independent auditors and anyone employed by the University, and to all relevant information. The Finance Committee may retain, at the University's expense, independent counsel, accountants and other professional consultants to

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assist with such investigations. The results of any such investigations must be reported to the Board by the Finance Committee Chair.

SPECIFIC RESPONSIBILITIES: INTERNAL CONTROLS AND RISK ASSESSMENT

The Finance Committee shall consider and review with Senior Management, the Office of Internal Audit, and other relevant offices, committees or workgroups:

- The effectiveness of the University's process for identifying significant financial, operational, reputational, strategic and regulatory risks or exposures and management's plans and efforts to monitor and control such risks.
- The effectiveness of the University's internal controls, including the status and adequacy of information systems and security and other relevant matters.
- The University's oversight and monitoring of its subsidiaries, affiliates and joint ventures.
- The University's insurance coverage and the process used to manage any uninsured risks.

SPECIFIC RESPONSIBILITIES: COMPLIANCE WITH LAWS AND REGULATIONS

The Finance Committee shall:

- Ascertain whether the University has an effective process for determining risks and exposure from asserted and unasserted litigation and other claims of noncompliance with laws and regulations.
- Review and discuss with Senior Management, General Counsel, University Compliance Officer and the Director of Internal Audit:
 - significant results of compliance audits;
 - any significant matters of litigation or contingencies that may materially affect the University's financial statements; and
 - any legal, tax or regulatory matters that may have a material impact on University operations, financial statements, policies and programs.

SPECIFIC RESPONSIBILITIES: FINANCIAL REPORTING

The Finance Committee shall:

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Amended 12 March 2003
Amended 22 November 2004
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- Consult annually with the Office of Internal Audit regarding the integrity of the University's financial reporting processes and related internal controls, including (but not limited to) the depth of experience and sufficiency of Finance and the Office of the Office of Internal Audit staff.
- Review and approve significant, non-mandated changes to accounting policies and practices.
- Advise Senior Management, based upon the Finance Committee's review, whether the Finance Committee believes that the annual audited financial statements (including the footnotes) contain any material misstatements or omissions.
- Review with Senior Management at the completion of the annual financial statement audit:
 - the University's annual financial statements and related footnotes, including their degree of clarity;
 - the Auditor General's opinion regarding the financial statements;
 - any significant changes required to the state auditors audit plan;
 - any difficulties or disputes with management encountered during the audit, including an overall assessment of management cooperation;
 - the University's accounting principles, including the consistency, appropriateness and quality (not just acceptability) thereof, with particular emphasis on sensitive accounting estimates and accruals;
 - the University's overall level of compliance with governmental regulations;
 - reports concerning internal controls, including significant findings and recommendations and management's response;
 - other matters that should be communicated to the Finance Committee under generally accepted generally accepted auditing standards; and
 - any other financial filings required by law or regulation.

SPECIFIC RESPONSIBILITIES: THE OFFICE OF INTERNAL AUDIT

The Finance Committee shall:

Adopted 13 January 2003
Amended 12 March 2003
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- Evaluate the Office of Internal Audit's role and scope of activities.
- Participation in the process of the appointment and dismissal of the Director of Internal Audit.
- Review and approve the Office of Internal Audit's annual audit plan (and any subsequent changes thereto), considering the University-wide risk assessment and the degree of coordination with the Auditor General's Office for an effective, efficient, non-redundant use of audit resources.
- Review and discuss with management and the Office of Internal Audit:
 - significant findings and recommendations, including management's response and timeframe for corrective action;
 - the degree of implementation of past audit recommendations; and
 - any difficulties encountered in the course of the audit activities such as restrictions on the scope of work or access to information.
- Assess the staffing of the Office of Internal Audit, including the annual budget.
- Review and approve modifications to the Office of Internal Audit.
- Review the organizational reporting lines related to the Office of Internal Audit, particularly related to confirming and assuring the continued independence of the Office of Internal Audit and its staff.

SPECIFIC RESPONSIBILITIES: COMPLIANCE WITH POLICIES AND STANDARDS

The Finance Committee shall review with the Office of Internal Audit, the University Compliance Officer, and:

- The University's monitoring of compliance with University policies, including (but not limited to) policies regarding the conduct of research.
- The results of the University's monitoring and enforcement of compliance with University standards of ethical conduct and conflict of interest policies.

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The Finance Committee has the responsibilities and the powers set forth in this Charter. It is not the responsibility of the Finance Committee to conduct audits or other examinations and investigations, nor to provide assurance regarding compliance with laws, regulations, internal policies and codes of conduct, nor the completeness, accuracy or conformity with generally accepted accounting standards of the University's financial statements generally accepted

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Appendix "B"

THE FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES CONFLICT-OF-INTEREST POLICY

1. **Scope.** The following statement of policy applies to each member of the Board.
2. **Fiduciary Responsibilities.** Section 8 of Article II of the Constitution of the State of Florida states: "A public office is a public trust." Board members of Florida International University serve the public trust and have a clear obligation to fulfill their responsibilities in a manner consistent with this fact. All decisions of the Board are to be made solely on the basis of a desire to advance the best interests of the institution and the public good.

Board members are generally involved in the affairs of other institutions and organizations. Effective boards will include individuals who have relationships and affiliations that may raise questions about perceived conflicts of interest. Although many such potential conflicts are and will be deemed inconsequential, each Trustee has the responsibility to comply with the Code of Ethics for Public Officers and Employees which is contained in Chapter 112, Part III (Sections 112.311 – 112.326) of the Florida Statutes.

3. **The Code of Ethics for Public Officers and Employees.** The Code of Ethics provides definitions and sets forth the various contexts in which conflicts arise. As defined in the Code,

a "conflict of interest" arises in a situation in which regard for a private interest tends to lead to disregard of a public duty or interest.

Particular attention is required when public officers are in situations involving:

- solicitation and acceptance of gifts;
- favors or compensation;

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- contracts and transactions with the University;
- unauthorized compensation;
- misuse of public position or confidential information;
- conflicting employment or consulting contractual relationships; and
- employment of relatives.

Thus, each Trustee has a continuing obligation to:

- (a) be familiar with the Florida Statutes regarding ethics and conflicts of interest and the terms of this Policy;
- (b) disclose to the Board Chair any possible personal, familial, or business relationships that might reasonably give rise to a conflict involving the University; and
- (c) acknowledge by his or her execution of the attached "Conflict of Interest Disclosure Form" that he or she is in compliance with the letter and spirit of this Policy and applicable laws.

4. Disclosure. All Trustees shall list on the attached Conflict of Interest Disclosure Form, at least once a year, those relationships

- (a) that they or members of their family maintain with organizations that do business with the University, or
- (b) that could be construed to affect their independent, unbiased judgment in light of their decision-making authority and responsibility.

If a Trustee is uncertain as to whether to list a particular relationship, the Board chair and the General Counsel of the University should be consulted. Information shared or gathered as a result of such consultations (including information provided on the attached form) shall not be released except

- in accordance with applicable public records laws, or
- when the institution's best interests would be served by disclosure, or
- as required by court order.

Any such required disclosure will be made only after informing the affected Trustee.

5. Definitions:

The following definitions apply to this policy:

Business Relationship – A business relationship is one in which a Trustee, or a Trustee's spouse or child serves as an officer, director, or proprietor of, or has a material interest in, an organization that does business with Florida International University.

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Material Interest - a direct or indirect ownership of more than 5 percent of the total assets or capital stock of any business entity constitutes a material interest.

Attached is The Florida International University Conflict of Interest Disclosure Form which each Trustee must file with the Secretary of the Board on or before July 1st of each year, unless a change necessitating an amendment occurs prior to July 1st of the following year.

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**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
CONFLICT OF INTEREST DISCLOSURE FORM**

This Conflict of Interest Disclosure Form is intended to protect both the Board and the University, by affording the University ample opportunity to forestall any potential conflicts and assure that all Board decisions are above reproach.

To allow the Board and the University to monitor and promptly address any potential conflicts, please (i) identify below any relationships, financial or personal, that may constitute conflicts or potential conflicts of interest, or (ii) confirm that no such conflicts or potential conflicts are known to exist:

The following represent interests or relationships that are or may be in conflict with my position as Trustee of the University:

1. Personal, familial or business relationships that might reasonably give rise to a conflict involving the University.

2. Outside employment or service (any outside employment or provision of outside services by you or any member of your family that may be in conflict with your position as a Trustee of the University.

2. Outside interests, financial and other (any interests or position which you or any member of your family hold in any outside concern from which the University obtains goods or services, or which provides services competing with the University):

3. Any other potential issues or conflicts:

OR

_____ As of today's date, I have no financial, professional, or personal relationships that reasonably hold the potential for a conflict of interest involving my service as a University Trustee.

I am familiar with The Florida International University Board of Trustees Conflict of Interest Policy pursuant to which this Disclosure Form is filed. I have disclosed all potential conflicts of interests of which I am aware, and I agree to promptly file a further Disclosure Form if any additional matters subject to disclosure arise before my next annual Disclosure Form is due.

Signature _____

Date _____

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Exhibit "J"

The Florida International University

Board of Trustees

Operating Procedures

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Please FAX or mail this form to Board Secretary, Board of Trustees Office, Florida International University, 11200 SW 8 Street, PC 548, Miami, FL 33199, Tel. 305-348-6495, Fax. 348-6426.

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**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

February 20, 2010

Subject: Status Reports, Board Committees and Workgroups

Proposed Board Action

Information. Action, as necessary.

Authority for Board Action

N/A

Background Information

These Committees and Workgroups met prior to the regular Board meeting: Finance and Audit Committee; Academic Policy Committee; External Relations Workgroup; Athletics Workgroup. The Committee and Workgroup Chairs will present status reports.

Exhibits/Supporting Documents:

- N/A

Facilitator/Presenter:

- **Albert Maury**, *Finance and Audit Committee Chair*
- **Cesar Alvarez**, *Academic Policy Committee Vice Chair*
- **Miriam López**, *External Relations Workgroup Co-Chair*
- **Jorge L. Arrizurieta**, *Athletics Workgroup Chair*

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**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

February 20, 2010

Subject: New Business

Proposed Board Action

Information. Action, as necessary.

Authority for Board Action

N/A

Background Information

Board members will raise new business, if any.

Exhibits/Supporting Documentation:

▪ N/A

Facilitators/Presenters:

▪ Albert E. Dotson, Sr.

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**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

February 20, 2010

Subject: President Emeritus

Proposed Board Action:

Adopt the following Resolution:

WHEREAS, Dr. Gregory B. Wolfe dutifully served as President of Florida International University from 1979 through 1986; and

WHEREAS, during his tenure, President Wolfe helped pave the way for the University's transformation from a two-year, upper division school with limited graduate programs into a university with a lower division and doctoral programs; and

WHEREAS, during President Wolfe's tenure, he helped to bolster Florida International University's academic standing and reputation in Florida and abroad, which led to the creation of international academic programs in Mexico, Switzerland, Peru and various other countries; and

WHEREAS, by the time President Wolfe concluded his tenure as University President in 1986, Florida International University had grown to more than 16,500 students, the campus had evolved into a robust academic center, and the University had been featured in the Top 200 Best Buys in College Education by The New York Times; and

WHEREAS, Dr. Wolfe continued to serve the University and the community in his role as a distinguished professor of international relations;

NOW, THEREFORE, BE IT RESOLVED, that the Florida International University Board of Trustees at its regular meeting this 20th day of February 2010, does hereby recognize, commend and express its gratitude to Dr. Gregory B. Wolfe for his contributions to Florida International University;

BE IT FURTHER RESOLVED, that the Board of Trustees grants to Dr. Gregory B. Wolfe the status of President Emeritus in recognition of his leadership and dedication to the University, the students, and the South Florida community; and

BE IT FURTHER RESOLVED, that this Resolution be included in the minutes of this meeting, and a copy presented to Dr. Gregory B. Wolfe in recognition of his service and as a token of the Board of Trustees' appreciation.

Exhibits/Supporting Documentation: ■ N/A

Facilitator/Presenter: ■ Jorge L. Arrizurieta

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**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

February 20, 2010

Subject: Concluding Remarks and Adjournment

Proposed Board Action

None. Information only.

Authority for Board Action

N/A

Background Information

Albert E. Dotson, Sr., FIU Board of Trustees Chair, will adjourn the meeting with closing remarks.

Exhibits/Supporting Documentation:

▪ N/A

Facilitators/Presenters:

▪ Albert E. Dotson, Sr.

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