



# FLORIDA INTERNATIONAL UNIVERSITY

## BOARD OF TRUSTEES

### FINANCE AND FACILITIES COMMITTEE

Wednesday, May 23, 2018  
9:30 am *\*approximate start time*  
Florida International University  
Modesto A. Maidique Campus  
Graham Center Ballrooms

#### **Committee Membership:**

Leonard Boord, *Chair*; Justo L. Pozo, *Vice Chair*; Cesar L. Alvarez; Dean C. Colson; Natasha Lowell;  
Marc D. Sarnoff; Kathleen L. Wilson

## AGENDA

- |   |                    |
|---|--------------------|
| 1. Call to Order and Chair's Remarks  | Leonard Boord      |
| 2. Approval of Minutes  | Leonard Boord      |
| 3. Discussion Items ( <i>No Action Required</i> )                                   |                    |
| 3.1 Review of FIU Financial Statement Audit for Fiscal Year Ended June 30, 2017     | Kenneth A. Jessell |
| 3.2 Review of FIU Foundation, Inc. IRS Form 990 for Fiscal Year Ended June 30, 2017 | Kenneth A. Jessell |
| 3.3 Financial Performance Review –Third Quarter FY 2017-18                          | Kenneth A. Jessell |
| 4. Reports ( <i>For Information Only</i> )  |                    |
| 4.1 Athletics Update  | Pete Garcia        |
| 4.2 Business Services Report  | Aime Martinez      |
| 4.3 Emergency Management Status Report  | Ruben D. Almaguer  |
| 4.4 Facilities and Construction Update  | John Cal           |
| 4.5 Foundation Report   | Andre L. Teixeira  |
| 4.6 Safety and Environmental Compliance Report                                      | Ruben D. Almaguer  |
| 4.7 Treasury Report   | Benjamin Jarrell   |

**5. New Business** *(If Any)*

**Leonard Boord**

**6. Concluding Remarks and Adjournment**

**Leonard Boord**

*The next Finance and Facilities Committee Meeting is scheduled for Wednesday, June 6, 2018*

**THE FLORIDA INTERNATIONAL UNIVERSITY  
BOARD OF TRUSTEES**

**Finance and Facilities Committee**

May 23, 2018

**Subject: Approval of Minutes of Meeting held December 7, 2017**

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**Proposed Committee Action:**

Approval of Minutes of the Finance and Facilities Committee meeting held on Thursday, December 7, 2017 at the FIU, Modesto A. Maidique Campus, Graham Center Ballrooms.

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**Background Information:**

Committee members will review and approve the Minutes of the Finance and Facilities Committee meeting held on Thursday, December 7, 2017 at the FIU, Modesto A. Maidique Campus, Graham Center Ballrooms.

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**Supporting Documentation:** Minutes: Finance and Facilities Committee Meeting, December 7, 2017

**Facilitator/Presenter:** Leonard Boord, *Finance and Facilities Committee Chair*



**FLORIDA INTERNATIONAL UNIVERSITY  
BOARD OF TRUSTEES  
FINANCE AND FACILITIES COMMITTEE  
MINUTES  
DECEMBER 7, 2017**

**1. Call to Order and Chair's Remarks**

The Florida International University Board of Trustees' Finance and Facilities Committee meeting was called to order by Committee Chair Leonard Boord at 8:38 am on Thursday, December 7, 2017, at the Modesto A. Maidique Campus, Graham Center Ballrooms.

The following attendance was recorded:

***Present***

Leonard Boord, *Chair*  
Cesar L. Alvarez (*by phone*)  
Dean C. Colson  
Natasha Lowell  
Kathleen L. Wilson

***Excused***

Justo L. Pozo, *Vice Chair*  
Marc D. Sarnoff

Trustee Gerald C. Grant, Jr. and University President Mark B. Rosenberg also were in attendance.

Committee Chair Boord welcomed all Trustees, faculty, and staff to the meeting.

**2. Approval of Minutes**

Committee Chair Boord asked that the Committee approve the Minutes of the meeting held on June 1, 2017. A motion was made and passed to approve the Minutes of the Finance and Facilities Committee Meeting held on Thursday, June 1, 2017.

**3. Action Items**

**FF1. FIU Direct Support Organizations Financial Audits FY 2016-17**

Senior Vice President of Administration and Chief Financial Officer Kenneth A. Jessell presented the FIU Direct Support Organizations (DSO) FY 2016-17 Financial Audits for Committee review. He reported that James Moore Certified Public Accountants and Consultants performed the financial audits for: the Florida International University Foundation, Inc.; the Florida International University Research Foundation, Inc.; the Florida International University Athletics Finance Corp; and the Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc. He stated that James Moore Certified Public Accountants and Consultants did not audit the financial statements of the FIU Research iWASH Initiative Limited, a component unit

of the Research Foundation that receives funding from USAID (US Agency for International Development), noting that those financial statements were audited by KPMG in Tanzania in accordance with International Standards on Auditing, for the period ending December 31, 2016.

Sr. VP and CFO Jessell indicated that each of the audits has been approved by the Boards of each DSO. He added that Board of Trustees approval is necessary, as the DSO audits will be incorporated into the Financial Statement Audit of the University, which he indicated was currently underway by the State of Florida Auditor General, as Component Units of the University.

Sr. VP and CFO Jessell added that the Florida International University Foundation Inc. audit was prepared in conformity with Financial Accounting Standards Board requirements. He stated that the remaining DSO statements apply Governmental Accounting Standards Board requirements. He further reported that all of the audits received an Unmodified Opinion, adding that results of the respective audits did not identify any deficiencies in internal control over financial reporting that were considered to be material weaknesses. He added that the results of the audits disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

A motion was made and passed that the FIU Board of Trustees Finance and Facilities Committee recommend that the Board of Trustees:

**FF1-A. FIU Foundation, Inc.**

Accept the Florida International University Foundation, Inc. Financial Audit for the 2016-17 Fiscal Year and authorize the CEO of the Florida International University Foundation, Inc. to take all actions necessary pertaining to this Financial Audit, including filing the report with the Auditor General.

**FF1-B. FIU Research Foundation, Inc.**

Accept the Florida International University Research Foundation, Inc. Financial Audit for the 2016-17 Fiscal Year and authorize the President of the Florida International University Research Foundation, Inc. to take all actions necessary pertaining to this Financial Audit, including filing the report with the Auditor General.

**FF1-C. FIU Athletics Finance Corporation**

Accept the Florida International University Athletics Finance Corporation Financial Audit for the 2016-17 Fiscal Year and authorize the Treasurer of the Florida International University Athletics Finance Corp. to take all actions necessary pertaining to this Financial Audit, including filing the report with the Auditor General.

**FF1-D. FIU Academic Health Center Health Care Network Faculty Group Practice, Inc.**

Accept the Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc. Financial Audit for the 2016-17 Fiscal Year and authorize the President of the Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc. to take all actions necessary pertaining to this Financial Audit, including filing the report with the Auditor General.

## **FF2. Investment Policy Amendment**

Sr. VP and CFO Jessell presented the Investment Policy Amendment for Committee review, noting that the proposed revisions were ratified by the University Investment Committee on May 23, 2017. He presented a historical overview of the University's Operating Funds Investment Program and described the membership of the University's Investment Committee. He added that the State of Florida Auditor General's review in 2013 concluded that funds are invested in accordance with FIU Board of Trustees Policy. He explained that Meketa Investment Group was selected in August 2016 as the investment consultant and that Regions Trust is the investments Custodian. He stated that the proposed revisions would provide clarifications in the Governance section, will include expansion of the Diversification section and will include replacement of the detailed Asset Class Characteristics, Investment Guidelines for specific managers, and detailed policy benchmarks language with more robust direction.

Mr. Gustavo Bikkesbakker, Senior Vice President of Meketa Investment Group provided an organizational overview. Trustee Dean C. Colson recommended that the University's Investment Committee should annually evaluate FIU's investment program in relation to peer institutions within the State University System. Trustee Gerald C. Grant, Jr. stated the University's Investment Committee manages the assets of the Portfolio in accordance with applicable laws and regulations. Senior Vice President of University Advancement Howard R. Lipman stated that in terms of the University's endowments, the FIU Foundation Inc. Investment Sub-Committee conducts annual reviews in relation to the State University System, other peer benchmarks, and the NACUBO (National Association of College and University Business Officers) study. In response to Committee Chair Boord's request, Sr. VP and CFO Jessell delineated the process by which the University selected Meketa Investment Group as FIU's Investment Consultant.

A motion was made and passed that the FIU Board of Trustees Finance and Facilities Committee recommend that the Florida International University Board of Trustees adopt the revisions to the University's Investment Policy.

## **4. Discussion Item**

### **4.1 Financial Performance Review – First Quarter FY 2017-18**

Sr. VP and CFO Jessell presented the Financial Performance Review for the first quarter of 2017-18 and provided a summary of University revenues and expenditures. He reported that the University and direct support organizations' operating revenues were above estimates by \$10.2M (or 3 percent), which can be primarily attributed to: higher research grant revenues and higher sales at the Panther Tech store. He added that these were offset by loss of game guarantee revenues as the September 16, 2017 football game was cancelled due to Hurricane Irma and timing of receipt of NCAA disbursements, lower academic auxiliary revenues, and timing of gifts to the FIU Foundation. He noted that expenses were below estimates by \$7M (or 2 percent), primarily due to timing of spending on legislative appropriations and strategic investments, lower academic auxiliary revenues, and delays in technology fee projects and capital campaign expenditures.

Committee Chair Boord requested that future financial performance reports focus on variances in revenues and expenses that are not timing related and which may reflect material differences in actual revenues and expenses compared to what was budgeted.

## 5. Reports

Committee Chair Boord requested that the Athletics Update, Business Services Report, Emergency Management Status Report, Facilities and Construction Update, Foundation Report, Safety and Environmental Compliance Report, and Treasury Report be accepted as written. There were no objections.

## 6. New Business

*No new business was raised.*

## 7. Concluding Remarks and Adjournment

With no other business, Committee Chair Leonard Boord adjourned the meeting of the Florida International University Board of Trustees Finance and Facilities Committee on Thursday, December 7, 2017 at 9:28 am.

Trustee Request	Follow-up	Completion Date
<i>Committee Chair Leonard Boord requested that future financial performance reports focus on variances in revenues and expenses that are not timing related and which may reflect material differences in actual revenues and expenses compared to what was budgeted.</i>	<i>Senior Vice President and Chief Financial Officer Kenneth A. Jessell</i>	<i>Ongoing</i>

12.12.17 MB



**THE FLORIDA INTERNATIONAL UNIVERSITY**  
**BOARD OF TRUSTEES**  
**Finance and Audit Committee**  
**May 23, 2018**

**AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2017**

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- University's Audited Financial Statements were prepared following Governmental Accounting Standards Board (GASB) standards of accounting and financial reporting.
- The State of Florida Auditor General issued the University's Audited Financial Statements for the year ending June 30, 2017 on March 26, 2018.
- **OPINION:** The University received an unmodified (unqualified) opinion, meaning the financial statements presented fairly, in all material respects, the respective financial position of FIU and of its aggregate discretely presented component units as of June 30, 2017, and the respective changes in financial position and cashflows.
- We are not aware of, and the auditors did not identify any, deficiencies in internal control over financial reporting considered to be a material weakness or any instances of non-compliance or other matters required to be reported under Government Auditing Standards.
- The Financial Statements include the following component units of the university:
  - FIU Foundation, Inc. and its subsidiaries
  - FIU Athletics Finance Corporation
  - FIU Academic Health Center Health Care Network/Faculty Group Practice
  - NOTE: The financial activities of the FIU Research Foundation, Inc. are **not** included in the University's financial statements because total assets and operating revenues of the Foundation represent less than one percent of the total aggregate component units' assets and operating revenues.



## Highlights of Balance Sheet – Assets, Liabilities and Net Position

- **Total Assets of just over \$1.4 billion, an increase of \$30.4 million or 2 percent over 2015-16.**

*Primarily Due to changes in:*

Net Capital Asset Additions	\$ 43.5 M
Increase in Cash and Investments	\$ 27.6 M
Net Construction in Progress Additions	\$ 10.6 M
Increase in Land and Works of Art	\$ .6 M
Change in Accumulated Depreciation	(\$ 44.2)M
Due from State – Construction	(\$ 4.2)M
Decrease in Accounts Receivable / Loans	(\$ 2.9)M
Due from Component Units	(\$ .6)M
<b>Total</b>	<b>\$ 30.4 M</b>

- **Total Liabilities of \$589.9 M, an increase of \$102.5 M or 21 percent over 2015-16.**

*Primarily Due to:*

Net Pension Liability	\$80.6 M
Other Post Employment Retirement Benefits	\$20.0 M
Increase in Payables	\$ 4.4 M
Increase in Compensated Absences	\$ 3.2 M
Increase in Installment Purchases	\$ 1.9 M
Decrease in Bonds Payable	(\$ 7.2)M
Decrease in Unearned Revenue	(\$ .2)M
Decrease in Capital Leases Payable	(\$ .2)M
Decrease in Capital Leases Payable	(\$ .2)M
<b>Total</b>	<b>\$102.5M</b>

- **Total Net Position of \$927.3 M, a decrease of \$6.7 or 1 percent.** The net position reflects the change in total assets less the change in total liabilities, plus the increase in deferred outflows of resources related to pensions, \$47.6M, less the decrease in deferred inflows of resources related to pensions, (\$17.8 M).

## Highlights of Revenues and Expenses

- **Operating Revenues of \$519.5 M, an increase of \$9.4 M or 2 percent over 2015-16.**

*Primarily Due to:*

Net Tuition and Fees	\$ 6.0 M
Auxiliary Sales and Service	(\$ 2.4)M
Other Revenue	\$ 4.7 M
Grants and Contracts	\$ 1.1 M
<b>Total</b>	<b>\$ 9.4 M</b>

- **Operating Expenses \$966.1 M, an increase of \$56.5 M or 6 percent over 2015-16.**

*Primarily Due to:*

Employee Compensation and Benefits	\$ 46.7 M
Scholarships, Fellowships and Waivers	\$ 4.9 M
Depreciation Expense	\$ 3.0 M
Services and Supplies	\$ 1.7 M
Utilities and Communications	\$ .6 M
Self Insured Claims and Expenses	(\$ .4)M
<b>Total</b>	<b>\$ 56.5 M</b>

- **Net Non-operating Revenues of \$420.2 M, an increase of \$30.2 M or 8 percent over 2015-16.**

*Primarily Due to:*

Non Grants, Contracts and Gifts	\$23.7 M
State Non-Capital Appropriations	\$16.5 M
Investment Income/Losses	\$10.5 M
Other Non-Operating Revenues	(\$19.3)M
Federal and State Student Financial Aid	(\$ 1.2)M
<b>Total</b>	<b>\$ 30.2 M</b>

- **Other Changes in Net Position from Capital Appropriations and Capital Grants and Contracts of \$19.6 M, a decrease of \$12.1 M or 38 percent over 2015-16.**

**FLORIDA INTERNATIONAL UNIVERSITY**

For the Fiscal Year Ended  
June 30, 2017



Sherrill F. Norman, CPA  
Auditor General

## Board of Trustees and President

During the 2016-17 fiscal year, Dr. Mark B. Rosenberg served as President of Florida International University and the following individuals served as Members of the Board of Trustees:

Claudia Puig, Chair	Michael G. Joseph
Jorge L. Arrizurieta, Vice Chair	Natasha Lowell
Cesar L. Alvarez J.D.	Albert Maury through 3-29-17
Dr. Jose J. Armas M.D.	Justo L. Pozo
Leonard Boord	Marc D. Sarnoff
Alian Collazo through 5-14-17 <sup>a</sup>	Krista M. Schmidt from 5-15-17 <sup>a</sup>
Dean C. Colson from 3-30-17	Dr. Kathleen L. Wilson <sup>b</sup>
Gerald C. Grant Jr.	

<sup>a</sup> Student Body President.

<sup>b</sup> Faculty Senate Chair.

The Auditor General conducts audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

The team leader was Raymond Ishmael, CPA, CFE, and the supervisor was Hector J. Quevedo, CPA.

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

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**State of Florida Auditor General**

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

# FLORIDA INTERNATIONAL UNIVERSITY

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## SUMMARY

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### SUMMARY OF REPORT ON FINANCIAL STATEMENTS

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

### SUMMARY OF REPORT ON INTERNAL CONTROL AND COMPLIANCE

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

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

### AUDIT OBJECTIVES AND SCOPE

Our audit objectives were to determine whether Florida International University and its officers with administrative and stewardship responsibilities for University operations had:

- Presented the University's basic financial statements in accordance with generally accepted accounting principles;
- Established and implemented internal control over financial reporting and compliance with requirements that could have a direct and material effect on the financial statements; and
- Complied with the various provisions of laws, rules, regulations, contracts, and grant agreements that are material to the financial statements.

The scope of this audit included an examination of the University's basic financial statements as of and for the fiscal year ended June 30, 2017. We obtained an understanding of the University's environment, including its internal control, and assessed the risk of material misstatement necessary to plan the audit of the basic financial statements. We also examined various transactions to determine whether they were executed, in both manner and substance, in accordance with governing provisions of laws, rules, regulations, contracts, and grant agreements.

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

### AUDIT METHODOLOGY

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



Sherrill F. Norman, CPA  
Auditor General

# AUDITOR GENERAL STATE OF FLORIDA

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



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

## INDEPENDENT AUDITOR'S REPORT

### Report on the Financial Statements

We have audited the accompanying financial statements of Florida International University, a component unit of the State of Florida, and its aggregate discretely presented component units as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units, which represent 100 percent of the transactions and account balances of the aggregate discretely presented component units' columns. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the reports of the other auditors. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the

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

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

### ***Opinions***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of Florida International University and of its aggregate discretely presented component units as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matter***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued a report dated March 26, 2018, on our consideration of the Florida International University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant



agreements and other matters included under the heading **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Florida International University's internal control over financial reporting and compliance.

Respectfully submitted,



Sherrill F. Norman, CPA  
Tallahassee, Florida  
March 26, 2018

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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Management's discussion and analysis (MD&A) provides an overview of the financial position and activities of the University for the fiscal year ended June 30, 2017, and should be read in conjunction with the financial statements and notes thereto. The MD&A, and financial statements and notes thereto, are the responsibility of University management. The MD&A contains financial activity of the University for the fiscal years ended June 30, 2017, and June 30, 2016.

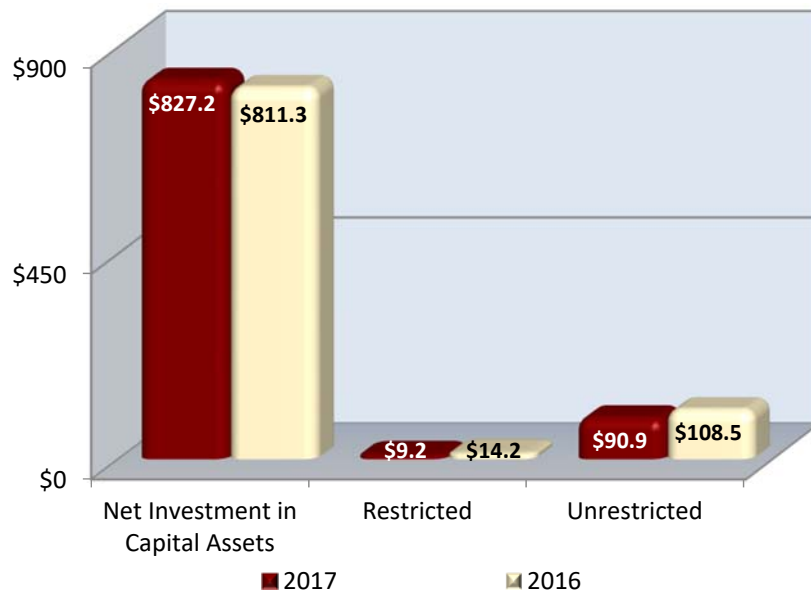
### FINANCIAL HIGHLIGHTS

The University's assets totaled \$1.4 billion at June 30, 2017. This balance reflects a \$30.4 million, or 2.2 percent, increase as compared to the 2015-16 fiscal year, resulting from an increase in combined cash and cash equivalents and investments of \$27.6 million and an increase in nondepreciable capital assets of \$11.2 million. These increases were partially offset by decreases of \$7.1 million in receivables, due from students for tuition and fees, and due from the State for capital projects. Deferred outflows of resources increased \$47.7 million due to pension-related activity as required to be reported under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Liabilities increased by \$102.5 million, or 21 percent, totaling \$589.9 million at June 30, 2017, as compared to \$487.4 million at June 30, 2016. These increases were offset by a \$17.7 million decrease in deferred inflows of resources from pension-related activity. As a result, the University's net position decreased by \$6.7 million, resulting in a year-end balance of \$927.3 million.

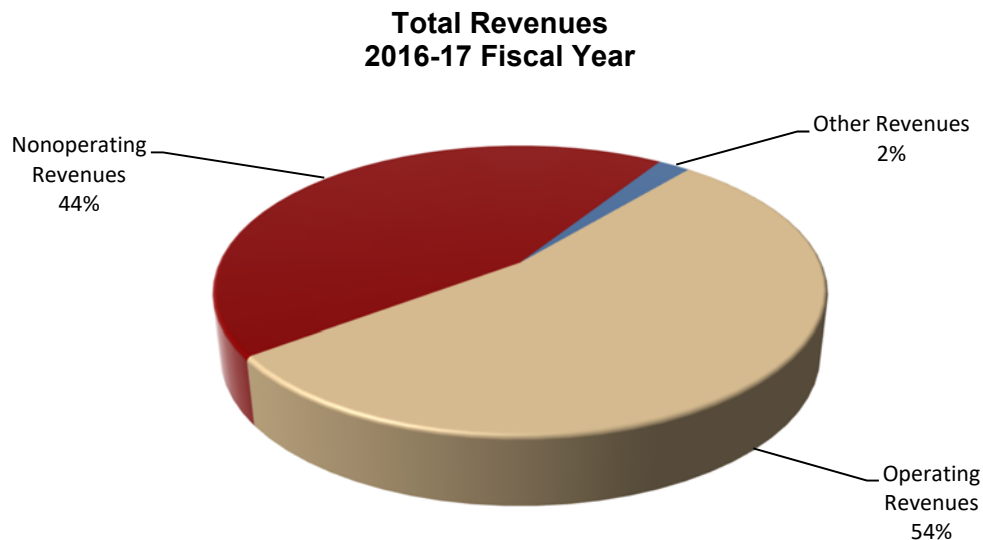
The University's operating revenues totaled \$519.5 million for the 2016-17 fiscal year, representing a \$9.4 million, or 1.8 percent increase compared to the 2015-16 fiscal year. Major components of operating revenues are student tuition and fees, auxiliary enterprise revenues, and grants and contracts. The overall increase in operating revenue is mainly due to increases in net tuition and fees revenue of \$5.9 million, grant and contracts revenue of \$1.2 million, and other operating revenue of \$4.3 million. These increases were offset by a decrease in auxiliary enterprise revenue of \$2.4 million. Operating expenses totaled \$966.1 million for the 2016-17 fiscal year, representing an increase of 6.2 percent as compared to the 2015-16 fiscal year due mainly to increases in compensation and employee benefits of \$46.7 million, scholarships and waivers expense of \$4.9 million and depreciation expense of \$3 million.

Net position represents the residual interest in the University's assets and deferred outflows of resources after deducting liabilities and deferred inflows of resources. The University's comparative total net position by category for the fiscal years ended June 30, 2017, and June 30, 2016, is shown in the following graph:

### Net Position (In Millions)



The following chart provides a graphical presentation of University revenues by category for the 2016-17 fiscal year:



## OVERVIEW OF FINANCIAL STATEMENTS

Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 35, the University's financial report consists of three basic financial statements: the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows. The financial statements, and notes thereto, encompass the University and its component units. These component units include:

- Florida International University Foundation, Inc. (Foundation)
- FIU Athletics Finance Corporation (Finance Corporation)
- Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc. (Health Care Network)

Based on the application of the criteria for determining component units, the Foundation, Finance Corporation, and Health Care Network are included within the University reporting entity as discretely presented component units. Information regarding these discretely presented component units, including summaries of their separately issued financial statements, is presented in the notes to financial statements. This MD&A focuses on the University, excluding the discretely presented component units. For those component units reporting under GASB standards, MD&A information is included in their separately issued audit reports.

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

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

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

## Condensed Statement of Net Position at June 30

(In Millions)

	2017	2016
<b>Assets</b>		
Current Assets	\$ 407.5	\$ 388.0
Capital Assets, Net	987.2	976.7
Other Noncurrent Assets	17.0	16.6
<b>Total Assets</b>	<u>1,411.7</u>	<u>1,381.3</u>
<b>Deferred Outflows of Resources</b>	<u>107.0</u>	<u>59.3</u>
<b>Liabilities</b>		
Current Liabilities	69.6	65.1
Noncurrent Liabilities	520.3	422.3
<b>Total Liabilities</b>	<u>589.9</u>	<u>487.4</u>
<b>Deferred Inflows of Resources</b>	<u>1.5</u>	<u>19.2</u>
<b>Net Position</b>		
Net Investment in Capital Assets	827.2	811.3
Restricted	9.2	14.2
Unrestricted	90.9	108.5
<b>Total Net Position</b>	<u>\$ 927.3</u>	<u>\$ 934.0</u>

Total assets as of June 30, 2017, increased by \$30.4 million, or 2.2 percent. This increase is due to an increase in combined cash and cash equivalents and investments of \$27.6 million primarily driven by collection of receivables due from students for tuition and fees, and due from the State for capital projects. Also contributing to the increase in total assets is an increase of \$11.2 million of nondepreciable capital assets, primarily construction in progress. These increases were partially offset by the decrease in receivables due from students and from the State of \$7.1 million. Deferred outflows of resources increased \$47.7 million due to the annual recognition of the University's proportionate share of the actuarially determined amounts related to the Florida Retirement System (FRS) pension plans. Total liabilities as of June 30, 2017, increased by \$102.5 million, or 21 percent. The increase was primarily due to an increase of \$80.6 million for the University's proportionate share of the FRS net pension liabilities, and an increase in other postemployment benefit (OPEB) of \$20 million. Deferred inflows of resources decreased by \$17.7 million due to the annual recognition of the University's proportionate share of the actuarially determined amounts related to the FRS pension plans.

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

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

The following summarizes the University's activity for the 2016-17 and 2015-16 fiscal years:

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

(In Millions)

	<u>2016-17</u>	<u>2015-16</u>
Operating Revenues	\$ 519.5	\$ 510.1
Less, Operating Expenses	<u>966.1</u>	<u>909.6</u>
<b>Operating Loss</b>	(446.6)	(399.5)
Net Nonoperating Revenues	<u>420.2</u>	<u>390.1</u>
<b>Loss Before Other Revenues,</b>	(26.4)	(9.4)
Other Revenues	<u>19.7</u>	<u>31.6</u>
<b>Net Increase (Decrease) In Net Position</b>	(6.7)	22.2
Net Position, Beginning of Year	<u>934.0</u>	<u>911.8</u>
<b>Net Position, End of Year</b>	<u><u>\$ 927.3</u></u>	<u><u>\$ 934.0</u></u>

**Operating Revenues**

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

The following summarizes the operating revenues by source that were used to fund operating activities for the 2016-17 and 2015-16 fiscal years:

**Operating Revenues  
For the Fiscal Years**

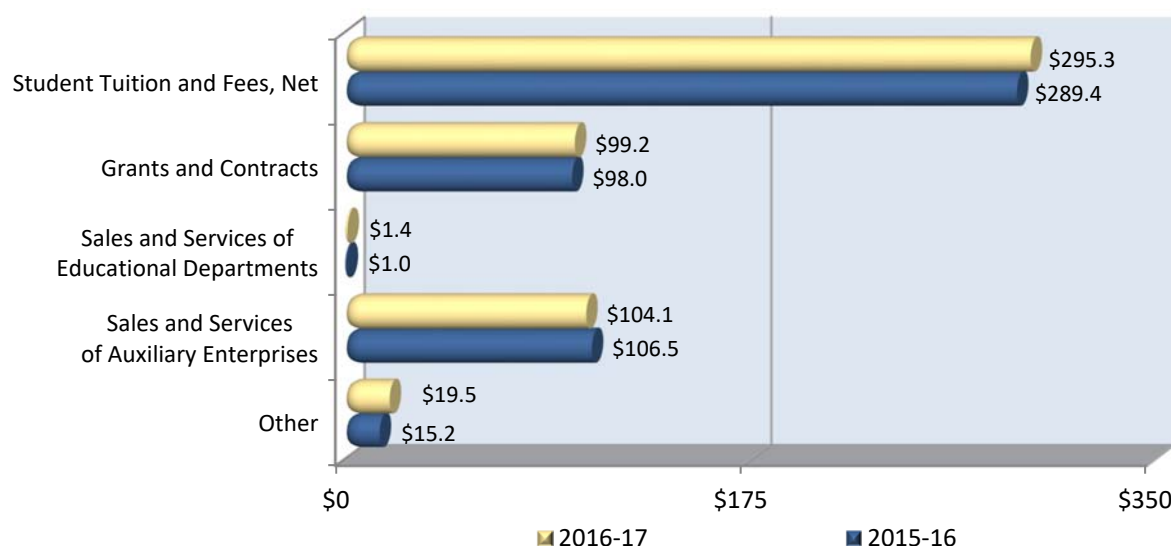
(In Millions)

	<u>2016-17</u>	<u>2015-16</u>
Student Tuition and Fees, Net	\$ 295.3	\$ 289.4
Grants and Contracts	99.2	98.0
Sales and Services of Educational Departments	1.4	1.0
Sales and Services of Auxiliary Enterprises	104.1	106.5
Other	<u>19.5</u>	<u>15.2</u>
<b>Total Operating Revenues</b>	<u><u>\$ 519.5</u></u>	<u><u>\$ 510.1</u></u>

The following chart presents the University's operating revenues for the 2016-17 and 2015-16 fiscal years:

## Operating Revenues

(In Millions)



University operating revenue changes were the result of the following factors:

- Net student tuition and fees revenue increased \$5.9 million or 2 percent. This increase was primarily driven by an increase of 14.9 percent in out-of-State undergraduate student enrollment, which generated incremental revenue from non-resident tuition. Additionally, an increase in overall undergraduate enrollment was driven by an increase in online student enrollment.
- Grants and contracts overall revenue increased \$1.2 million, or 1.2 percent. This increase resulted mainly from increased revenue earned from nongovernmental grants and contracts of \$3.5 million for cancer, marine science, and global health research. There was also an increase of \$1.5 million in revenue from State and local grants. These increases were offset by a decrease of \$3.9 million in Federal grants and contracts revenue primarily due to the reclassification of revenues related to the Federal Work Study America Reads program as Federal Student Financial Aid revenue during the 2016-17 fiscal year.
- Sales and Services of Auxiliary Enterprises revenue decreased \$2.4 million, or 2.3 percent. The decrease was mainly due to a decrease of \$1.2 million in game guarantee revenue earned from fewer non-conference football games played on the road during the 2016-17 fiscal year than during the 2015-16 fiscal year. Also contributing to the decrease was a reduction of \$1.2 million in revenue from cost plus programs.
- Other operating revenue increased \$4.3 million or 28.3 percent. This increase was in part due to \$1.4 million in incremental revenues from the Health Care Network (HCN), as part of the adoption of a new business model implemented during the 2015-16 fiscal year, and an increase of \$2.1 million from a new operating structure for the international medical students clinical rotation program that now resides under the College of Medicine instead of HCN.

### Operating Expenses

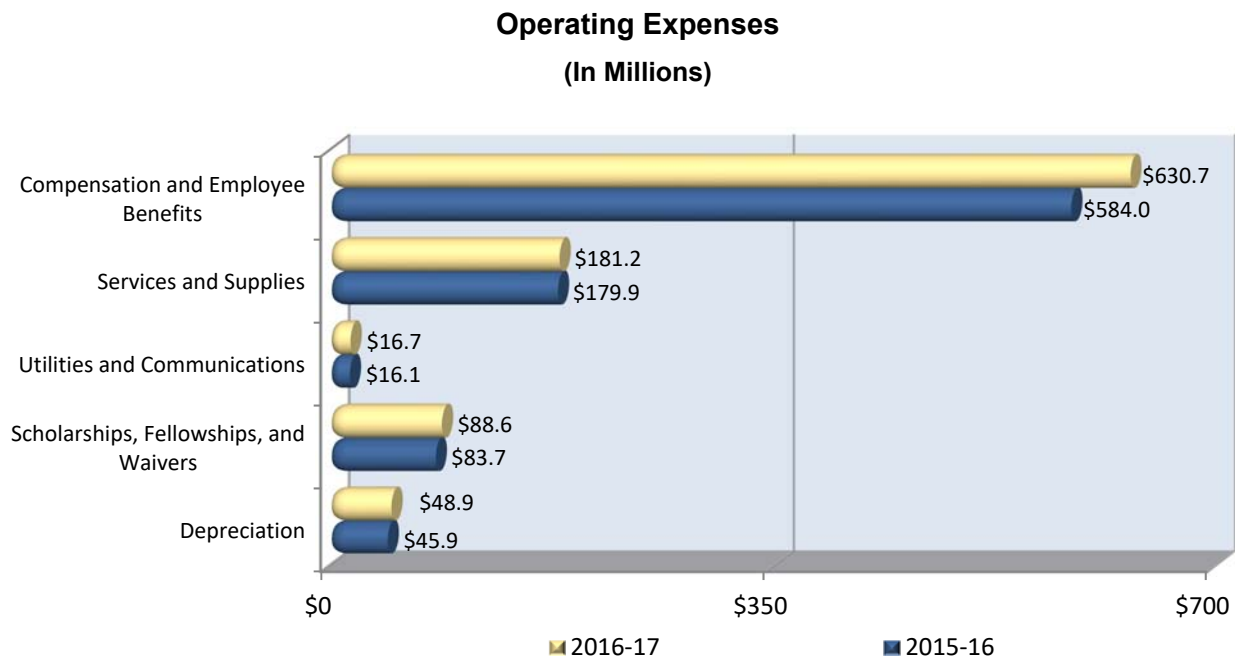
Expenses are categorized as operating or nonoperating. The majority of the University's expenses are operating expenses as defined by GASB Statement No. 35. GASB gives financial reporting entities the choice of reporting operating expenses in the functional or natural classifications. The University has

chosen to report the expenses in their natural classification on the statement of revenues, expenses, and changes in net position and has displayed the functional classification in the notes to financial statements.

The following summarizes operating expenses by natural classification for the 2016-17 and 2015-16 fiscal years:

<b>Operating Expenses For the Fiscal Years</b>		
<b>(In Millions)</b>		
	<b>2016-17</b>	<b>2015-16</b>
Compensation and Employee Benefits	\$ 630.7	\$ 584.0
Services and Supplies	181.2	179.9
Utilities and Communications	16.7	16.1
Scholarships, Fellowships, and Waivers	88.6	83.7
Depreciation	48.9	45.9
<b>Total Operating Expenses</b>	<b>\$ 966.1</b>	<b>\$ 909.6</b>

The following chart presents the University's operating expenses for the 2016-17 and 2015-16 fiscal years:



Changes in operating expenses were the result of the following factors:

- Compensation and employee benefits increased \$46.7 million, or 8 percent. This increase was primarily due to an increase in the number of employees combined with a 1 percent across the board salary increase and a 0.5 percent merit increase for eligible employees. Additionally, there was an increase of \$17.2 million in pension expense resulting from the effect of pension related activity.
- Scholarships, fellowships, and waivers expenses increased by \$4.9 million, or 5.9 percent. The increase was primarily driven by waiver increases of \$3.5 million for the American University of



Antigua certificate program and the Shorelight Waiver program. There was also an increase of \$1.4 million in incremental expenses for non-resident waivers due to a change in the eligibility requirements that allowed more students to qualify for this waiver.

### **Nonoperating Revenues and Expenses**

Certain revenue sources that the University relies on to provide funding for operations, including State noncapital appropriations, Federal and State student financial aid, and investment income, are defined by GASB as nonoperating. Nonoperating expenses include capital financing costs and other costs related to capital assets. The following summarizes the University's nonoperating revenues and expenses for the 2016-17 and 2015-16 fiscal years:

<b>Nonoperating Revenues (Expenses)</b>		
<b>For the Fiscal Years</b>		
<b>(In Millions)</b>		
	<b>2016-17</b>	<b>2015-16</b>
State Noncapital Appropriations	\$ 278.0	\$ 261.6
Federal and State Student Financial Aid	110.9	112.1
Nonoperating Donations	23.7	-
Investment Income	13.7	3.2
Other Nonoperating Revenues	1.7	21.4
Loss on Disposal of Capital Assets	(0.4)	(0.1)
Interest on Capital Asset-Related Debt	(7.2)	(7.5)
Other Nonoperating Expenses	(0.2)	(0.6)
<b>Net Nonoperating Revenues</b>	<b>\$ 420.2</b>	<b>\$ 390.1</b>

Net nonoperating revenues increased by \$30.1 million, due mainly to the following:

- State noncapital appropriation increased \$16.4 million, or 6.3 percent, due to increases of \$9 million in incremental funding under the Board of Governors' performance model, \$2.9 million of additional appropriations, \$1.2 million of incremental appropriations for risk management insurance, \$2.6 million for health insurance adjustments, and \$0.7 million for retirement benefit adjustments.
- Nonoperating donations consist of reimbursements received from the Foundation which in prior years were reported as other nonoperating revenue. During the 2016-17 fiscal year there was an increase of \$4 million in donations received.
- Investment income increased by \$10.5 million, or 328.1 percent, primarily due to higher investment returns during the 2016-17 fiscal year.
- Other nonoperating revenue decreased by \$19.7 million mainly due to nonoperating donations revenue received from the Foundation now reported in a separate category as nonoperating donations.

### **Other Revenues**

This category is composed of State capital appropriations and capital grants, contracts, donations, and fees. The following summarizes the University's other revenues, expenses, gains, or losses for the 2016-17 and 2015-16 fiscal years:

**Other Revenues  
For the Fiscal Years  
(In Millions)**

	<u>2016-17</u>	<u>2015-16</u>
State Capital Appropriations	\$ 16.7	\$ 26.2
Capital Grants, Contracts, Donations, and Fees	<u>3.0</u>	<u>5.4</u>
<b>Total</b>	<u><u>\$ 19.7</u></u>	<u><u>\$ 31.6</u></u>

Total other revenues decreased by \$11.9 million, or 37.7 percent, due to a \$9.5 million decrease in State capital appropriations revenue earned for capital projects and a \$2.4 million decrease in capital grants and donations.

**The Statement of Cash Flows**

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

The following summarizes cash flows for the 2016-17 and 2015-16 fiscal years:

**Condensed Statement of Cash Flows  
For the Fiscal Years  
(In Millions)**

	<u>2016-17</u>	<u>2015-16</u>
Cash Provided (Used) by:		
Operating Activities	\$ (351.5)	\$ (324.5)
Noncapital Financing Activities	414.1	392.5
Capital and Related Financing Activities	(48.6)	(48.1)
Investing Activities	<u>(10.4)</u>	<u>(21.4)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	3.6	(1.5)
Cash and Cash Equivalents, Beginning of Year	<u>4.1</u>	<u>5.6</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>7.7</u></u>	<u><u>4.1</u></u>

Major sources of funds came from State noncapital appropriations (\$278 million), Federal Direct Student Loan receipts (\$283.7 million), net student tuition and fees (\$296.4 million), grants and contracts (\$101.6 million), and sales and services of auxiliary enterprises (\$104.5 million), proceeds from sales and maturities of investments (\$867.6 million), State capital appropriations (\$19.5 million), Federal and State student financial aid (\$134.7 million), and other operating receipts (\$19.6 million). Major uses of funds were for payments made to and on behalf of employees (\$589.3 million), payments to suppliers

(\$197.2 million), disbursements to students for Federal Direct Student Loans (\$283.2 million), purchases of capital assets (\$56.8 million), purchases of investments (\$884.3 million), and payments to and on behalf of students for scholarships and fellowships (\$88.6 million).

<b>CAPITAL ASSETS, CAPITAL EXPENSES AND COMMITMENTS, AND DEBT ADMINISTRATION</b>
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### **Capital Assets**

At June 30, 2017, the University had \$1.6 billion in capital assets, less accumulated depreciation of \$566.3 million, for net capital assets of \$987.2 million. Depreciation charges for the current fiscal year totaled \$48.9 million. The following table summarizes the University's capital assets, net of accumulated depreciation, at June 30:

<b>Capital Assets, Net at June 30</b>		
<b>(In Millions)</b>		
	<b>2017</b>	<b>2016</b>
Land	\$ 30.7	\$ 30.4
Works of Art and Historical Treasures	4.9	4.6
Construction in Progress	72.4	61.8
Buildings	790.9	787.8
Infrastructure and Other Improvements	18.9	19.3
Furniture and Equipment	40.8	39.0
Library Resources	27.3	31.1
Property Under Capital Leases and Leasehold Improvements	0.3	1.4
Computer Software	1.0	1.3
<b>Capital Assets, Net</b>	<b>\$ 987.2</b>	<b>\$ 976.7</b>

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

### **Capital Expenses and Commitments**

Major capital expenses through June 30, 2017, were incurred on the following projects: \$13.2 million for the Recreation Center expansion, \$7.3 million for Auxiliary Construction Projects I, and \$3.3 million for the Athletic Practice Fields. The University's construction commitments at June 30, 2017, are as follows:

	<b>Amount (In Millions)</b>
Total Committed	\$ 133.2
Completed to Date	(72.5)
<b>Balance Committed</b>	<b>\$ 60.7</b>

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

## **Debt Administration**

As of June 30, 2017, the University had \$160 million in outstanding capital improvement debt payable and installment purchase payable, representing a decrease of \$5.5 million, or 3.3 percent, from the prior fiscal year. The following table summarizes the outstanding long-term debt by type for the fiscal years ended June 30:

### **Long-Term Debt at June 30**

(In Millions)

	<u>2017</u>	<u>2016</u>
Capital Improvement Debt	\$ 158.1	\$ 165.3
Capital Lease	-	0.2
Installment Purchase Payable	<u>1.9</u>	<u>-</u>
<b>Total</b>	<u><u>\$ 160.0</u></u>	<u><u>\$ 165.5</u></u>

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

### **ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE**

Florida's economy continues to be strong; steady general revenue growth in recent years has resulted in increased funding for education, social services, and other vital state commitments. State estimates of general revenue growth have been on target, fiscal year 2016-17 general revenue collections modestly exceeded the March 2017 projected growth of 4.4 percent with actual revenue growing 4.5 percent compared to the prior year, and the latest projections show this trend continuing. However, estimates indicate State spending on critical needs is likely to exceed revenue growth resulting in an estimated shortfall of \$1.15 billion by fiscal year 2019-20. Additionally, unanticipated costs due to the preparation and recovery from Hurricane Irma will likely contribute to a greater shortfall.

During the extended 2017 Legislative Session, the Legislature introduced Senate Bill 374 which included a continued focus on affordability and accountability, established on-time graduation as a goal for higher education, required universities to implement a block tuition policy to increase access to higher education, and established the World Class Faculty Scholar Program and University Professional and Graduate Degree Excellence Program to recruit and retain elite faculty and upgrade research facilities. While the bill was ultimately vetoed by the Governor, funding for expanded student financial aid to promote on-time graduation and the programs to recruit and retain elite faculty were approved in the General Appropriations Act. The Legislature provided an additional \$70 million for the World Class Faculty Scholar Program and \$50 million for the University Professional and Graduate Degree Excellence Program, of which FIU received allocations of \$7.2 and \$8.9 million, respectively.

Additionally, the 2017-18 fiscal year budget includes \$520 million of performance funds for the State University System (SUS), a \$20 million increase from the prior year, and represents a State investment of \$245 million and SUS investment from base funds of \$275 million. The Florida Board of Governors (BOG) continues to modify the performance funding model with changes to metrics, and updates to definitions and benchmarks; FIU ranked eighth with 68 points and received a total of \$58.3 million, an

increase of \$2.2 million over the prior year's allocation. In addition to the performance funding, FIU received \$5.4 million for retirement contributions, health and risk management insurance pass-throughs, and \$0.6 million for Legislative Budget Requests (LBR) for specific programs (net of a \$5.1 million reduction after a \$5.7 million reduction for prior year LBR). Tuition rates at all levels are unchanged for the 2017-18 fiscal year. Lastly, the FIU Herbert Wertheim College of Medicine remains at maximum capacity of 480 medical students and has garnered a reputation of producing local, global, and holistic physicians and community leaders.

The Governor, legislature, and BOG continue to emphasize affordability and accountability to ensure a positive return on the tax dollars invested in the SUS. FIU continues to rise to the challenge by scrutinizing opportunities for improvement in areas not previously contemplated and with a relentless focus on positive outcomes. The FIU *Beyond Possible 2020* strategic plan is aligned with the BOG performance measures and provides the road map to achieve these results. FIU is firmly integrated with and intrinsic to the community, and is dedicated to creating world-class thinkers, innovators, and leaders who contribute positively to the development of the community and State.

#### REQUESTS FOR INFORMATION

Questions concerning information provided in the MD&A or other required supplemental information, and financial statements and notes thereto, or requests for additional financial information should be addressed to the Chief Financial Officer and Senior Vice President for Finance and Administration, Dr. Kenneth Jessell, at Florida International University, 11200 Southwest 8th Street, Miami, Florida 33199.

# **BASIC FINANCIAL STATEMENTS**

## **FLORIDA INTERNATIONAL UNIVERSITY A Component Unit of the State of Florida Statement of Net Position**

**June 30, 2017**

	<b>University</b>	<b>Component Units</b>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 7,570,322	\$ 27,778,997
Investments	331,471,534	250,043,092
Accounts Receivable, Net	24,229,860	71,095,590
Loans and Notes Receivable, Net	572,250	-
Due from State	40,105,032	-
Due from Component Units/University	3,182,319	226,354
Inventories	381,282	-
Other Current Assets	37,062	1,765,769
<b>Total Current Assets</b>	<b>407,549,661</b>	<b>350,909,802</b>
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	153,856	-
Restricted Investments	6,462,163	2,693,462
Loans and Notes Receivable, Net	1,740,187	-
Depreciable Capital Assets, Net	879,206,926	16,009,256
Nondepreciable Capital Assets	108,034,398	61,731
Due from Component Units/University	8,567,855	-
Other Noncurrent Assets	-	19,452,574
<b>Total Noncurrent Assets</b>	<b>1,004,165,385</b>	<b>38,217,023</b>
<b>Total Assets</b>	<b>1,411,715,046</b>	<b>389,126,825</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Amounts Related to Pensions	106,949,681	-
Accumulated Decrease in Fair Value of Hedging		
Derivatives	-	2,266,536
Deferred Amount on Debt Refundings	-	236,521
<b>Total Deferred Outflows of Resources</b>	<b>106,949,681</b>	<b>2,503,057</b>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	25,713,146	1,551,059
Construction Contracts Payable	6,641,935	-
Salary and Wages Payable	13,685,411	-
Deposits Payable	2,541,099	-
Due to State	168,992	-
Due to Component Units/University	238,112	2,681,274
Unearned Revenue	6,793,152	1,556,464
Other Current Liabilities	355,553	194,617
Long-Term Liabilities - Current Portion:		
Bonds Payable	-	1,150,000
Capital Improvement Debt Payable	7,494,422	-
Notes Payable	-	825,000
Installment Purchase Payable	477,561	-
Compensated Absences Payable	3,782,939	-
Liability for Self-Insured Claims	105,196	-
Net Pension Liability	1,621,255	-
<b>Total Current Liabilities</b>	<b>69,618,773</b>	<b>7,958,414</b>

**FLORIDA INTERNATIONAL UNIVERSITY**  
**A Component Unit of the State of Florida**  
**Statement of Net Position (Continued)**

**June 30, 2017**

	<u>University</u>	<u>Component Units</u>
<b>LIABILITIES (Continued)</b>		
Noncurrent Liabilities:		
Bonds Payable	-	28,590,000
Capital Improvement Debt Payable	150,581,478	-
Notes Payable	-	3,749,758
Installment Purchase Payable	1,469,013	-
Compensated Absences Payable	41,150,417	-
Due to Component Units/University	-	8,567,855
Other Postemployment Benefits Payable	88,101,000	-
Net Pension Liability	200,459,878	-
Unearned Revenues	36,044,103	-
Liability for Self-Insured Claims	68,796	-
Other Long-Term Liabilities	2,384,877	8,076,382
<b>Total Noncurrent Liabilities</b>	<u>520,259,562</u>	<u>48,983,995</u>
<b>Total Liabilities</b>	<u>589,878,335</u>	<u>56,942,409</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Amounts Related to Pensions	<u>1,486,004</u>	<u>-</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	827,218,850	10,756,353
Restricted for Nonexpendable:		
Endowment	-	212,906,553
Restricted for Expendable:		
Debt Service	2,883,578	-
Loans	819,538	-
Capital Projects	2,290,624	-
Other	3,235,828	101,704,424
Unrestricted	90,851,970	9,320,143
<b>TOTAL NET POSITION</b>	<u><u>\$ 927,300,388</u></u>	<u><u>\$ 334,687,473</u></u>

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

**FLORIDA INTERNATIONAL UNIVERSITY**  
**A Component Unit of the State of Florida**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2017**

	<u>University</u>	<u>Component Units</u>
<b>REVENUES</b>		
Operating Revenues:		
Student Tuition and Fees, Net of Scholarship Allowances of \$136,587,731	\$ 295,346,205	\$ -
Federal Grants and Contracts	72,588,869	-
State and Local Grants and Contracts	9,862,638	-
Nongovernmental Grants and Contracts	16,694,934	-
Sales and Services of Educational Departments	1,384,865	-
Sales and Services of Auxiliary Enterprises (\$29,791,737 Pledged for Housing Facility Capital Improvement Debt and \$16,155,783 Pledged for the Parking Facility Capital Improvement Debt)	104,059,958	-
Sales and Services of Component Units	-	9,054,771
Gifts and Donations	-	27,336,869
Interest on Loans and Notes Receivable	58,425	-
Other Operating Revenues	19,480,713	9,270,069
<b>Total Operating Revenues</b>	<u>519,476,607</u>	<u>45,661,709</u>
<b>EXPENSES</b>		
Operating Expenses:		
Compensation and Employee Benefits	630,656,497	-
Services and Supplies	181,244,661	30,387,554
Utilities and Communications	16,672,092	196,242
Scholarships, Fellowships, and Waivers	88,603,383	-
Depreciation	48,895,387	779,767
Other Operating Expenses	-	16,920,608
<b>Total Operating Expenses</b>	<u>966,072,020</u>	<u>48,284,171</u>
<b>Operating Loss</b>	<u>(446,595,413)</u>	<u>(2,622,462)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State Noncapital Appropriations	278,033,226	-
Federal and State Student Financial Aid	110,935,162	-
Noncapital Grants, Contracts, and Gifts	23,675,371	-
Investment Income	13,650,723	29,557,434
Other Nonoperating Revenues	1,667,777	-
Gain (Loss) on Disposal of Capital Assets	(434,587)	559,688
Interest on Capital Asset-Related Debt	(7,175,352)	(1,459,268)
Other Nonoperating Expenses	(116,822)	(164,950)
<b>Net Nonoperating Revenues</b>	<u>420,235,498</u>	<u>28,492,904</u>
<b>Income (Loss) Before Other Revenues, Expenses, Gains, or Losses</b>	<u>(26,359,915)</u>	<u>25,870,442</u>
State Capital Appropriations	16,676,981	-
Capital Grants, Contracts, Donations, and Fees	2,954,631	-
Other Expenses	-	(4,281,937)
<b>Increase (Decrease) in Net Position</b>	<u>(6,728,303)</u>	<u>21,588,505</u>
Net Position, Beginning of Year	934,028,691	313,098,968
<b>Net Position, End of Year</b>	<u>\$ 927,300,388</u>	<u>\$ 334,687,473</u>

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



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**FLORIDA INTERNATIONAL UNIVERSITY**  
**A Component Unit of the State of Florida**  
**Statement of Cash Flows**

**For the Fiscal Year Ended June 30, 2017**

	<u>University</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Student Tuition and Fees, Net	\$ 296,422,171
Grants and Contracts	101,620,657
Sales and Services of Educational Departments	1,384,865
Sales and Services of Auxiliary Enterprises	104,535,404
Interest on Loans and Notes Receivable	60,398
Payments to Employees	(589,280,829)
Payments to Suppliers for Goods and Services	(197,185,274)
Payments to Students for Scholarships and Fellowships	(88,603,383)
Payments on Self-Insured Claims	(18,138)
Loans Issued to Students	(4,562,273)
Collection on Loans to Students	4,582,463
Other Operating Receipts	19,563,429
<b>Net Cash Used by Operating Activities</b>	<u>(351,480,510)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State Noncapital Appropriations	278,033,226
Federal and State Student Financial Aid	134,739,985
Federal Direct Loan Program Receipts	283,725,916
Federal Direct Loan Program Disbursements	(283,215,266)
Operating Subsidiaries and Transfers	464,637
Net Change in Funds Held for Others	45,893
Other Nonoperating Receipts	336,356
Other Nonoperating Disbursements	(19,744)
<b>Net Cash Provided by Noncapital Financing Activities</b>	<u>414,111,003</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
State Capital Appropriations	19,539,156
Capital Grants, Contracts, Donations and Fees	2,389,827
Other Receipts for Capital Projects	1,331,426
Purchase or Construction of Capital Assets	(56,816,767)
Principal Paid on Capital Debt and Leases	(7,556,507)
Interest Paid on Capital Debt and Leases	(7,474,774)
<b>Net Cash Used by Capital and Related Financing Activities</b>	<u>(48,587,639)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from Sales and Maturities of Investments	867,591,056
Purchases of Investments	(884,335,925)
Investment Income	6,285,151
<b>Net Cash Used by Investing Activities</b>	<u>(10,459,718)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	3,583,136
Cash and Cash Equivalents, Beginning of Year	4,141,042
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 7,724,178</u>

**FLORIDA INTERNATIONAL UNIVERSITY**  
**A Component Unit of the State of Florida**  
**Statement of Cash Flows (Continued)**

**For the Fiscal Year Ended June 30, 2017**

	<u>University</u>
<b>RECONCILIATION OF OPERATING LOSS</b>	
<b>TO NET CASH USED BY OPERATING ACTIVITIES</b>	
Operating Loss	\$ (446,595,413)
Adjustments to Reconcile Operating Loss	
to Net Cash Used by Operating Activities:	
Depreciation Expense	48,895,387
Changes in Assets, Liabilities, Deferred Outflows of Resources,	
and Deferred Inflows of Resources:	
Receivables, Net	2,597,352
Inventories	36,754
Other Assets	2,659
Accounts Payable	571,313
Salaries and Wages Payable	3,029,635
Deposits Payable	590,479
Compensated Absences Payable	3,171,795
Unearned Revenue	1,078,457
Liability for Self-Insured Claims	(33,168)
Pension Liability	80,586,098
Deferred Outflows of Resources Related to Pensions	(47,640,565)
Deferred Inflows of Resources Related to Pensions	(17,756,293)
Other Postemployment Benefits Payable	19,985,000
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<u><u>\$ (351,480,510)</u></u>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND</b>	
<b>CAPITAL FINANCING ACTIVITIES</b>	
Unrealized gains on investments were recognized as an increase to investment	
income on the statement of revenues, expenses, and changes in net position, but	
are not cash transactions for the statement of cash flows.	\$ 7,028,349
Losses from the disposal of capital assets were recognized on the statement of	
revenues, expenses, and changes in net position, but are not cash transactions	
for the statement of cash flows.	\$ (434,587)
Donations of capital assets were recognized on the statement of revenues,	
expenses, and changes in net position, but are not cash transactions for the	
statement of cash flows.	\$ 425,207

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

# **NOTES TO FINANCIAL STATEMENTS**

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

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

Criteria for defining the reporting entity are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. These criteria were used to evaluate potential component units for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the primary government's financial statements to be misleading. Based on the application of these criteria, the University is a component unit of the State of Florida, and its financial balances and activities are reported in the State's Comprehensive Annual Financial Report by discrete presentation.

**Discretely Presented Component Units.** Based on the application of the criteria for determining component units, the following direct-support organizations (as provided for in Section 1004.28, Florida Statutes, and Board of Governors Regulation 9.011) are included within the University reporting entity as discretely presented component units. These legally separate, not-for-profit, corporations are organized and operated to assist the University to achieve excellence by providing supplemental resources from private gifts and bequests, and valuable education support services and are governed by separate boards. The Statutes authorize these organizations to receive, hold, invest, and administer property and to make expenditures to or for the benefit of the University. These organizations and their purposes are explained as follows:

- Florida International University Foundation, Inc. (Foundation) – The purpose of the Foundation is to encourage, solicit, receive, and administer gifts and bequests of property and funds for the advancement of the University and its objectives.
- FIU Athletics Finance Corporation (Finance Corporation) – The purpose of the Finance Corporation includes the support to the University in matters pertaining to the financing of the University's football stadium and, subsequently, the management and operation of the facility.
- Florida International University Academic Health Center Care Network Faculty Group Practice, Inc. (Health Care Network) – The purpose of the Health Care Network is to improve and support health education at the University.

The financial activities of the Florida International University Research Foundation, Inc. (Research Foundation) are not included in the University's financial statements. The purpose of the Research Foundation includes the promotion and encouragement of, and assistance to, the research and training activities of faculty, staff, and students of the University. It receives income from contracts, grants, and other sources, including, but not limited to, income derived from or related to the development and commercialization of University work products. The total assets and operating revenues related to the Research Foundation are \$333,928 and \$10,000 respectively. The amounts represent less than 1 percent of the total aggregate component units' assets and operating revenues.

An annual audit of each organization's financial statements is conducted by independent certified public accountants. The annual report is submitted to the Auditor General and the University Board of Trustees. Additional information on the University's component units, including copies of audit reports, is available by contacting the University Controller's Office. Condensed financial statements for the University's discretely presented component units are shown in a subsequent note.

**Basis of Presentation.** The University's accounting policies conform with accounting principles generally accepted in the United States of America applicable to public colleges and universities as prescribed by GASB. The National Association of College and University Business Officers (NACUBO) also provides the University with recommendations prescribed in accordance with generally accepted accounting principles promulgated by GASB and the Financial Accounting Standards Board (FASB). GASB allows public universities various reporting options. The University has elected to report as an entity engaged in only business-type activities. This election requires the adoption of the accrual basis of accounting and entitywide reporting including the following components:

- Management's Discussion and Analysis
- Basic Financial Statements:
  - Statement of Net Position
  - Statement of Revenues, Expenses, and Changes in Net Position
  - Statement of Cash Flows
  - Notes to Financial Statements
- Other Required Supplementary Information

**Measurement Focus and Basis of Accounting.** Basis of accounting refers to when revenues, expenses, and related assets, deferred outflows of resources, liabilities, and deferred inflows of resources, are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. The University's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange activities are generally recognized when all applicable eligibility requirements, including time requirements, are met. The University follows GASB standards of accounting and financial reporting.

The University's discretely presented component units use the economic resources measurement focus and the accrual basis of accounting, and follow GASB standards of accounting and financial reporting except for the Foundation, which follows FASB standards of accounting and financial reporting for not-for-profit organizations.

Significant interdepartmental sales between auxiliary service departments and other institutional departments have been eliminated.

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

The statement of net position is presented in a classified format to distinguish between current and noncurrent assets and liabilities. When both restricted and unrestricted resources are available to fund certain programs, it is the University's policy to first apply the restricted resources to such programs, followed by the use of the unrestricted resources.

The statement of revenues, expenses, and changes in net position is presented by major sources and is reported net of tuition scholarship allowances. Tuition scholarship allowances are the difference between the stated charge for goods and services provided by the University and the amount that is actually paid by the student or the third party making payment on behalf of the student. The University applied "The Alternate Method" as prescribed in NACUBO Advisory Report 2000-05 to determine the reported net tuition scholarship allowances. Under this method, the University computes these amounts by allocating the cash payments to students, excluding payments for services, on a ratio of total aid to the aid not considered third-party aid.

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

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

**Concentration of Credit Risk – Component Units.** Financial instruments that potentially subject the Foundation to concentration of credit risk consist principally of cash and cash equivalents in banks, investments, and promises to give.

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

In addition to insurance provided by the Federal Depository Insurance Corporation (FDIC), the Foundation, the Finance Corporation, and the Health Care Network deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution, eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits, with the exception noted above, are insured or collateralized with securities held by the entity or its agent in the entity's name.

**Capital Assets.** University capital assets consist of land, works of art and historical treasures, construction in progress, buildings, infrastructure and other improvements, furniture and equipment, library resources, property under capital leases and leasehold improvements, and computer software. These assets are capitalized and recorded at cost at the date of acquisition or at acquisition value at the date received in the case of gifts and purchases of State surplus property. Additions, improvements, and other outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The University has a capitalization threshold of \$250 for library resources, \$5,000 for tangible personal property, \$50,000 for new buildings, leasehold improvements, and other improvements. Depreciation is computed on the straight-line basis over the following estimated useful lives:

- Buildings – 20 to 50 years
- Infrastructure and Other Improvements – 15 years
- Furniture and Equipment – 3 to 20 years
- Library Resources – 10 years
- Property Under Capital Leases – 5 years
- Leasehold Improvements – Various based on lease terms
- Computer Software – 5 years

Depreciable assets of the Foundation are stated at cost and are net of accumulated depreciation of \$6,295,257. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, ranging from 5 to 40 years.

Depreciable assets of the Finance Corporation are stated at cost and are net of accumulated depreciation of \$18,250. Depreciation is provided using the straight-line method over the estimated useful lives of the assets (5 years).

Depreciable assets of the Health Care Network are stated at cost and are net of accumulated depreciation of \$268,390. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, ranging from 5 to 15 years.

**Noncurrent Liabilities.** Noncurrent liabilities include capital improvement debt payable, installment purchases payable, compensated absences payable, other postemployment benefits payable, unearned revenue, liability for self-insured claims, net pension liability, and other long-term liabilities that are not scheduled to be paid within the next fiscal year. Capital improvement debt is reported net of unamortized premium and deferred losses on refunding. The University amortizes debt premiums over the life of the debt using the straight-line method. Deferred losses on refunding are amortized over the life of the old debt or new debt (whichever is shorter) using the straight-line method.

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

## **2. Investments**

Section 1011.42(5), Florida Statutes, authorizes universities to invest funds with the State Treasury and State Board of Administration (SBA), and requires that universities comply with the statutory requirements governing investment of public funds by local governments. Accordingly, universities are subject to the requirements of Chapter 218, Part IV, Florida Statutes. The University's Board of Trustees has adopted a written investment policy providing that surplus funds of the University shall be invested in those institutions and instruments permitted under the provisions of Florida Statutes. Pursuant to Section 218.415(16), Florida Statutes, the University is authorized to invest in the Florida PRIME investment pool administered by the SBA; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits and savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; direct obligations of the United States Treasury; obligations of Federal agencies and instrumentalities; securities of, or interests in, certain open end or closed end management type investment companies; and other investments approved by the Board of Trustees as authorized by law. Investments set aside to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital assets are classified as restricted.

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

All of the University's recurring fair value measurements as of June 30, 2017, are valued using quoted market prices (Level 1 inputs), with the exception of corporate equities, fixed income and bonds, and commodities which are valued using a matrix pricing model (Level 2 inputs), investments with the State Treasury which are valued based on the University's share of the pool and other investments (Level 3 inputs) and limited partnerships and private equities which are valued based on net asset value (NAV).



The University's investment in money market funds are reported at amortized cost of \$66,782,402 according to GASB Statement No. 72.

The University's investments at June 30, 2017, are reported as follows:

Investments by fair value level	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
External Investment Pool:				
State Treasury Special Purpose Investment Account	\$ 10,934,562	\$ -	\$ -	\$ 10,934,562
SBA Debt Service Accounts	2,861,991	2,861,991	-	-
Mutual Funds				
Equities	72,942,576	-	72,942,576	-
Fixed Income and Bond Mutual Funds	126,331,946	41,783,319	84,548,627	-
Commodities	11,297,719	-	11,297,719	-
Other Investments	3,881,701	-	-	3,881,701
<b>Total investments by fair value level</b>	<b>\$228,250,495</b>	<b>\$ 44,645,310</b>	<b>\$ 168,788,922</b>	<b>\$ 14,816,263</b>
<b>Investments measured at the net asset value (NAV)</b>				
Limited Partnerships	28,043,595			
Equities	14,857,205			
Total investments measured at NAV	42,900,800			
<b>Total investments measured at fair value</b>	<b>\$271,151,295</b>			

The valuation method for investments measured at the NAV per share (or its equivalent) is presented in the following table:

Investments measured at the NAV	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Partnerships	\$ 28,043,595	\$ -	Quarterly/Annually	90 Days
Equities	14,857,205	7,166,880	Illiquid	N/A
<b>Total investments measured at the NAV</b>	<b>\$ 42,900,800</b>			

*Limited Partnerships:* This category includes investments in a fund that invests in a portfolio of limited partnerships. The managers pursue multiple strategies to diversify risk and reduce volatility. The fair values of the investments have been determined by using the NAV per share of the investments. Redemption requests are received quarterly and require a 90 day written notice. Proceeds of the redemption, up to 90 percent, are available 27 calendar days after the redemption. The remaining 10 percent of the funds, in a complete liquidation, are available on the first week of April, after the redemption.

*Equities:* This category includes investments in 2 private equity funds. Each fund invests in equity securities and debt of the private companies or conduct buyouts of public companies that result in a delisting of public equity. The nature of the investment in this category prohibits redemptions through the duration of the partnerships, which range between 10 to 15 years. Distributions are received through the liquidation of underlying assets of the funds.

### **External Investment Pools.**

The University reported investments at fair value totaling \$ 10,934,562 at June 30, 2017, in the State Treasury Special Purpose Investment Account (SPIA) investment pool, representing ownership of a share of the pool, not the underlying securities. Pooled investments with the State Treasury are not registered with the Securities and Exchange Commission. Oversight of the pooled investments with the State Treasury is provided by the Treasury Investment Committee per Section 17.575, Florida Statutes. The authorized investment types are set forth in Section 17.57, Florida Statutes. The SPIA carried a credit rating of A+f by Standard & Poor's, had an effective duration of 2.8 years and fair value factor of 0.9923 at June 30, 2017. Participants contribute to the State Treasury SPIA investment pool on a dollar basis. These funds are commingled and a fair value of the pool is determined from the individual values of the securities. The fair value of the securities is summed and a total pool fair value is determined. A fair value factor is calculated by dividing the pool's total fair value by the pool participant's total cash balances. The fair value factor is the ratio used to determine the fair value of an individual participant's pool balance. The University relies on policies developed by the State Treasury for managing interest rate risk or credit risk for this investment pool. Disclosures for the State Treasury investment pool are included in the notes to financial statements of the State's Comprehensive Annual Financial Report.

### **State Board of Administration Debt Service Accounts.**

The University reported investments totaling \$2,861,991 at June 30, 2017, in the SBA Debt Service Accounts. These investments are used to make debt service payments on bonds issued by the State Board of Education for the benefit of the University. The University's investments consist of United States Treasury securities, with maturity dates of 6 months or less, and are reported at fair value. The University relies on policies developed by the SBA for managing interest rate risk and credit risk for these accounts. Disclosures for the Debt Service Accounts are included in the notes to financial statements of the State's Comprehensive Annual Financial Report.

### **Fixed Income and Bond Mutual Funds.**

The University invested in various mutual funds in accordance with the University's investment policy. The following risks apply to the University's fixed income and bond mutual fund investments:

*Interest Rate Risk:* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Pursuant to Section 218.415(6), Florida Statutes, the University's investments in securities must provide sufficient liquidity to pay obligations as they come due.

The future maturities of the securities held in the fixed income and bond mutual funds at June 30, 2017, are as follows:

## University Debt Investment Maturities

Type of Investment	Fair Market Value	Investment Maturities (In Years)			
		Less Than 1	1-5	6-10	More Than 10
Short Term Bond Fund	\$ 20,173,448	\$ 4,599,593	\$ 15,573,855	\$ -	\$ -
Fixed Income Mutual Fund	44,463,669	1,356,142	12,089,672	21,462,613	9,555,242
TIPS Index Fund	26,317,942	15,379	9,375,171	11,640,048	5,287,344
High Yield Bond Mutual Fund	21,609,871	2,334,920	8,463,323	9,641,761	1,169,867
Credit Fixed Income	13,767,016	2,860,447	3,456,452	3,011,996	4,438,121
<b>Total</b>	<b>\$ 126,331,946</b>	<b>\$ 11,166,481</b>	<b>\$ 48,958,473</b>	<b>\$ 45,756,418</b>	<b>\$ 20,450,574</b>

**Credit Risk:** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2017, the securities held in the fixed income and bond mutual funds had credit quality ratings by a nationally-recognized rating agency (i.e., Standard & Poor's or Moody's), as follows:

## University Debt Investment Credit Quality Ratings

Type of Investment	Fair Value	AAA / Aaa	AA / Aa	A	BBB / Baa to Not Rated
Short Term Bond Fund	\$ 20,173,448	\$ 7,201,960	\$ 1,916,472	\$ 5,164,387	\$ 5,890,629
Fixed Income Mutual Fund	44,463,669	27,389,620	1,689,619	3,957,267	11,427,163
TIPS Index Fund	26,317,942	26,312,681	-	-	5,261
High Yield Bond Mutual Fund	21,609,871	183,736	-	81,419	21,344,716
Credit Fixed Income	13,767,016	1,599,222	1,530,475	4,711,236	5,926,083
<b>Total</b>	<b>\$126,331,946</b>	<b>\$ 62,687,219</b>	<b>\$ 5,136,566</b>	<b>\$ 13,914,309</b>	<b>\$ 44,593,852</b>

**Concentration of Credit Risk:** Concentration of credit risk is the risk of loss attributed to the magnitude of the University's investment in a single issuer. The University's investment policy addresses the issue of concentration of credit risk by establishing the following restrictions:

- Maximum position in an individual security (excluding government securities) must not exceed 5 percent of the account market value.
- Maximum position in any one issuer (excluding government securities) must not exceed 5 percent of the account market value.

### **Discretely Presented Component Unit Investments.**

The Foundation's investments at June 30, 2017, are reported at fair value as follows:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by fair value level</b>	<b>Amount</b>			
Domestic Equities	\$ 2,635,129	\$ 2,635,129	\$ -	\$ -
Global Equities	22,538,944	22,538,944	-	-
Fixed Income	27,987,677	27,987,677	-	-
Real Assets	7,082,229	7,082,229	-	-
<b>Total investments by fair value level</b>	<b>\$ 60,243,979</b>	<b>\$ 60,243,979</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Investments measured at the net asset value (NAV)</b>				
Domestic Equities	36,093,692			
Global Equities	51,203,038			
Fixed Income	4,920,123			
Real Assets	3,339,909			
Hedge Funds	60,482,689			
Private Investments	33,016,918			
<b>Total investments measured at NAV</b>	<b>189,056,369</b>			
<b>Total investments measured at fair value</b>	<b>\$ 249,300,348</b>			

The valuation method for investments measured at the NAV per share (or its equivalent) is presented in the following table:

<b>Investments Measured at the NAV</b>	<b>Fair Value</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency (if Currently Eligible)</b>	<b>Redemption Notice Period</b>
Equities:				
Domestic Equities	\$ 36,093,692	\$ -	Monthly/Quarterly	5 - 45 Days
Global Equities	42,254,571	-	Monthly/Quarterly	6 - 60 Days
Emerging Markets	8,948,467	-	Monthly	7 - 30 Days
Fixed Income:				
Domestic Fixed Income	4,918,923	-	Daily	2 Days
Global Bonds	1,200	-	Monthly	10 Days
Real Assets:				
Natural Resource Equities	3,339,909	-	Monthly	30 Days
Hedge Funds:				
Fund of Funds	1,092,842	-	Quarterly	90 Days
Long/Short Equity	35,715,112	-	Quarterly - Every 3 Years	30 - 180 Days
Event Driven/Open Mandate	16,694,043	-	Quarterly - Annually	30 - 90 Days
Global Macro	6,980,692	-	Monthly	3 - 15 Days
Private Investments:				
Private Equity	16,985,435	15,839,590	Illiquid	N/A
Venture Capital	16,031,483	3,494,428	Illiquid	N/A
<b>Total Investments Measured at the NAV</b>	<b>\$ 189,056,369</b>	<b>\$ 19,334,018</b>		

### **Net Asset Value.**

The investments held at net asset value reflect:

*Domestic equities:* This category includes investments in publicly listed equities of companies domiciled in the U.S.

*Global equities:* This category includes investments in publicly listed equities of companies domiciled globally.

*Emerging markets:* This category includes investments in publicly listed equities of companies listed in markets which have been categorized as emerging.

*Domestic fixed income:* This category includes investments in publicly traded debt instruments traded in the U.S.

*Global bonds:* This category includes investments in globally listed public debt instruments.

*Natural resources equities:* This category includes investments in publicly listed equities of companies that derive a substantial portion of their operations from natural resources related business operations.

*Fund of funds:* This category includes investments in hedge funds that invest in a portfolio of other hedge funds.

*Long/short equity:* This category includes investments in hedge funds that invest domestically and globally in both long and short common stocks across all market capitalizations. These investments offer a low correlation to traditional long-only equity benchmarks in order to achieve absolute return. Management of the hedge funds may opportunistically shift investments across sectors, geographies, and net market exposures.

*Event driven/open mandate:* This category includes investments in hedge funds that invest in event-driven strategies including merger arbitrage, distressed debt, and convertible arbitrage to achieve returns.

*Global macro:* This category includes investments in hedge funds that invest in global macro strategies including long and short equities, currencies, commodities, etc. based on evaluation of macroeconomic trends.

*Private equity:* This category includes investments in several limited partnership funds that invest in equity securities and debt of private companies or conduct buyouts of public companies that result in a delisting of public equity. The nature of the investment in this category prohibits redemptions through the duration of the partnership, which ranges between 10 to 15 years. Distributions are received through the liquidation of underlying assets of the funds.

*Venture capital:* This category includes investments in several limited partnership funds that invest in early-stage, high-potential startup companies or small businesses that do not have access to public funding. The nature of the investment in this category prohibits redemptions through the duration of the partnership, which ranges between 10 to 15 years. Distributions are received when underlying companies are exited via acquisition or IPO.

*Credit Risk:* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2017, the Finance Corporation money market mutual fund investments were rated AAAM by Standard & Poor's.

*Concentration of Credit Risk:* Concentration of credit risk is the risk of loss attributed to the magnitude of the investments in a single issuer. The Foundation maintains certain investment accounts with financial institutions which are not insured by the FDIC. These funds may be subject to insurance by Securities

Investor Protection Corporation, subject to various limitations. At June 30, 2017, approximately \$266,000,000 was held in these accounts. The Foundation believes that the number, diversity, and financial strength of the issuers mitigates the credit risks associated with all investments.

The Finance Corporation also maintains investment accounts with financial institutions that are not insured by the FDIC. These investments are made in accordance with the trust indenture. Money market fund shares are not guaranteed by the Federal government. Investments are reported at fair value of \$3,436,206 at June 30, 2017. The Finance Corporation believes that the number, diversity, and financial strength of the issuers mitigate the credit risks associated with all investments.

All of the Finance Corporation's investments at June 30, 2017, are held with Regions Morgan Keegan and are invested in money market funds. According to the bond indenture, the Finance Corporation can invest the bond proceeds in these investment vehicles; there are not 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 operating expenses and debt service payments.

*Interest Rate Risk:* Interest rate risk is the risk that changing interest rates will adversely affect the fair value of an investment. A portfolio's weighted average days to maturity (WAM) reflects the average maturity in days based on the final maturity or reset date, in the case of floating-rate instruments. WAM measures the sensitivity of the fund to interest rate changes. A portfolio's weighted average life (WAL) calculation is based on a security's stated final maturity date or, when relevant, the date of the next demand feature when the fund may receive payment of principal and interest. WAL reflects how a portfolio would react to deteriorating credit or tightening liquidity conditions. The Finance Corporation's money market mutual fund's WAM at June 30, 2017, is 26 days while the WAL is 95 days.

### 3. Receivables

**Accounts Receivable.** Accounts receivable represent amounts for student tuition and fees, contract and grant reimbursements due from third parties, various sales and services provided to students and third parties, and interest accrued on investments and loans receivable. As of June 30, 2017, the University reported the following amounts as accounts receivable:

<u>Description</u>	<u>Amount</u>
Student Tuition and Fees	\$ 15,354,933
Contracts and Grants	8,445,153
Other	429,774
<b>Total Accounts Receivable</b>	<b>\$ 24,229,860</b>

**Loans and Notes Receivable.** Loans and notes receivable represent all amounts owed on promissory notes from debtors, including student loans made under the Federal Perkins Loan Program and other loan programs.

**Allowance for Doubtful Receivables.** Allowances for doubtful accounts, and loans and notes receivable, are reported based on management's best estimate as of fiscal-year end considering type, age, collection history, and other factors considered appropriate. Accounts receivable, and loans and

notes receivable, are reported net of allowances of \$13,451,786 and \$1,591,168, respectively, at June 30, 2017.

#### 4. Due From State

The amount due from State consists of \$26,559,450 of Public Education Capital Outlay, and \$13,545,582 of Capital Improvement Fee Trust Fund for construction of University facilities.

#### 5. Due From and To Component Units/University

The University's financial statements are reported for the fiscal year ended June 30, 2017. One component unit is not presented (see Note 1.). Additionally, component units' due to amounts include receivables and payables between the various component units. Accordingly, amounts reported by the University as due from and to component units on the statement of net position do not agree with amounts reported by the component units as due from and to the University.

#### 6. Capital Assets

Capital assets activity for the fiscal year ended June 30, 2017, is shown in the following table:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Nondepreciable Capital Assets:				
Land	\$ 30,417,578	\$ 271,848	\$ -	\$ 30,689,426
Works of Art and Historical Treasures	4,556,737	346,501	-	4,903,238
Construction in Progress	61,824,629	42,802,707	32,185,602	72,441,734
<b>Total Nondepreciable Capital Assets</b>	<b>\$ 96,798,944</b>	<b>\$43,421,056</b>	<b>\$32,185,602</b>	<b>\$ 108,034,398</b>
Depreciable Capital Assets:				
Buildings	\$ 1,116,421,131	\$31,986,163	\$ 440,743	\$ 1,147,966,551
Infrastructure and Other Improvements	34,444,431	1,030,072	-	35,474,503
Furniture and Equipment	132,988,524	12,188,733	4,461,843	140,715,414
Library Resources	113,028,556	4,275,061	170,609	117,133,008
Property Under Capital Leases and Leasehold Improvements	1,789,567	-	1,037,000	752,567
Computer Software	3,407,483	163,454	62,201	3,508,736
<b>Total Depreciable Capital Assets</b>	<b>1,402,079,692</b>	<b>49,643,483</b>	<b>6,172,396</b>	<b>1,445,550,779</b>
Less, Accumulated Depreciation:				
Buildings	328,598,921	28,720,141	218,686	357,100,376
Infrastructure and Other Improvements	15,077,655	1,489,777	-	16,567,432
Furniture and Equipment	93,943,291	10,202,441	4,249,787	99,895,945
Library Resources	81,969,555	8,038,365	170,609	89,837,311
Property Under Capital Leases and Leasehold Improvements	416,879	84,559	51,010	450,428
Computer Software	2,142,973	360,104	10,716	2,492,361
<b>Total Accumulated Depreciation</b>	<b>522,149,274</b>	<b>48,895,387</b>	<b>4,700,808</b>	<b>566,343,853</b>
<b>Total Depreciable Capital Assets, Net</b>	<b>\$ 879,930,418</b>	<b>\$ 748,096</b>	<b>\$ 1,471,588</b>	<b>\$ 879,206,926</b>

## 7. Unearned Revenue

Unearned revenue at June 30, 2017, includes contracts and grant payments received in advance, nonrefundable admission fees, prepaid stadium rental income received from the Finance Corporation, food service revenue, conference center fees, land use fees and athletic revenues received prior to fiscal year-end related to subsequent accounting periods. As of June 30, 2017, the University reported the following amounts as unearned revenue:

<u>Description</u>	<u>Amount</u>
Contracts and Grants	\$ 2,960,456
Admission Fees	1,779,064
Stadium Rental Income	1,304,083
Food Service Revenue	596,663
Conference Center Fees	100,254
Land Use Fees	52,381
Athletic Revenues	251
<b>Total Unearned Revenue</b>	<b>\$ 6,793,152</b>

## 8. Long-Term Liabilities

Long-term liabilities of the University at June 30, 2017, include capital improvement debt payable, installment purchase payable, compensated absences payable, other postemployment benefits payable, the long-term portion of unearned revenues, liability for self-insurance claims, net pension liability, and other long-term liabilities. Long-term liabilities activity for the fiscal year ended June 30, 2017, is shown below:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Capital Improvement Debt Payable	\$ 165,260,322	\$ -	\$ 7,184,422	\$ 158,075,900	\$ 7,494,422
Installment Purchase Payable	-	2,425,770	479,196	1,946,574	477,561
Capital Lease Payable	192,311	-	192,311	-	-
Compensated Absences Payable	41,761,561	6,840,612	3,668,817	44,933,356	3,782,939
Other Postemployment Benefits Payable	68,116,000	22,242,000	2,257,000	88,101,000	-
Unearned Revenue	35,566,894	1,900,000	1,422,791	36,044,103	-
Liability for Self-insured Claims	207,160	15,254	48,422	173,992	105,196
Net Pension Liability	121,495,035	141,381,218	60,795,120	202,081,133	1,621,255
Other Long-Term Liabilities	2,341,166	43,711	-	2,384,877	-
<b>Total Long-Term Liabilities</b>	<b>\$ 434,940,449</b>	<b>\$ 174,848,565</b>	<b>\$ 76,048,079</b>	<b>\$ 533,740,935</b>	<b>\$ 13,481,373</b>

**Capital Improvement Debt Payable.** The University had the following capital improvement debt payable outstanding at June 30, 2017:



<b>Capital Improvement Debt Type and Series</b>	<b>Amount of Original Debt</b>	<b>Amount Outstanding (1)</b>	<b>Interest Rates (Percent)</b>	<b>Maturity Date To</b>
Student Housing Debt:				
2011A Student Apartments Refunding	\$ 22,210,000	\$ 15,271,352	3.00 - 5.00	2025
2012A Student Apartments	53,655,000	49,780,765	3.00 - 4.25	2041
2015A Student Apartments Refunding	29,105,000	26,018,761	3.00 - 5.00	2034
<b>Total Student Housing Debt</b>	<b>104,970,000</b>	<b>91,070,878</b>		
Parking Garage Debt:				
2009A&B Parking Garage	32,000,000	26,700,000	5.10 - 6.875	2039
2013A Parking Garage	48,365,000	40,305,022	3.00 - 5.25	2043
<b>Total Parking Garage Debt</b>	<b>80,365,000</b>	<b>67,005,022</b>		
<b>Total Capital Improvement Debt</b>	<b>\$ 185,335,000</b>	<b>\$ 158,075,900</b>		

Note: (1) Amount outstanding includes unamortized premiums and deferred losses on refunding issues.

The University has pledged a portion of future housing rental revenues, traffic and parking fees, and an assessed transportation fee per student to repay \$185,335,000 of capital improvement (housing and parking) revenue bonds issued by the Florida Board of Governors on behalf of the University. Proceeds from the bonds provided financing to construct parking garages and student housing facilities. The bonds are payable solely from housing rental income, parking fees, and assessed transportation fees per student and are payable through 2043. The University has committed to appropriate each year from the housing rental income, parking fees, and assessed transportation fees per student amounts sufficient to cover the principal and interest requirements on the debt. Total principal and interest remaining on the debt is \$243,763,601, and principal and interest paid for the current year totaled \$14,322,915. During the 2016-17 fiscal year, housing rental income totaled \$29,791,737 and parking fees totaled \$16,155,783, comprised of traffic and parking fees totaling \$5,453,405 and assessed transportation fees totaling \$10,702,378.

Annual requirements to amortize all capital improvement debt outstanding as of June 30, 2017, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 7,195,000	\$ 7,117,585	\$ 14,312,585
2019	7,530,000	6,768,605	14,298,605
2020	7,280,000	6,412,865	13,692,865
2021	7,610,000	6,069,390	13,679,390
2022	7,885,000	5,793,268	13,678,268
2023-2027	33,505,000	24,547,051	58,052,051
2028-2032	30,555,000	17,567,662	48,122,662
2033-2037	29,230,000	10,421,438	39,651,438
2038-2042	22,755,000	3,373,487	26,128,487
2043	2,045,000	102,250	2,147,250
<b>Subtotal</b>	155,590,000	88,173,601	243,763,601
Net Premium and Losses on Bond Refundings	2,485,900	-	2,485,900
<b>Total</b>	<u>\$ 158,075,900</u>	<u>\$ 88,173,601</u>	<u>\$ 246,249,501</u>

**Installment Purchase Payable.** The University has entered into an installment purchase agreement for the purchase of equipment totaling \$2,425,770. The stated interest rate is 1.2515 percent. Future minimum payments remaining under installment purchase agreements and the present value of the minimum payments as of June 30, 2017, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2018	\$ 499,686
2019	499,686
2020	499,686
2021	499,688
<b>Total Minimum Payments</b>	1,998,746
Less, Amount Representing Interest	52,172
<b>Present Value of Minimum Payments</b>	<u>\$ 1,946,574</u>

**Capital Lease Payable – Related Party Transaction.** Land and a building in the amount of \$1,037,000 were acquired under a capital lease agreement with the Foundation. This capital lease was fully paid during fiscal year 2016-17.

**Compensated Absences Payable.** Employees earn the right to be compensated during absences for annual leave (vacation) and sick leave earned pursuant to Board of Governors regulations, University regulations, and bargaining agreements. Leave earned is accrued to the credit of the employee and records are kept on each employee's unpaid (unused) leave balance. The University reports a liability for the accrued leave; however, State noncapital appropriations fund only the portion of accrued leave that is used or paid in the current fiscal year. Although the University expects the liability to be funded primarily from future appropriations, generally accepted accounting principles do not permit the recording of a receivable in anticipation of future appropriations. At June 30, 2017, the estimated liability for compensated absences, which includes the University's share of the Florida Retirement System and FICA contributions, totaled \$44,933,356. The current portion of the compensated absences liability,

\$3,782,939, is the amount expected to be paid in the coming fiscal year, and represents a historical percentage of leave used applied to total accrued leave liability.

**Other Postemployment Benefits Payable.** The University follows GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for certain postemployment healthcare benefits administered by the State Group Health Insurance Program.

*Plan Description.* Pursuant to the provisions of Section 112.0801, Florida Statutes, all employees who retire from the University are eligible to participate in the State Group Health Insurance Program, an agent multiple-employer defined benefit (OPEB) Plan. The University subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. Retirees are required to enroll in the Federal Medicare (Medicare) program for their primary coverage as soon as they are eligible. A stand-alone report is not issued and the OPEB Plan information is not included in the annual report of a public employee retirement system or another entity.

*Funding Policy.* OPEB Plan benefits are pursuant to the provisions of Section 112.0801, Florida Statutes, and benefits and contributions can be amended by the Florida Legislature. The State has not advance-funded OPEB costs or the net OPEB obligation. Premiums necessary for funding the OPEB Plan each year on a pay-as-you-go basis are established by the Governor's recommended budget and the General Appropriations Act. For the 2016-17 fiscal year, 399 retirees received postemployment healthcare benefits. The University provided required contributions of \$2,257,000 toward the annual OPEB cost, composed of benefit payments made on behalf of retirees for claims expenses (net of reinsurance), administrative expenses, and reinsurance premiums. Retiree contributions totaled \$3,049,000, which represents 0.8 percent of covered payroll.

*Annual OPEB Cost and Net OPEB Obligation.* The University's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the University's annual OPEB cost for the fiscal year, the amount actually contributed to the OPEB Plan, and changes in the University's net OPEB obligation:

<b>Description</b>	<b>Amount</b>
Normal Cost (Service Cost for One Year)	\$ 13,179,000
Amortization of Unfunded Actuarial Accrued Liability	8,008,000
Interest on Normal Cost and Amortization	847,000
<b>Annual Required Contribution</b>	22,034,000
Interest on Net OPEB Obligation	2,725,000
Adjustment to Annual Required Contribution	(2,517,000)
<b>Annual OPEB Cost (Expense)</b>	22,242,000
Contribution Toward the OPEB Cost	(2,257,000)
<b>Increase in Net OPEB Obligation</b>	19,985,000
Net OPEB Obligation, Beginning of Year	68,116,000
<b>Net OPEB Obligation, End of Year</b>	<b>\$ 88,101,000</b>

The University's annual OPEB cost, the percentage of annual OPEB cost contributed to the OPEB Plan, and the net OPEB obligation as of June 30, 2017, and for the 2 preceding fiscal years were as follows:

<b>Fiscal Year</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
2014-15	\$ 11,438,000	9.6%	\$ 47,684,000
2015-16	22,385,000	8.7%	68,116,000
2016-17	22,242,000	10.1%	88,101,000

*Funded Status and Funding Progress.* As of July 1, 2015, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$205,746,000, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$205,746,000 and a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was \$388,298,438 for the 2016-17 fiscal year, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 55.8 percent.

Actuarial valuations for an OPEB Plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and healthcare cost trends. Actuarially determined amounts regarding the funded status of the OPEB Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to financial statements, presents multiyear trend information that shows whether the actuarial value of OPEB Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive OPEB Plan provisions, as understood by the employer and participating members, and include the types of benefits provided at the time of each valuation and the historical pattern of

sharing of benefit costs between the employer and participating members. The actuarial calculations of the OPEB Plan reflect a long-term perspective. Consistent with this perspective, the actuarial valuations used actuarial methods and assumptions that include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The University's OPEB actuarial valuation as of July 1, 2015, used the entry-age cost actuarial method to estimate the actuarial accrued liability as of June 30, 2017, and the University's 2016-17 fiscal year ARC. This method was selected because it is the same method used for the valuation of the Florida Retirement System. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 4 percent rate of return on invested assets, which is the University's expectation of investment returns under its investment policy. The actuarial assumptions also included a payroll growth rate of 3.25 percent per year and an inflation rate of 3 percent. Initial healthcare cost trend rates were 7.5 percent, 8.8 percent, and 9.7 percent for the first 3 years, respectively, for all retirees in the Preferred Provider Option (PPO) Plan, and 5.7 percent, 7 percent, and 7.8 percent for the first 3 years for all retirees in the Health Maintenance Organization (HMO) Plan. The PPO and HMO healthcare trend rates both grade down to an ultimate rate of 3.9 percent over 70 years. The unfunded actuarial accrued liability is being amortized over 30 years using the level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2017, was 20 years.

**Unearned Revenue.** Long-term unearned revenue at June 30, 2017, includes Public Education Capital Outlay appropriations for which the University had not yet received approval from the Florida Department of Education to spend the funds. Also included are prepaid stadium rental income received from the Finance Corporation, land use fees, a National Institute of Health grant and other unearned revenues received prior to the fiscal year end related to subsequent accounting periods. As of June 30, 2017, the University reported the following amounts as long-term unearned revenue:

<b><u>Description</u></b>	<b><u>Amount</u></b>
Stadium Rental Income	\$ 19,452,574
State Capital Appropriations	10,000,000
National Institute of Health Grant	3,800,000
Land Use Fees	1,961,188
Other Unearned Revenue	830,341
<b>Total Unearned Revenue</b>	<b><u>\$ 36,044,103</u></b>

**Net Pension Liability.** As a participating employer in the Florida Retirement System, the University recognizes its proportionate share of the collective net pension liabilities of the FRS cost-sharing multiple-employer defined benefit plans. As of June 30, 2017, the University's proportionate share of the net pension liabilities totaled \$202,081,133. Note 11. includes a complete discussion of defined benefit pension plans.

**Other Long-Term Liabilities.** Other long-term liabilities primarily represent the University's liability for the Federal Capital Contribution (advance) provided to fund the University's Federal Perkins Loan program. This amount will ultimately be returned to the Federal Government should the University cease making Federal Perkins Loans or have excess cash in the loan program.

## 9. Discretely Presented Component Units Debt Issues

### **Notes Payable – Florida International University Foundation, Inc.**

On January 20, 2000, the Miami-Dade County Educational Facilities Authority (the Authority) issued \$13 million 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 are secured by 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 15). The \$13 million original principal amount was issued under a variable rate structure with a final maturity date of May 1, 2022. The bond proceeds were used to acquire, construct, and equip a multi-function support complex located on the Modesto A. Maidique campus and to pay issuance costs. As of June 30, 2017, the outstanding principal balance due under this note payable was \$4.6 million. For the year ended June 30, 2017, total interest incurred and paid was \$117,775.

Under the letter of credit agreement and loan agreement noted above, the Foundation is obligated under certain debt covenants with which they are in compliance.

The bonds were repurchased by the Trustee under a commercial bank letter of credit due to the diminishing ability to remarket the variable rate demand bonds in the public marketplace. On July 30, 2010, the bank converted the variable rate demand bonds into a 5-year tax exempt qualified loan. After the initial 5-year period, the bank would have the right to require the Foundation to refinance the bank qualified loan or could agree to extend the maturity date for an additional 5-year period. The Foundation agrees to pay interest at a rate of 67 percent of the 1-month London Interbank Offered Rate (LIBOR) plus 1.68 percent. The bond maturity date of May 1, 2022, remains unchanged as does the swap agreement. On July 30, 2010, the Foundation paid \$52,213 in refinancing fees to complete this transaction. Since the terms remained substantially the same and the present value of the cash outflows is not substantially different, this is not considered an exchange of debt instruments.

The aggregate maturities of the notes payable, as of June 30, 2017, are shown in the following table:

<b><u>Fiscal Year Ending June 30</u></b>	<b><u>Amount</u></b>
2018	\$ 825,000
2019	865,000
2020	910,000
2021	960,000
2022	1,075,000
<b>Total</b>	<b><u>\$ 4,635,000</u></b>

### **Notes Payable – The Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc. - Related Party Transaction.**

On August 27, 2010, the Health Care Network entered into a loan agreement totaling \$5,321,198 with the University in order to provide working capital and build out capital to fund the expansion of the faculty

practice plan and the establishment of the ambulatory care center and other University clinical activities. In June of 2015 the Health Care Network renegotiated the loan agreement with the University and borrowed an additional \$3,015,652. The total loaned by the University to Health Care Network is \$8,633,962. Interest on the loan accrues at 2 percent simple interest and the loan is scheduled to mature on June 1, 2036.

Estimated principal and interest payments for the life of the amounts due to the University based on the balances as of June 30, 2017, are as follows:

<b>Fiscal Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	\$ 316,878	\$ 160,650	\$ 477,528
2019	327,991	154,312	482,303
2020	339,374	147,752	487,126
2021	351,033	140,965	491,998
2022	362,973	133,944	496,917
2023-2027	2,004,279	555,849	2,560,128
2028-2032	2,348,754	341,966	2,690,720
2033-2036	1,981,210	95,450	2,076,660
<b>Total</b>	<b>\$ 8,032,492</b>	<b>\$ 1,730,888</b>	<b>\$ 9,763,380</b>

#### **Bonds Payable – FIU Athletics Finance Corporation.**

On December 1, 2009, the Finance Corporation issued \$30,000,000 of Miami-Dade County Industrial Development Authority Revenue Bonds Series 2009A and \$5,310,000 of Miami-Dade County Industrial Development Authority Taxable Revenue Bonds Series 2009B.

These bonds were issued and secured under and pursuant to the Trust Indenture. Repayments of the bonds will be payable from pledged revenues, which are all operating and nonoperating revenues. Principal payments for the bonds began March 1, 2010. Interest payments are made on a quarterly basis.

On December 21, 2016, the Finance Corporation entered into four amendments to the trust indenture between Miami-Dade Authority and the Trustee which authorized the reissuance of the Series 2009A Bonds through the issuance of four separate series of bonds. The first amendment authorizes the reissuance of \$9,000,000 Series 2009A-1 Bond. The interest rate on the Series 2009A-1 Bonds shall be at a rate equal to 2.8 percent per annum. The second, third, and fourth amendments authorized the reissuance of separate series of the Series 2009A Bonds in a principal amount of \$8,400,000 (Series 2009A-2), \$8,400,000 (Series 2009A-3), and \$4,200,000 (Series 2009A-4), respectively. The interest rates on these Series 2009A bonds shall be at a rate equal to the sum of 63.7 percent of the 3-month LIBOR plus 1.40 percent.

The bonds are secured by operating and nonoperating revenues as well as University athletic fees, not to exceed 5 percent of the total athletic fees collected. Total principal due at June 30, 2017, was \$29,740,000.

The Finance Corporation has funded a debt service reserve fund in accordance with the bond indenture requirement of maintaining 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 \$2,693,462 and is included in restricted investments.

Prior to the December 2016 reissuance, the Finance Corporation was required to maintain minimum deposits of \$1,000,000 with a bank. As part of the amendment on December 21, 2016, Finance Corporation agreed to use approximately \$1,000,000 currently on deposit with the Trustee to pay in full the outstanding balance of the Series 2009B Bonds.

The interest rate on these bonds is both fixed and variable and is subject to a swap agreement (see Note 10.) that was entered into 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.

The aggregate maturities of these bonds as of June 30, 2017, are as follows:

<b>Fiscal Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	\$ 1,150,000	\$ 1,306,903	\$ 2,456,903
2019	1,325,000	1,253,958	2,578,958
2020	1,445,000	1,198,426	2,643,426
2021	1,505,000	1,131,936	2,636,936
2022	1,580,000	1,066,013	2,646,013
2023-2027	9,085,000	4,229,964	13,314,964
2028-2033	13,650,000	2,056,528	15,706,528
<b>Total</b>	<b>\$ 29,740,000</b>	<b>\$ 12,243,728</b>	<b>\$ 41,983,728</b>

## **10. Derivative Financial Instruments – Discretely Presented Component Units**

The Finance Corporation entered into derivative instruments (i.e., interest rate swap agreements) to reduce their exposure to market risks from changing interest rates. For interest rate swap agreements, the differential to be paid or received is accrued and recognized as interest expense and may change as market interest rates change. The interest rate swap agreement entered into by the Finance Corporation is discussed below.

### **FIU Athletics Finance Corporation.**

*Objectives.* As a means to lower its borrowing costs and increase its savings, the Finance Corporation entered into an interest rate swap agreement in connection with its \$30,000,000 2009A Miami-Dade County Industrial Development Authority Revenue Bond issuance. The intention of the interest rate swap agreement was to effectively change the Finance Corporation's variable interest rate on the bonds to a synthetic fixed rate of 5.50 percent, which is the fixed rate payable by the Finance Corporation under the interest rate swap agreement of 3.60 percent plus 1.90 percent.

*Terms.* On December 22, 2009, the Finance Corporation entered into an interest rate swap agreement to hedge the floating rate on \$21,000,000 of the principal amount of the 2009A bonds. This represents the fixed portion of the tax-exempt bonds payable mentioned above. Under the interest rate swap agreement, the Finance Corporation agrees to pay a fixed rate of 3.60 percent and receive a variable rate equal to 63.7 percent of the 3-month LIBOR. The interest rate swap agreement has a maturity date of March 1, 2033.



*Fair Value.* As of June 30, 2017, the Finance Corporation interest rate swap agreement has a derivative liability of \$3,791,845 as included with reported other long-term liabilities in the statement of net position. The negative fair value was determined using Mark-to-Market Value and represents the closing mid-market values. It was classified in Level 2 of the fair value hierarchy at June 30, 2017.

As of June 30, 2017, the fair value of the Series 2007A ineffective interest rate swap agreement was \$1,525,309, which is included with reported other long-term liabilities. This interest rate swap agreement was not terminated when the bonds were refunded in December 2009 nor in December 2016. The interest rate on the refunding Series 2009A bonds reflects a higher rate due to not terminating this interest rate swap agreement. Accordingly, the fair value of \$1,525,309 of the ineffective Series 2007A interest rate swap agreement is being amortized over the remaining life of the refunding Series 2009A bonds.

The synthetic instrument method evaluates the effectiveness of a potential hedging derivative instrument by quantitative approach. The synthetic instrument method evaluates effectiveness by combining the hedgeable item and the potential hedging derivative instrument to simulate a third synthetic instrument. A potential hedging derivative instrument is effective if its total variable cash flows substantially offset the variable cash flows of the hedgeable item. The Finance Corporation determined that it met the criteria of the synthetic instrument method. Therefore, the change in the fair value of the effective interest rate swap agreement is presented in the component units column of the statement of net position as a deferred outflows of resources in the amount of \$2,266,536.

*Credit Risk.* As of June 30, 2017, the Finance Corporation was not exposed to credit risk because the interest rate swap agreement had a negative fair value. However, should interest rates change and the fair value of the interest rate swap agreement become positive, the Finance Corporation would be exposed to credit risk in the amount of the derivative's fair value. The interest rate swap agreement counterparty was rated A2 by Moody's Investors Service, BBB+ by Standard & Poor's and BBB by Fitch ratings at June 30, 2017.

*Basis Risk.* Basis risk arises when different indexes are used in connection with a derivative. Given that both the bond and the interest rate swap agreement are based on 63.7 percent of the 3-month LIBOR rate, there is limited basis risk.

*Termination Risk.* The derivative contract uses the International Swap Dealers Association (ISDA) Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The schedule to the Master Agreement includes an "additional termination event". That is, the interest rate swap agreement may be terminated if: (i) the loan or other indebtedness in connection with which a transaction entered into by the Finance Corporation for the purpose or with the effect of altering the net combined payment from a floating to fixed or a fixed to floating rate basis is repaid, whether upon acceleration of principal, at maturity, or otherwise, or for any other reason ceases to be an obligation of the Finance Corporation, with or without the consent of the counterparty; or (ii) any credit support document expires, terminates, or ceases to be of full force and effect. Also, the interest rate swap agreement may be terminated or assigned by the Finance Corporation if the counterparty's long-term, senior, unsecured, unenhanced debt rating is withdrawn, suspended, or falls below at least two of the following: a) "Baa3" as determined by Moody's; or b) "BBB+" as determined by Standard & Poor's; or c) "BBB" as determined by Fitch Ratings.

*Swap Payments and Associated Debt.* Using rates as of June 30, 2017, debt service requirements of the variable-rate portion of the debt and net swap payments, assuming current interest rates remain the same for their term, are as follows:

<b>Fiscal Year Ending June 30</b>	<b>Variable-Rate Bond</b>		<b>Interest Rate</b>	<b>Total</b>
	<b>Principal</b>	<b>Interest</b>	<b>Swap, Net</b>	
2018	\$ 910,000	\$ 565,624	\$ 485,778	\$ 1,961,402
2019	950,000	540,807	464,464	1,955,271
2020	995,000	514,898	444,835	1,954,733
2021	1,040,000	487,762	418,908	1,946,670
2022	1,090,000	459,399	394,549	1,943,948
2023-2027	6,220,000	1,824,234	1,568,748	9,612,982
2028-2032	7,760,000	895,617	770,994	9,426,611
2033	1,775,000	48,408	(48,408)	1,775,000
<b>Total</b>	<b>\$ 20,740,000</b>	<b>\$ 5,336,749</b>	<b>\$ 4,499,868</b>	<b>\$ 30,576,617</b>

Note: As rates vary, variable-rate bond interest payments and net swap payments will vary.

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

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

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

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

The University's FRS and HIS pension expense totaled \$32,937,022 for the fiscal year ended June 30, 2017.

## **FRS Pension Plan.**

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

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the Plan may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost of living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS-participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

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

<b><u>Class, Initial Enrollment, and Retirement Age/Years of Service</u></b>	<b><u>% Value</u></b>
<b><u>Regular Class members initially enrolled before July 1, 2011</u></b>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
<b><u>Regular Class members initially enrolled on or after July 1, 2011</u></b>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<b><u>Senior Management Service Class</u></b>	2.00
<b><u>Special Risk Class</u></b>	
Service on and after October 1, 1974	3.00

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

*Contributions.* The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2016-17 fiscal year were:

<b><u>Class</u></b>	<b><u>Percent of Gross Salary</u></b>	
	<b><u>Employee</u></b>	<b><u>Employer (1)</u></b>
FRS, Regular	3.00	7.52
FRS, Senior Management Service	3.00	21.77
FRS, Special Risk	3.00	22.57
Deferred Retirement Option Program (applicable to members from all of the above classes)	0.00	12.99
FRS, Reemployed Retiree	(2)	(2)

Notes: (1) Employer rates include 1.66 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.

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

The University's contributions to the Plan totaled \$15,160,433 for the fiscal year ended June 30, 2017.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At June 30, 2017, the University reported a liability of \$145,845,435 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined

by an actuarial valuation as of July 1, 2016. The University's proportionate share of the net pension liability was based on the University's 2015-16 fiscal year contributions relative to the total 2015-16 fiscal year contributions of all participating members. At June 30, 2016, the University's proportionate share was 0.57760389 percent, which was an increase of 0.010075333 from its proportionate share measured as of June 30, 2015.

For the year ended June 30, 2017, the University recognized pension expense of \$27,463,157. In addition, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 11,167,048	\$ 1,357,920
Change of assumptions	8,823,212	-
Net difference between projected and actual earnings on FRS Plan investments	37,699,267	-
Changes in proportion and differences between University contributions and proportionate share of contributions	18,741,421	-
University FRS contributions subsequent to the measurement date	15,160,433	-
<b>Total</b>	<b>\$ 91,591,381</b>	<b>\$ 1,357,920</b>

The deferred outflows of resources totaling \$15,160,433, resulting from University contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2018	\$ 12,984,219
2019	12,984,219
2020	27,681,734
2021	17,815,697
2022	2,792,534
Thereafter	814,625
<b>Total</b>	<b>\$ 75,073,028</b>

*Actuarial Assumptions.* The total pension liability in the July 1, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary increases	3.25 percent, average, including inflation
Investment rate of return	7.60 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB.

The actuarial assumptions used in the July 1, 2016, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

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

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1%	3.0%	3.0%	1.7%
Fixed Income	18%	4.7%	4.6%	4.6%
Global Equity	53%	8.1%	6.8%	17.2%
Real Estate (Property)	10%	6.4%	5.8%	12.0%
Private Equity	6%	11.5%	7.8%	30.0%
Strategic Investments	12%	6.1%	5.6%	11.1%
<b>Total</b>	<b>100%</b>			
Assumed inflation - Mean			2.6%	1.9%

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

**Discount Rate.** The discount rate used to measure the total pension liability was 7.60 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

**Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.** The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 7.60 percent, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.60 percent) or 1 percentage point higher (8.60 percent) than the current rate:

	<u>1% Decrease (6.60%)</u>	<u>Current Discount Rate (7.60%)</u>	<u>1% Increase (8.60%)</u>
University's proportionate share of the net pension liability	\$268,511,321	\$145,845,435	\$43,742,286

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

## **HIS Pension Plan.**

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

*Benefits Provided.* For the fiscal year ended June 30, 2017, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

*Contributions.* The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2017, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The University contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The University's contributions to the HIS Plan totaled \$2,587,349 for the fiscal year ended June 30, 2017.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At June 30, 2017, the University reported a liability of \$56,235,698 for its proportionate share of the net pension liability. The current portion of the net pension liability is the University's proportionate share of benefit payments expected to be paid within one year, net of the University's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The University's proportionate share of the net pension liability was based on the University's 2015-16 fiscal year contributions relative to the total 2015-16 fiscal year contributions of all participating members. At June 30, 2016, the University's proportionate share was 0.482519923 percent, which was an increase of 0.009985183 from its proportionate share measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the University recognized pension expense of \$5,473,865. In addition, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 128,084
Change of assumptions	8,824,811	
Net difference between projected and actual earnings on HIS Plan investments	28,434	-
Changes in proportion and differences between University HIS contributions and proportionate share of HIS contributions	3,917,706	-
University HIS contributions subsequent to the measurement date	2,587,349	-
<b>Total</b>	<b>\$ 15,358,300</b>	<b>\$ 128,084</b>

The deferred outflows of resources totaling \$2,587,349 resulting from University contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2018	\$ 2,363,789
2019	2,363,789
2020	2,358,375
2021	2,355,776
2022	1,842,287
Thereafter	1,358,851
<b>Total</b>	<b>\$ 12,642,867</b>

*Actuarial Assumptions.* The total pension liability at July 1, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Municipal bond rate	2.85 percent

Mortality rates were based on the Generational RP-2000 with Projected Scale BB.

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

*Discount Rate.* The discount rate used to measure the total pension liability was 2.85 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was



adopted as the applicable municipal bond index. The discount rate used to determine the total pension liability decreased from 3.80 percent from the prior measurement date.

*Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.* The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 2.85 percent, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.85 percent) or 1 percentage point higher (3.85 percent) than the current rate:

	<b>1% Decrease (1.85%)</b>	<b>Current Discount Rate (2.85%)</b>	<b>1% Increase (3.85%)</b>
University's proportionate share of the net pension liability	\$64,515,122	\$56,235,698	\$49,364,228

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

## 12. Retirement Plans – Defined Contribution Pension Plans

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. University employees already participating in the State University System Optional Retirement Program or DROP are not eligible to participate in the Investment Plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Service retirement benefits are based upon the value of the member's account upon retirement. Benefit terms, including contribution requirements, are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contributions, that are based on salary and membership class (Regular Class, Senior Management Service Class, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. Allocations to the Investment Plan member accounts during the 2016-17 fiscal year were as follows:

<b><u>Class</u></b>	<b><u>Percent of Gross Compensation</u></b>
FRS, Regular	6.30
FRS, Senior Management Service	7.67
FRS, Special Risk Regular	14.00

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the FRS Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2017, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the University.

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

The University's Investment Plan pension expense totaled \$2,722,772 for the fiscal year ended June 30, 2017.

**State University System Optional Retirement Program.** Section 121.35, Florida Statutes, provides for an Optional Retirement Program (Program) for eligible university instructors and administrators. The Program is designed to aid State universities in recruiting employees by offering more portability to employees not expected to remain in FRS for 8 or more years.

The Program is a defined contribution plan, which provides full and immediate vesting of all contributions submitted to the participating companies on behalf of the participant. Employees in eligible positions can make an irrevocable election to participate in the Program, rather than the FRS, and purchase retirement and death benefits through contracts provided by certain insurance carriers. The employing university contributes 5.14 percent of the participant's salary to the participant's account, 2.83 percent to cover the unfunded actuarial liability of the FRS pension plan, and 0.01 percent to cover administrative costs, for a total of 7.98 percent, and employees contribute 3 percent of the employee's salary. Additionally, the employee may contribute, by payroll deduction, an amount not to exceed the percentage contributed by the University to the participant's annuity account. The contributions are invested in the company or companies selected by the participant to create a fund for the purchase of annuities at retirement.

The University's contributions to the Program totaled \$18,528,483, and employee contributions totaled \$11,954,431 for the 2016-17 fiscal year.

### **13. Construction Commitments**

The University's major construction commitments at June 30, 2017, were as follows:

<b>Project Description</b>	<b>Total Commitment</b>	<b>Completed to Date</b>	<b>Balance Committed</b>
Recreation Center Expansion	\$ 26,123,174	\$ 15,601,975	\$ 10,521,199
University City Prosperity Project	11,187,709	2,807,191	8,380,518
Satellite Chiller Plant	9,427,734	1,480,001	7,947,733
Auxiliary Construction Projects I	20,977,717	13,816,731	7,160,986
Auxiliary Construction Projects II	6,843,847	859,568	5,984,279
Athletics Practice Fields	8,889,570	4,017,447	4,872,123
<b>Subtotal</b>	83,449,751	38,582,913	44,866,838
Projects with Balance Committed Under \$3 Million	49,730,185	33,858,821	15,871,364
<b>Total</b>	<b>\$ 133,179,936</b>	<b>\$ 72,441,734</b>	<b>\$ 60,738,202</b>

#### 14. Operating Lease Commitments

The University leased building space under operating leases, which expire in 2034. These leased assets and the related commitments are not reported on the University's statement of net position. Operating lease payments are recorded as expenses when paid or incurred. Outstanding commitments resulting from these lease agreements are contingent upon future appropriations. Included in the annual payments below are the minimum payments required for the operating lease due to the Foundation as described in Note 15. Future minimum lease commitments for these noncancelable operating leases are as follows:

<b>Fiscal Year Ending June 30</b>	<b>Amount</b>
2018	\$ 5,352,830
2019	5,463,877
2020	5,575,738
2021	5,628,400
2022	4,625,250
2023-2027	8,846,083
2028-2032	5,719,555
2033-2034	2,554,484
<b>Total Minimum Payments Required</b>	<b>\$ 43,766,217</b>

#### 15. Operating Lease Commitments – Related Party Transactions

##### **Florida International University Foundation, Inc.**

On December 1, 1999, the former Board of Regents of the State University System of the State of Florida for and on behalf of the University entered into a ground lease agreement with the Foundation. Under this agreement, the Foundation leases from the University the grounds on which a multi-function support complex facility was built on the Modesto A. Maidique campus. The consideration required to be paid by the Foundation is \$10 annually. The ground lease will expire on December 31, 2024, or on the date the Foundation makes its final payment under a letter of credit agreement related to the financing of the facility. Total amounts paid to the Foundation under this agreement were \$1,689,602 for the year ended June 30, 2017.

On December 1, 1999, the former Board of Regents on behalf of the University also entered into a 20-year operating lease agreement with the Foundation for the facility. Under the terms of the operating lease, the University will pay the Foundation rent in the amount equal to all amounts due and payable by the Foundation under the letter of credit agreement, if any, and loan agreement related to the financing of the facility. The payments also include any costs of operating and maintaining the facility, in addition to amounts necessary to pay any unanticipated and extraordinary costs. The lease commenced during August 2002 when the facility became operational. The lease will terminate on May 1, 2022, which is the date of maturity of the loan agreement.

The facility under the above operating lease is not recorded as an asset on the statement of net position; however, the operational lease payments are recorded as expenses in the statement of revenues, expenses, and changes in net assets when paid or incurred.

The following schedule by years presents management's best estimate of future minimum rental payments for this noncancelable operating lease as of June 30, 2017:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2018	\$ 1,418,000
2019	1,418,000
2020	1,418,000
2021	1,418,000
2022	1,418,000
<b>Total Minimum Payments Required</b>	<b>\$ 7,090,000</b>

#### **FIU Athletics Finance Corporation.**

The University and the Finance Corporation entered into two 25-year ground sublease agreements dated April 1, 2007, rendering the rights to the Finance Corporation to issue a series of capital improvement bonds of which a portion of the proceeds, along with contributions from the University, was used to finance a stadium improvement project located on University premises. Under this agreement, the Finance Corporation prepaid to the University, for rental of the premises, the sum of \$31,937,211.

The following schedule by years represents management's best estimate of future minimum rental expense that will be recognized for these sublease agreements:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2018	\$ 1,304,083
2019	1,304,083
2020	1,304,083
2021	1,304,083
2022	1,304,083
2023-2027	6,520,416
2028-2032	6,520,416
2033	1,195,410
<b>Total Minimum Payments Required</b>	<b>\$ 20,756,657</b>

## **16. Gift Agreement – Florida International University Foundation, Inc.**

The Wolfsonian, Inc. (Wolfsonian), 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, or design and architectural arts. The Wolfsonian 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, sculpture, 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 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.

On July 1, 1997, the Foundation entered into a gift agreement (Agreement) with Mitchell Wolfson, Jr., the Wolfsonian, 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 to the Foundation, subject to a loan agreement made and entered into by the Wolfsonian and Mr. Wolfson, Jr., dated July 29, 1991. The loan agreement was extended through to July 2021, at which time it can be renewed for an additional period of 10 years.

The Foundation has elected to exercise the option of not capitalizing the items that meet the definition of “collection” as prescribed by accounting principles generally accepted in the United States. Therefore, the fair value of the donated Collection of Decorative and Propaganda Arts is not reflected in the University’s financial statements. Purchases of collection items are recorded as decreases in unrestricted net position in the year in which the items are acquired, or as temporarily or permanently restricted net position if the assets used to purchase the items are restricted by donors. Proceeds from deaccessions or insurance recoveries are reflected as increases in the appropriate net position classes.

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

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. As a result of the Agreement, the University and Foundation have assumed all administrative functions and operating costs of the Wolfsonian.

The most significant of the obligations under the Agreement is for the University to provide the Wolfsonian with the same financial support from its general budget, as provided to other departments, and to continue the museum and educational activities and operations of the Wolfsonian. The University provided support of approximately \$3 million during the 2016-17 fiscal year for Wolfsonian expenses which included salaries, equipment, administrative expenses, insurance premiums for the art collection, and building security. In addition, the University provided support of approximately \$1 million during the 2016-17 fiscal year for utilities, repairs, and maintenance expenses for buildings used by the Wolfsonian.

## 17. Risk Management Programs

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Pursuant to Section 1001.72(2), Florida Statutes, the University participates in State self-insurance programs providing insurance for property and casualty, workers' compensation, general liability, fleet automotive liability, Federal Civil Rights, and employment discrimination liability. During the 2016-17 fiscal year, for property losses, the State retained the first \$2 million per occurrence for all perils except named windstorm and flood. The State retained the first \$2 million per occurrence with an annual aggregate retention of \$40 million for named windstorm and flood losses. After the annual aggregate retention, losses in excess of \$2 million per occurrence were commercially insured up to \$85 million for named windstorm and flood through February 14, 2017, and increased to \$92.5 million starting February 15, 2017. For perils other than named windstorm and flood, losses in excess of \$2 million per occurrence were commercially insured up to \$200 million through February 14, 2017, and increased to \$225 million starting February 15, 2017; and losses exceeding those amounts were retained by the State. No excess insurance coverage is provided for workers' compensation, general and automotive liability, Federal Civil Rights and employment action coverage; all losses in these categories are completely self-insured by the State through the State Risk Management Trust Fund established pursuant to Chapter 284, Florida Statutes. Payments on tort claims are limited to \$200,000 per person, and \$300,000 per occurrence as set by Section 768.28(5), Florida Statutes. Calculation of premiums considers the cash needs of the program and the amount of risk exposure for each participant. Settlements have not exceeded insurance coverage during the past 3 fiscal years.

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

**University Self-Insurance Program.** The Florida International University College of Medicine Self-Insurance Program was established pursuant to Section 1004.24, Florida Statutes, on June 18, 2009. The Self-Insurance Program provides professional and general liability protection for the Florida International University Board of Trustees for claims and actions arising from the clinical activities of the College of Medicine faculty, staff, and resident physicians. Liability protection is afforded to the students of the College. The Self-Insurance Program provides legislative claims bill protection.

The University is protected for losses that are subject to Section 768.28, Florida Statutes, to the extent of the waiver of sovereign immunity as described in Section 768.28(5), Florida Statutes. The Self-Insurance Program also provides \$1,000,000 per legislative claims bills inclusive of payments made pursuant to Section 768.28, Florida Statutes; \$250,000 per occurrence of protection for the participants that are not subject to the provisions of Section 768.28, Florida Statutes; \$250,000 per claim protection for participants who engage in approved community service or act as Good Samaritans; and student

professional liability coverage not to exceed a per occurrence limit of \$1,000,000 if such limits are required by an affiliated hospital or healthcare affiliate.

The Self-Insurance Program's estimated liability for unpaid claims at fiscal year end is the result of management and actuarial analysis and includes an amount for claims that have been incurred but not reported.

Changes in the balances of claims liability for the Self-Insurance Program during the 2015-16 and 2016-17 fiscal years are presented in the following table:

<b>Fiscal Year Ended</b>	<b>Claims Liabilities Beginning of Year</b>	<b>Current Claims and Changes in Estimates</b>	<b>Claim Payments</b>	<b>Claims Liabilities End of Year</b>
June 30, 2016	\$ 90,530	\$ 134,521	\$ (17,891)	\$ 207,160
June 30, 2017	207,160	(18,997)	(14,171)	173,992

## 18. Functional Distribution of Operating Expenses

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

<b>Functional Classification</b>	<b>Amount</b>
Instruction	\$ 318,682,227
Research	110,050,937
Public Services	13,185,330
Academic Support	106,447,572
Student Services	68,022,947
Institutional Support	92,794,747
Operation and Maintenance of Plant	60,156,507
Scholarships, Fellowships, and Waivers	88,603,383
Depreciation	48,895,387
Auxiliary Enterprises	59,232,983
<b>Total Operating Expenses</b>	<b>\$ 966,072,020</b>

## 19. Segment Information

A segment is defined as an identifiable activity (or grouping of activities) that has one or more bonds or other debt instruments outstanding with a revenue stream pledged in support of that debt. In addition, the activity's related revenues, expenses, gains, losses, assets, and liabilities are required to be accounted for separately. The following financial information for the University's Housing, and Parking facilities represents identifiable activities for which one or more bonds are outstanding:

### Condensed Statement of Net Position

	Housing Facility Capital Improvement Debt	Parking Facility Capital Improvement Debt
<b>Assets</b>		
Current Assets	\$ 26,649,805	\$ 9,405,653
Capital Assets, Net	123,201,716	102,000,952
Other Noncurrent Assets	10,372	2,873,206
<b>Total Assets</b>	<u>149,861,893</u>	<u>114,279,811</u>
<b>Liabilities</b>		
Current Liabilities	5,603,012	4,403,649
Noncurrent Liabilities	87,188,307	63,709,707
<b>Total Liabilities</b>	<u>92,791,319</u>	<u>68,113,356</u>
<b>Net Position</b>		
Net Investment in Capital Assets	32,026,085	35,417,401
Restricted - Expendable	10,371	2,873,205
Unrestricted	25,034,118	7,875,849
<b>Total Net Position</b>	<u>\$ 57,070,574</u>	<u>\$ 46,166,455</u>

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

	Housing Facility Capital Improvement Debt	Parking Facility Capital Improvement Debt
Operating Revenues	\$ 29,791,737	\$ 16,155,783
Depreciation Expense	(3,805,238)	(2,946,214)
Other Operating Expenses	(17,692,186)	(8,505,539)
<b>Operating Income</b>	<u>8,294,313</u>	<u>4,704,030</u>
Nonoperating Revenues (Expenses):		
Nonoperating Revenue	178,309	71,573
Interest Expense	(3,522,315)	(3,616,180)
Nonoperating Expense	-	(167,907)
<b>Net Nonoperating Expenses</b>	<u>(3,344,006)</u>	<u>(3,712,514)</u>
<b>Income Before Transfers</b>	4,950,307	991,516
Net Transfers	(1,047,249)	(137,991)
Capital Grants	-	652,129
<b>Increase in Net Position</b>	3,903,058	1,505,654
Net Position, Beginning of Year	<u>53,167,516</u>	<u>44,660,801</u>
<b>Net Position, End of Year</b>	<u>\$ 57,070,574</u>	<u>\$ 46,166,455</u>



## Condensed Statement of Cash Flows

	<b>Housing Facility Capital Improvement Debt</b>	<b>Parking Facility Capital Improvement Debt</b>
Net Cash Provided (Used) by:		
Operating Activities	\$ 13,245,682	\$ 8,123,451
Noncapital Financing Activities	36,373	9,864
Capital and Related Financing Activities	(10,703,616)	(8,076,914)
Investing Activities	(2,234,414)	(87,704)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	344,025	(31,303)
Cash and Cash Equivalents, Beginning of Year	1,472,621	1,378,928
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 1,816,646</b>	<b>\$ 1,347,625</b>

## 20. Discretely Presented Component Units

The University has 3 discretely presented component units. As discussed in Note 1., the financial activities of the Research Foundation are not included in the component units' columns of the financial statements. The 3 component units comprise 100 percent of the transactions and account balances of the aggregate discretely presented component units' columns of the financial statements. The following financial information is from the most recently available audited financial statements for the component units:

## Condensed Statement of Net Position

	Direct-Support Organizations			
	Florida International University Foundation, Inc.	FIU Athletics Finance Corporation	Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc.	Total
<b>Assets:</b>				
Current Assets	\$ 343,006,382	\$ 2,873,015	\$ 5,030,405	\$ 350,909,802
Capital Assets, Net	15,696,458	91,250	283,279	16,070,987
Other Noncurrent Assets	-	22,146,036	-	22,146,036
<b>Total Assets</b>	<b>358,702,840</b>	<b>25,110,301</b>	<b>5,313,684</b>	<b>389,126,825</b>
<b>Deferred Outflows of Resources</b>	<b>-</b>	<b>2,503,057</b>	<b>-</b>	<b>2,503,057</b>
<b>Liabilities:</b>				
Current Liabilities	3,591,534	1,802,376	2,564,504	7,958,414
Noncurrent Liabilities	8,034,295	33,234,086	7,715,614	48,983,995
<b>Total Liabilities</b>	<b>11,625,829</b>	<b>35,036,462</b>	<b>10,280,118</b>	<b>56,942,409</b>
<b>Net Position:</b>				
Net Investment in Capital Assets	10,473,074	-	283,279	10,756,353
Restricted Nonexpendable	212,906,553	-	-	212,906,553
Restricted Expendable	101,704,424	-	-	101,704,424
Unrestricted	21,992,960	(7,423,104)	(5,249,713)	9,320,143
<b>Total Net Position</b>	<b>\$ 347,077,011</b>	<b>\$ (7,423,104)</b>	<b>\$ (4,966,434)</b>	<b>\$ 334,687,473</b>

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

	<u>Direct-Support Organizations</u>			
	Florida International University Foundation, Inc.	FIU Athletics Finance Corporation	Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc.	Total
Operating Revenues	\$ 33,435,859	\$ 4,030,559	\$ 8,195,291	\$ 45,661,709
Depreciation Expense	(691,395)	(18,250)	(70,122)	(779,767)
Operating Expenses	(40,305,167)	(2,402,845)	(4,796,392)	(47,504,404)
<b>Operating Income (Loss)</b>	(7,560,703)	1,609,464	3,328,777	(2,622,462)
Net Nonoperating Revenues (Expenses):				
Investment Income	29,548,928	8,506	-	29,557,434
Interest Expense	-	(1,292,498)	(166,770)	(1,459,268)
Gain on Disposal of Capital Assets	559,688	-	-	559,688
Other Nonoperating Expenses	-	(164,950)	-	(164,950)
<b>Net Nonoperating Revenues (Expenses)</b>	30,108,616	(1,448,942)	(166,770)	28,492,904
Other Revenues, Expenses, Gains, and Losses	-	(1,838,955)	(2,442,982)	(4,281,937)
<b>Increase (Decrease) in Net Position</b>	22,547,913	(1,678,433)	719,025	21,588,505
Net Position, Beginning of Year	324,529,098	(5,744,671)	(5,685,459)	313,098,968
<b>Net Position, End of Year</b>	<u>\$ 347,077,011</u>	<u>\$ (7,423,104)</u>	<u>\$ (4,966,434)</u>	<u>\$ 334,687,473</u>

### 21. Subsequent Events

On December 29, 2017 the National Forensic Science Technology Center (NFSTC) merged with the University by transferring assets and liabilities to the University. Consideration will not be paid by the University to NFSTC and NFSTC has been absorbed into University operations. In conjunction with the merger, the University has assumed an operating lease commitment for a building lease. Operating lease payments are recorded as expenses when paid or incurred. The noncancelable operating lease term runs from January 2018 through April 2024 with future minimum payments totaling \$8,101,620. In addition, the University has assumed a liability of \$955,727 on behalf of NFSTC.

On March 15, 2018, while under construction, the pedestrian bridge connecting the Modesto A. Maidique campus with the City of Sweetwater, referred to as the University City Prosperity Project in Note 13., Construction Commitments, suffered a total collapse, which killed and injured several people and brought construction to a halt. University management is unable to make a determination of the outcome of any potential claims or litigation, if any, or the estimated costs that the University may incur as a result of this event. The Design-Build team (Contractor and Design Engineer) as well as the Construction Engineering Inspection Services firm for the project had obtained insurance policies as required by their respective agreements, which should cover some of the losses caused by this event, if any.

## OTHER REQUIRED SUPPLEMENTARY INFORMATION

### Schedule of Funding Progress – Other Postemployment Benefits Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (1) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
7/1/2011	\$ -	\$ 101,015,000	\$ 101,015,000	0%	\$ 280,051,835	36.1%
7/1/2013	-	120,121,000	120,121,000	0%	332,597,433	36.1%
7/1/2015	-	205,746,000	205,746,000	0%	370,763,485	55.5%

Note: (1) The entry-age cost actuarial method was used to calculate the actuarial accrued liability.

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

	2016 (1)	2015 (1)	2014 (1)	2013 (1)
University's proportion of the FRS net pension liability	0.577603890%	0.567528557%	0.525779099%	0.380516592%
University's proportionate share of the FRS net pension liability	\$ 145,845,435	\$ 73,303,925	\$ 32,080,257	\$ 65,503,841
University's covered payroll (2)	\$ 370,763,486	\$ 355,458,891	\$ 332,597,433	\$ 305,657,917
University's proportionate share of the FRS net pension liability as a percentage of its covered payroll	39.34%	20.62%	9.65%	21.43%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	84.88%	92.00%	96.09%	88.54%

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

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

### Schedule of University Contributions – Florida Retirement System Pension Plan

	2017 (1)	2016 (1)	2015 (1)	2014 (1)
Contractually required FRS contribution	\$ 15,160,433	\$ 14,085,792	\$ 13,836,828	\$ 11,516,793
FRS contributions in relation to the contractually required contribution	(15,160,433)	(14,085,792)	(13,836,828)	(11,516,793)
FRS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
University's covered payroll (2)	\$ 388,298,438	\$ 370,763,486	\$ 355,458,891	\$ 332,597,433
FRS contributions as a percentage of covered payroll	3.90%	3.80%	3.89%	3.46%

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

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

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

	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>	<u>2013 (1)</u>
University's proportion of the HIS net pension liability	0.482519923%	0.472534740%	0.449262551%	0.417849098%
University's proportionate share of the HIS net pension liability	\$ 56,235,698	\$ 48,191,110	\$ 42,007,145	\$ 36,379,258
University's covered payroll (2)	\$ 147,667,524	\$ 140,089,301	\$ 130,882,051	\$ 118,388,264
University's proportionate share of the HIS net pension liability as a percentage of its covered payroll	38.08%	34.40%	32.10%	30.73%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	0.97%	0.50%	0.99%	1.78%

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

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

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

	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
Contractually required HIS contribution	\$ 2,587,349	\$ 2,473,222	\$ 1,806,322	\$ 1,539,022
HIS contributions in relation to the contractually required HIS contribution	(2,587,349)	(2,473,222)	(1,806,322)	(1,539,022)
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's covered payroll (2)	\$ 168,353,927	\$ 147,667,524	\$ 140,089,301	\$ 130,882,051
HIS contributions as a percentage of covered payroll	1.54%	1.67%	1.29%	1.18%

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

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

### **1. Schedule of Funding Progress – Other Postemployment Benefit Plan**

The July 1, 2015, unfunded actuarial accrued liability of \$205,746,000 was significantly higher than the July 1, 2013, liability of \$120,121,000 as a result of the following: (1) the per capita claims cost assumption increased, (2) retiree contributions were not as high as expected, (3) the healthcare trend rate assumption was revised, and (4) certain demographic assumptions were revised (retirement rates, termination rates, etc.).

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

*Changes of Assumptions.* The long-term expected rate of return was decreased from 7.65 percent to 7.60 percent, and the active member mortality assumption was updated.

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

*Changes of Assumptions.* The municipal rate used to determine total pension liability decreased from 3.80 percent to 2.85 percent.



Sherrill F. Norman, CPA  
Auditor General

# AUDITOR GENERAL STATE OF FLORIDA

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Florida International University, a component unit of the State of Florida, and its aggregate discretely presented component units as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated March 26, 2018, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the aggregate discretely presented component units, as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

### **Internal Control Over Financial Reporting**

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

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

that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

Respectfully submitted,



Sherrill F. Norman, CPA  
Tallahassee, Florida  
March 26, 2018





**THE FLORIDA INTERNATIONAL UNIVERSITY**  
**BOARD OF TRUSTEES**  
**Finance and Audit Committee**  
**May 23, 2018**

**REVIEW OF FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. FORM 990, FOR FISCAL YEAR  
ENDED JUNE 30, 2017**

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- The State of Florida Auditor General has recently completed Operational Audits for the 2017 Fiscal Year at the University of North Florida, the University of South Florida, and the University of Florida.
- All three audits had almost identical findings regarding University Direct Support Organizations (DSO):
  - *Trustees prescribe by rule any conditions with which a DSO must comply in order to use University property, facilities and personal services and that the University monitor and document DSO compliance with such conditions*
  - *Trustees enter into agreements with DSO's to establish a basis for any DSO reimbursements*
  - *University document Trustees' consideration and approval of DSO anticipated use of University resources, at least on an annual basis, before the use occurs. To enhance government transparency, Board approval documentation should identify the positions of the University employees who will provide personal services, the square footage of the office space and related buildings that will be used by the respective DSO's , and the value of such use*
  - *University document University employee actual time and effort provided to the DSO's to support the purpose for and value of such services and the distribution of applicable services costs among specific University and DSO activities for employees who work more than one activity*
- FIU currently presents the Audited Financial Statements of the University's DSOs to the Trustees for review and approval.

- The FIU Foundation, Inc. is a 501 (c) (3) tax-exempt foundation and is therefore required to file form 990, *Return of Organization Exempt From Income Tax*. It is important to note that this is an information only return that provides valuable information to the IRS about tax exempt organizations since no tax is due.
- The University is presenting the FIU Foundation, Inc. Form 990 for fiscal year ending June 30, 2017 as an informational item.
- The FIU Foundation, Inc. Form 990 was prepared by James Moore and Co., P.L., the same firm that prepared the Audited Financial Statements of the FIU Foundation, Inc.
  - Revenues, Expenses, Assets, Liabilities and Net Assets tie to the Audited Financial Statements. The differences in revenue and expenses are the result of the required adjustments for tax presentation.
  - 990 Revenue of \$35.6M v. Financial Statement Revenue of \$63M is primarily the result of
    - eliminating unrealized investment gains (\$23.6M),
    - eliminating the administrative fee revenue on endowments (\$2.4M)
    - eliminating contributed personnel services revenue from the University required under FASB (\$1.1M)
    - netting of rental income with rental expenses (\$1.45M) as required for tax return presentation
  - 990 Expenses of \$30.2M v. Financial Statement Revenue of \$34.6M is primarily the result of
    - removing rental expense as previously mentioned (\$1.45)
    - eliminating contributed personnel services revenue from the University required under FASB (\$1.1M)
    - eliminating the administrative fee expense charged to endowments (\$2.4M)
  - 990 Total Assets/Total Liabilities and Net Assets of \$358.7M v. Financial Statement amount of \$358.8 is the result of \$4,811 cash held for Wolfsonian, Inc. The Wolfsonian Inc. is a subsidiary of the FIU Foundation and is included in the consolidated financial statements but is a separate entity for tax reporting purposes. The Wolfsonian Inc. files a postcard 990 tax return as a result of its immaterial activity.

**FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARIES**  
**(A DIRECT SUPPORT ORGANIZATION)**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 23,200,815	\$ 8,338,074
Contributions receivable, net	70,073,417	79,648,946
Investments	249,300,348	229,073,465
Other assets	431,802	1,305,344
Fixed assets, net	15,696,458	17,566,435
<b>Total Assets</b>	<b>\$ 358,702,840</b>	<b>\$ 335,932,264</b>
<b>Liabilities</b>		
Accounts payable and other liabilities	107,497	417,206
Deferred revenue	273,586	255,000
Due to Florida International University	2,206,451	2,539,417
Due to FIU Athletics Finance Corporation	95,000	-
Split-interest obligations	746,137	882,014
Funds held for others	3,622,400	1,962,240
Note payable, net	4,574,758	5,347,289
<b>Total Liabilities</b>	<b>11,625,829</b>	<b>11,403,166</b>
<b>Net Assets</b>		
Unrestricted	32,466,034	27,009,655
Temporarily restricted	101,704,424	87,854,851
Permanently restricted	212,906,553	209,664,592
<b>Total Net Assets</b>	<b>347,077,011</b>	<b>324,529,098</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 358,702,840</b>	<b>\$ 335,932,264</b>

The accompanying notes are an integral part  
of these financial statements.

**FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARIES**  
**(A DIRECT SUPPORT ORGANIZATION)**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2017**  
**WITH COMPARATIVE TOTALS FOR JUNE 30, 2016**

	Unrestricted	Temporarily Restricted	Permanently Restricted	2017	2016
<b>Revenue, Gains and Other Support</b>					
Contributions	\$ 3,955,238	\$ 18,025,050	\$ 5,261,581	\$ 27,241,869	\$ 21,812,230
Rental income	2,193,895	2,125	-	2,196,020	2,195,294
Administrative fees	2,373,002	-	-	2,373,002	2,341,825
Contributed services	1,050,859	-	-	1,050,859	897,826
Dues	240,635	118,788	669	360,092	564,016
Royalty income	85,105	-	-	85,105	1,542,374
Special events revenue, net of direct donor benefits of \$104,013 and \$251,042	-	21,994	-	21,994	86,466
Other	44,045	62,873	-	106,918	218,056
Net investment income	1,556,999	4,445,786	-	6,002,785	2,481,169
Net unrealized investment gain (loss)	5,771,831	17,774,312	-	23,546,143	(8,744,658)
	17,271,609	40,450,928	5,262,250	62,984,787	23,394,598
Net assets released from restrictions	22,300,106	(22,407,098)	106,992	-	-
<b>Total Revenue, Gains and Other Support</b>	<b>39,571,715</b>	<b>18,043,830</b>	<b>5,369,242</b>	<b>62,984,787</b>	<b>23,394,598</b>
<b>Expenses</b>					
Program services	26,067,301	-	-	26,067,301	21,504,772
General and administrative	3,967,717	-	-	3,967,717	3,847,538
Fundraising	4,565,119	-	-	4,565,119	7,116,334
<b>Total Expenses</b>	<b>34,600,137</b>	<b>-</b>	<b>-</b>	<b>34,600,137</b>	<b>32,468,644</b>
<b>Change in Net Assets From Current Operations</b>	<b>4,971,578</b>	<b>18,043,830</b>	<b>5,369,242</b>	<b>28,384,650</b>	<b>(9,074,046)</b>
<b>Other Changes</b>					
Change in value of split-interest obligations	(34,887)	-	-	(34,887)	(60,613)
Provision for uncollectible promises to give	(40,000)	(4,194,257)	(2,127,281)	(6,361,538)	(481,878)
Gain on sale of fixed asset	559,688	-	-	559,688	-
<b>Change in Net Assets</b>	<b>5,456,379</b>	<b>13,849,573</b>	<b>3,241,961</b>	<b>22,547,913</b>	<b>(9,616,537)</b>
<b>Net Assets, beginning of year</b>	<b>27,009,655</b>	<b>87,854,851</b>	<b>209,664,592</b>	<b>324,529,098</b>	<b>334,145,635</b>
<b>Net Assets, end of year</b>	<b>\$ 32,466,034</b>	<b>\$ 101,704,424</b>	<b>\$ 212,906,553</b>	<b>\$ 347,077,011</b>	<b>\$ 324,529,098</b>

The accompanying notes are an integral part  
of these financial statements.

**Return of Organization Exempt From Income Tax**  
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

OMB No. 1545-0047

**2016**Open to Public  
Inspection

Do not enter social security numbers on this form as it may be made public.

Information about Form 990 and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**A** For the 2016 calendar year, or tax year beginning **JUL 1, 2016** and ending **JUN 30, 2017**

<b>B</b> Check if applicable:  <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION INC</b>		<b>D</b> Employer identification number <b>23-7047106</b>
	Doing business as		<b>E</b> Telephone number <b>305-348-3758</b>
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	<b>G</b> Gross receipts \$ <b>143,102,926.</b>
	<b>11200 SW 8TH ST MARC 531</b>		<b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	City or town, state or province, country, and ZIP or foreign postal code <b>MIAMI, FL 33199-2516</b>		<b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)
<b>F</b> Name and address of principal officer: <b>RICHARD BRILLIANT</b> <b>11200 SW 8TH STREET, MIAMI, FL 33199</b>		<b>H(c)</b> Group exemption number ▶	
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
<b>J</b> Website: ▶ <b>HTTPS://GIVE.FIU.EDU/BUSINESS-GOVERNANCE/</b>			
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L</b> Year of formation: <b>1969</b> <b>M</b> State of legal domicile: <b>FL</b>	

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: <b>TO ENCOURAGE, SOLICIT, RECEIVE AND ADMINISTER GIFTS AND BEQUESTS OF PROPERTY AND FUNDS FOR</b>		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	<b>44</b>
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	<b>42</b>
	<b>5</b> Total number of individuals employed in calendar year 2016 (Part V, line 2a)	<b>5</b>	<b>0</b>
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>	<b>0</b>
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	<b>-21,251.</b>
<b>b</b> Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	<b>-21,251.</b>	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	<b>Prior Year</b>	<b>Current Year</b>
	<b>9</b> Program service revenue (Part VIII, line 2g)	<b>22,375,097.</b>	<b>27,601,962.</b>
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<b>0.</b>	<b>0.</b>
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<b>3,053,827.</b>	<b>7,293,253.</b>
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<b>2,146,869.</b>	<b>742,240.</b>
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)	<b>27,575,793.</b>	<b>35,637,455.</b>
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	<b>18,770,617.</b>	<b>23,077,236.</b>
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	<b>0.</b>	<b>0.</b>
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	<b>0.</b>	<b>0.</b>
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>4,342,918.</b>	<b>9,901.</b>	<b>23,437.</b>
	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	<b>9,066,430.</b>	<b>7,117,911.</b>
	<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	<b>27,846,948.</b>	<b>30,218,584.</b>
<b>19</b> Revenue less expenses. Subtract line 18 from line 12	<b>-271,155.</b>	<b>5,418,871.</b>	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16)	<b>Beginning of Current Year</b>	<b>End of Year</b>
	<b>21</b> Total liabilities (Part X, line 26)	<b>335,979,487.</b>	<b>358,698,028.</b>
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20	<b>11,475,877.</b>	<b>11,625,829.</b>
		<b>324,503,610.</b>	<b>347,072,199.</b>

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>	Signature of officer		Date		
	<b>RICHARD BRILLIANT, CHAIRPERSON</b> Type or print name and title				
<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	<b>ANDREA L. NEWMAN</b>	<b>ANDREA L. NEWMAN</b>	<b>03/19/18</b>	<input type="checkbox"/>	<b>P01212004</b>
	Firm's name ▶ <b>JAMES MOORE &amp; CO., P.L.</b>	Firm's EIN ▶ <b>59-3204548</b>			
	Firm's address ▶ <b>5931 NW 1ST PL</b> <b>GAINESVILLE, FL 32607-2063</b>	Phone no. <b>352-378-1331</b>			

May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No

FLORIDA INTERNATIONAL UNIVERSITY  
FOUNDATION INC

Form 990 (2016)

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**Part III** Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III ☒ X

1 Briefly describe the organization's mission:

TO ENCOURAGE, SOLICIT, RECEIVE AND ADMINISTER GIFTS AND REQUESTS OF  
PROPERTY AND FUNDS FOR SCIENTIFIC, EDUCATIONAL AND CHARITABLE  
PURPOSES, ALL FOR THE ADVANCEMENT OF FLORIDA INTERNATIONAL UNIVERSITY  
AND ITS OBJECTIVES. THE ORGANIZATION IS GOVERNED BY A BOARD OF

2 Did the organization undertake any significant program services during the year which were not listed on the  
prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.  
Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and  
revenue, if any, for each program service reported.

4a (Code: ) (Expenses \$ 23,125,435. including grants of \$ 23,077,236. ) (Revenue \$ 106,918. )

THE FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION ACCEPTS CHARITABLE  
DONATIONS TO SUPPORT FLORIDA INTERNATIONAL UNIVERSITY IN ITS GOAL TO BE  
A LEADING URBAN PUBLIC RESEARCH UNIVERSITY FOCUSED ON STUDENT LEARNING,  
INNOVATION, AND COLLABORATION. THE FOUNDATION SUPPORTS THE UNIVERSITY'S  
MISSION BY PROVIDING FUNDS TO SUPPORT A DIVERSE STUDENT POPULATION,  
EXCEPTIONAL FACULTY, CUTTING EDGE RESEARCH, MODERN FACILITIES, AND  
COLLABORATIVE ENGAGEMENT WITH OUR LOCAL AND GLOBAL COMMUNITIES.

4b (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4c (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4d Other program services (Describe in Schedule O.)

(Expenses \$ including grants of \$ ) (Revenue \$ )

4e Total program service expenses 23,125,435.

Form 990 (2016)

**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	<b>X</b>	
<b>2</b> Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	<b>X</b>	
<b>3</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		<b>X</b>
<b>4 Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	<b>X</b>	
<b>5</b> Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		<b>X</b>
<b>6</b> Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		<b>X</b>
<b>7</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		<b>X</b>
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		<b>X</b>
<b>9</b> Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>	<b>X</b>	
<b>10</b> Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	<b>X</b>	
<b>11</b> If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
<b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	<b>X</b>	
<b>b</b> Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>	<b>X</b>	
<b>c</b> Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		<b>X</b>
<b>d</b> Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		<b>X</b>
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	<b>X</b>	
<b>f</b> Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	<b>X</b>	
<b>12a</b> Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>		<b>X</b>
<b>b</b> Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	<b>X</b>	
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		<b>X</b>
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States?		<b>X</b>
<b>b</b> Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>	<b>X</b>	
<b>15</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		<b>X</b>
<b>16</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		<b>X</b>
<b>17</b> Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>	<b>X</b>	
<b>18</b> Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	<b>X</b>	
<b>19</b> Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		<b>X</b>

Form **990** (2016)

**FLORIDA INTERNATIONAL UNIVERSITY  
FOUNDATION INC**

Form 990 (2016)

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**Part IV Checklist of Required Schedules** (continued)

	Yes	No
<b>20a</b> Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		<b>X</b>
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
<b>21</b> Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	<b>X</b>	
<b>22</b> Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		<b>X</b>
<b>23</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	<b>X</b>	
<b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>		<b>X</b>
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
<b>25a</b> <b>Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		<b>X</b>
<b>b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		<b>X</b>
<b>26</b> Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i>		<b>X</b>
<b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		<b>X</b>
<b>28</b> Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
<b>a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		<b>X</b>
<b>b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		<b>X</b>
<b>c</b> An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		<b>X</b>
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	<b>X</b>	
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		<b>X</b>
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		<b>X</b>
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		<b>X</b>
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	<b>X</b>	
<b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	<b>X</b>	
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)?		<b>X</b>
<b>b</b> If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
<b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		<b>X</b>
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		<b>X</b>
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?	<b>X</b>	

**Note.** All Form 990 filers are required to complete Schedule O

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**Part V** Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V ☐

		Yes	No
<b>1a</b> Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	<b>1a</b> 132		
<b>b</b> Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	<b>1b</b> 0		
<b>c</b> Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	<b>1c</b>	X	
<b>2a</b> Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	<b>2a</b> 0		
<b>b</b> If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	<b>2b</b>		
<b>3a</b> Did the organization have unrelated business gross income of \$1,000 or more during the year?	<b>3a</b>	X	
<b>b</b> If "Yes," has it filed a Form 990-T for this year? If "No," to line 3b, provide an explanation in Schedule O	<b>3b</b>	X	
<b>4a</b> At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	<b>4a</b>		X
<b>b</b> If "Yes," enter the name of the foreign country: See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).			
<b>5a</b> Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	<b>5a</b>		X
<b>b</b> Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	<b>5b</b>		X
<b>c</b> If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	<b>5c</b>		
<b>6a</b> Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	<b>6a</b>		X
<b>b</b> If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<b>6b</b>		
<b>7 Organizations that may receive deductible contributions under section 170(c).</b>			
<b>a</b> Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	<b>7a</b>	X	
<b>b</b> If "Yes," did the organization notify the donor of the value of the goods or services provided?	<b>7b</b>	X	
<b>c</b> Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	<b>7c</b>		X
<b>d</b> If "Yes," indicate the number of Forms 8282 filed during the year	<b>7d</b>		
<b>e</b> Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<b>7e</b>		X
<b>f</b> Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<b>7f</b>		X
<b>g</b> If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	<b>7g</b>		
<b>h</b> If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	<b>7h</b>		
<b>8 Sponsoring organizations maintaining donor advised funds.</b> Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	<b>8</b>		
<b>9 Sponsoring organizations maintaining donor advised funds.</b>			
<b>a</b> Did the sponsoring organization make any taxable distributions under section 4966?	<b>9a</b>		
<b>b</b> Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	<b>9b</b>		
<b>10 Section 501(c)(7) organizations.</b> Enter:			
<b>a</b> Initiation fees and capital contributions included on Part VIII, line 12	<b>10a</b>		
<b>b</b> Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	<b>10b</b>		
<b>11 Section 501(c)(12) organizations.</b> Enter:			
<b>a</b> Gross income from members or shareholders	<b>11a</b>		
<b>b</b> Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	<b>11b</b>		
<b>12a Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	<b>12a</b>		
<b>b</b> If "Yes," enter the amount of tax-exempt interest received or accrued during the year	<b>12b</b>		
<b>13 Section 501(c)(29) qualified nonprofit health insurance issuers.</b>			
<b>a</b> Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.	<b>13a</b>		
<b>b</b> Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	<b>13b</b>		
<b>c</b> Enter the amount of reserves on hand	<b>13c</b>		
<b>14a</b> Did the organization receive any payments for indoor tanning services during the tax year?	<b>14a</b>		X
<b>b</b> If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	<b>14b</b>		

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**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

☒**Section A. Governing Body and Management**

		Yes	No
<b>1a</b> Enter the number of voting members of the governing body at the end of the tax year	<b>1a</b> 44		
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.			
<b>b</b> Enter the number of voting members included in line 1a, above, who are independent	<b>1b</b> 42		
<b>2</b> Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	<b>2</b>	X	
<b>3</b> Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	<b>3</b>		X
<b>4</b> Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	<b>4</b>		X
<b>5</b> Did the organization become aware during the year of a significant diversion of the organization's assets?	<b>5</b>		X
<b>6</b> Did the organization have members or stockholders?	<b>6</b>		X
<b>7a</b> Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	<b>7a</b>		X
<b>b</b> Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	<b>7b</b>		X
<b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
<b>a</b> The governing body?	<b>8a</b>	X	
<b>b</b> Each committee with authority to act on behalf of the governing body?	<b>8b</b>	X	
<b>9</b> Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	<b>9</b>		X

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
<b>10a</b> Did the organization have local chapters, branches, or affiliates?	<b>10a</b>	X
<b>b</b> If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	<b>10b</b>	
<b>11a</b> Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	<b>11a</b> X	
<b>b</b> Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
<b>12a</b> Did the organization have a written conflict of interest policy? If "No," go to line 13	<b>12a</b> X	
<b>b</b> Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	<b>12b</b> X	
<b>c</b> Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	<b>12c</b> X	
<b>13</b> Did the organization have a written whistleblower policy?	<b>13</b> X	
<b>14</b> Did the organization have a written document retention and destruction policy?	<b>14</b> X	
<b>15</b> Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>a</b> The organization's CEO, Executive Director, or top management official	<b>15a</b>	X
<b>b</b> Other officers or key employees of the organization	<b>15b</b>	X
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
<b>16a</b> Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	<b>16a</b>	X
<b>b</b> If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	<b>16b</b>	

**Section C. Disclosure**

**17** List the states with which a copy of this Form 990 is required to be filed **AK, CA, CO, FL, KY, MA, MD, ME, MN, NV, NH, NJ**

**18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)

**19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

**20** State the name, address, and telephone number of the person who possesses the organization's books and records: **MILAGROS GARCIA CHICA - 305-348-3758**  
**11200 SW 8TH STREET - MARC 530, MIAMI, FL 33199**

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response or note to any line in this Part VII ☐

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) THOMAS M. CORNISH DIRECTOR	1.00	X						0.	0.	0.
(2) RICHARD BRILLIANT CHAIRPERSON	1.00	X		X				0.	0.	0.
(3) KATHRYN G. CHASE DIRECTOR	1.00	X						0.	0.	0.
(4) ADALIO T. SANCHEZ DIRECTOR	1.00	X						0.	0.	0.
(5) JILL M. GRANAT SECRETARY	1.00	X		X				0.	0.	0.
(6) AGUSTIN R. ARELLANO, SR. REAL ESTATE-SUB COMMITTEE	1.00	X						0.	0.	0.
(7) STEVEN M. BERWICK AUDIT SUB-COMMITTEE CHAIR	1.00	X						0.	0.	0.
(8) HUMBERTO CABANAS MARKETING TASK FORCE/VICE CHAIRPERSON	1.00	X		X				0.	0.	0.
(9) CANDICE B. GIDNEY BYLAWS SPECIAL COMMITTEE C	1.00	X						0.	0.	0.
(10) CLAUDIA PUIG DIRECTOR	1.00	X						0.	0.	0.
(11) LOURDES C. BALEPOGI DIRECTOR	1.00	X						0.	0.	0.
(12) KENNETH M. BLOOM DIRECTOR	1.00	X						0.	0.	0.
(13) JOHN M. BUSSEL DIRECTOR	1.00	X						0.	0.	0.
(14) CARLOS A. DUART DIRECTOR	1.00	X						0.	0.	0.
(15) MARIA R. DEL BUSTO DIRECTOR	1.00	X						0.	0.	0.
(16) JUAN R. FIGUEROA DIRECTOR	1.00	X						0.	0.	0.
(17) KENNETH G. FURTON EX-OFFICIO	1.00 40.00	X						0.	423,405.	46,813.

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**Part VII** Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) FRANCISCO GONZALEZ DIRECTOR	1.00	X						0.	0.	0.
(19) NOEL J. GUILLAMA-ALVAREZ DIRECTOR	1.00	X						0.	0.	0.
(20) EDUARDO HONDAL EX-OFFICIO	1.00	X						0.	0.	0.
(21) MELVIN KIRK DIRECTOR	1.00	X						0.	0.	0.
(22) ALBERT LORENZO DIRECTOR	1.00	X						0.	0.	0.
(23) JUAN J. MARTINEZ DIRECTOR	1.00	X						0.	0.	0.
(24) ALLHAN MEJIA DIRECTOR	1.00	X						0.	0.	0.
(25) ESTHER L. MORENO DIRECTOR	1.00	X						0.	0.	0.
(26) CHAD MOSS DIRECTOR	1.00	X						0.	0.	0.
<b>1b Sub-total</b> .....								0.	423,405.	46,813.
<b>c Total from continuation sheets to Part VII, Section A</b> .....								0.	613,786.	81,695.
<b>d Total (add lines 1b and 1c)</b> .....								0.	1,037,191.	128,508.

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization 0

	Yes	No
<b>3</b> Did the organization list any <b>former</b> officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual .....	3	X
<b>4</b> For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual .....	4	X
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person .....	5	X

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
CAMBRIDGE ASSOCIATES, LLC, 4100 N. FAIRFAX DRIVE, SUITE 1300, ARLINGTON, VA 22203	INVESTMENT OFFICER	730,780.
RARE SPECIES CONSERVATORY FOUNDATION, INC. 1222 EAST ROAD, LOXAHATCHEE, FL 33470	SPONSORED RESEARCH	300,000.
ARAMARK EDUCATIONAL SERVICES, INC. 11200 SW 8TH STREET DC 104, MIAMI, FL 33199	CATERING	284,610.
THE DOUG WILLIAMS GROUP, INC., 7241 SW 168TH STREET, SUITE B, PALMETTO BAY, FL	PROFESSIONAL SERVICES	173,621.

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization 4

**SEE PART VII, SECTION A CONTINUATION SHEETS**

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**Part VII** Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(27) MARIO MURGADO DIRECTOR	1.00	X						0.	0.	0.
(28) MARCEL NAVARRO DIRECTOR	1.00	X						0.	0.	0.
(29) STACEY J. ODDMAN DIRECTOR	1.00	X						0.	0.	0.
(30) JONATHAN E. PERLMAN DIRECTOR	1.00	X						0.	0.	0.
(31) T. GENE PRESCOTT DIRECTOR	1.00	X						0.	0.	0.
(32) JOERG REINHOLD EX-OFFICIO	1.00 40.00	X						0.	114,832.	16,674.
(33) ORLANDO ROCHE DIRECTOR	1.00	X						0.	0.	0.
(34) JORGE ROSSELL DIRECTOR	1.00	X						0.	0.	0.
(35) ALBERT SANTALO DIRECTOR	1.00	X						0.	0.	0.
(36) WASIM J. SHOMAR MEMBERSHIP & BOARD MGMT. COMMITTEE C	1.00	X						0.	0.	0.
(37) ELLIOT STONE DIRECTOR	1.00	X						0.	0.	0.
(38) OSCAR J. SUAREZ DIRECTOR	1.00	X						0.	0.	0.
(39) ALBERT R. TANO DIRECTOR	1.00	X						0.	0.	0.
(40) ANDRE L. TEIXEIRA TREASURER/FINANCE SUBCOMMITTEE	1.00	X		X				0.	0.	0.
(41) JOSE J. VALDES-FAULI DIRECTOR	1.00	X						0.	0.	0.
(42) JORGE R. VILLACAMPA DIRECTOR	1.00	X						0.	0.	0.
(43) GERALD A.R. WRIGHT DIRECTOR	1.00	X						0.	0.	0.
(44) SANFORD L. ZIFF DIRECTOR	1.00	X						0.	0.	0.
(45) STEWART APPELROUTH DIRECTOR	1.00	X						0.	0.	0.
(46) TRISH AND DAN BELL DIRECTOR	1.00	X						0.	0.	0.
Total to Part VII, Section A, line 1c										

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**Part VII** Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(47) LEONARDO COSIO EX-OFFICIO	1.00	X						0.	0.	0.
(48) MICHAEL A. KAPPITT DIRECTOR	1.00	X						0.	0.	0.
(49) MELISSA TAPANES LLAHUES EX-OFFICIO	1.00	X						0.	0.	0.
(50) JORGE MUNILLA DIRECTOR	1.00	X						0.	0.	0.
(51) RANDY B. ROBERTSON DIRECTOR	1.00	X						0.	0.	0.
(52) HOWARD R. LIPMAN CEO	40.00			X				0.	371,571.	39,235.
(53) MILAGROS GARCIA-CHICA CONTROLLER	40.00				X			0.	127,383.	25,786.
Total to Part VII, Section A, line 1c									613,786.	81,695.

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**Part VIII Statement of Revenue**

Check if Schedule O contains a response or note to any line in this Part VIII ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1 a</b> Federated campaigns	<b>1a</b>				
	<b>b</b> Membership dues	<b>1b</b>	360,092.			
	<b>c</b> Fundraising events	<b>1c</b>	244,088.			
	<b>d</b> Related organizations	<b>1d</b>				
	<b>e</b> Government grants (contributions)	<b>1e</b>				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>	26,997,782.			
	<b>g</b> Noncash contributions included in lines 1a-1f: \$		118,570.			
	<b>h Total.</b> Add lines 1a-1f		27,601,962.			
<b>Program Service Revenue</b>	<b>2 a</b> _____ <b>Business Code</b> _____					
	<b>b</b> _____					
	<b>c</b> _____					
	<b>d</b> _____					
	<b>e</b> _____					
	<b>f</b> All other program service revenue					
	<b>g Total.</b> Add lines 2a-2f					
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts)		1,084,190.		-21,251.	1,105,441.
	<b>4</b> Income from investment of tax-exempt bond proceeds					
	<b>5</b> Royalties		85,105.			85,105.
	<b>6 a</b> Gross rents	(i) Real	2,196,020.			
		(ii) Personal				
		<b>b</b> Less: rental expenses	1,445,596.			
		<b>c</b> Rental income or (loss)	750,424.			
	<b>d</b> Net rental income or (loss)		750,424.			750,424.
	<b>7 a</b> Gross amount from sales of assets other than inventory	(i) Securities	110,102,724.			
		(ii) Other	1,800,000.			
		<b>b</b> Less: cost or other basis and sales expenses	104,453,349.	1,240,312.		
		<b>c</b> Gain or (loss)	5,649,375.	559,688.		
	<b>d</b> Net gain or (loss)		6,209,063.			6,209,063.
	<b>8 a</b> Gross income from fundraising events (not including \$ 244,088. of contributions reported on line 1c). See Part IV, line 18	<b>a</b>	126,007.			
		<b>b</b> Less: direct expenses	326,214.			
		<b>c</b> Net income or (loss) from fundraising events	-200,207.			-200,207.
	<b>9 a</b> Gross income from gaming activities. See Part IV, line 19	<b>a</b>				
		<b>b</b> Less: direct expenses				
		<b>c</b> Net income or (loss) from gaming activities				
	<b>10 a</b> Gross sales of inventory, less returns and allowances	<b>a</b>				
<b>b</b> Less: cost of goods sold						
<b>c</b> Net income or (loss) from sales of inventory						
<b>Miscellaneous Revenue</b>		<b>Business Code</b>				
<b>11 a</b> STORE REVENUE	453000	53,830.	53,830.			
<b>b</b> ADMISSION	711210	24,622.	24,622.			
<b>c</b> MISCELLANEOUS	900099	14,545.	14,545.			
<b>d</b> All other revenue	900099	13,921.	13,921.			
<b>e Total.</b> Add lines 11a-11d			106,918.			
<b>12 Total revenue.</b> See instructions.			35,637,455.	106,918.	-21,251.	7,949,826.

**FLORIDA INTERNATIONAL UNIVERSITY  
FOUNDATION INC**

Form 990 (2016)

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**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX ☐

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
<b>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</b>				
<b>1</b> Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	23,077,236.	23,077,236.		
<b>2</b> Grants and other assistance to domestic individuals. See Part IV, line 22				
<b>3</b> Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
<b>4</b> Benefits paid to or for members				
<b>5</b> Compensation of current officers, directors, trustees, and key employees				
<b>6</b> Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
<b>7</b> Other salaries and wages				
<b>8</b> Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
<b>9</b> Other employee benefits				
<b>10</b> Payroll taxes				
<b>11</b> Fees for services (non-employees):				
<b>a</b> Management				
<b>b</b> Legal				
<b>c</b> Accounting	78,000.		78,000.	
<b>d</b> Lobbying	301,575.		301,575.	
<b>e</b> Professional fundraising services. See Part IV, line 17	23,437.			23,437.
<b>f</b> Investment management fees	730,780.		730,780.	
<b>g</b> Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	52,775.		52,775.	
<b>12</b> Advertising and promotion				
<b>13</b> Office expenses				
<b>14</b> Information technology				
<b>15</b> Royalties				
<b>16</b> Occupancy	304,930.		304,930.	
<b>17</b> Travel				
<b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials				
<b>19</b> Conferences, conventions, and meetings				
<b>20</b> Interest				
<b>21</b> Payments to affiliates				
<b>22</b> Depreciation, depletion, and amortization				
<b>23</b> Insurance	48,199.	48,199.		
<b>24</b> Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
<b>a CAPITAL CAMPAIGN</b>	3,431,797.			3,431,797.
<b>b ADVANCEMENT OPERATIONS</b>	887,684.			887,684.
<b>c FIU PRESIDENT'S EXPENS</b>	708,176.		708,176.	
<b>d BUSINESS OFFICE OPERATI</b>	332,616.		332,616.	
<b>e</b> All other expenses	241,379.		241,379.	
<b>25 Total functional expenses.</b> Add lines 1 through 24e	30,218,584.	23,125,435.	2,750,231.	4,342,918.
<b>26 Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here ☐ if following SOP 98-2 (ASC 958-720)



**FLORIDA INTERNATIONAL UNIVERSITY  
FOUNDATION INC**

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**Part X Balance Sheet**

Check if Schedule O contains a response or note to any line in this Part X ☐

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing .....	8,312,584.	<b>1</b>	23,196,003.
	<b>2</b> Savings and temporary cash investments .....		<b>2</b>	
	<b>3</b> Pledges and grants receivable, net .....	79,648,946.	<b>3</b>	70,073,417.
	<b>4</b> Accounts receivable, net .....		<b>4</b>	
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L .....		<b>5</b>	
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L .....		<b>6</b>	
	<b>7</b> Notes and loans receivable, net .....		<b>7</b>	
	<b>8</b> Inventories for sale or use .....		<b>8</b>	
	<b>9</b> Prepaid expenses and deferred charges .....	176,870.	<b>9</b>	86,140.
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	21,991,715.		
	<b>b</b> Less: accumulated depreciation .....	6,295,257.		
	<b>11</b> Investments - publicly traded securities .....	17,566,435.	<b>10c</b>	15,696,458.
	<b>12</b> Investments - other securities. See Part IV, line 11 .....	53,066,224.	<b>11</b>	49,150,959.
	<b>13</b> Investments - program-related. See Part IV, line 11 .....	176,007,241.	<b>12</b>	200,149,389.
	<b>14</b> Intangible assets .....		<b>13</b>	
	<b>15</b> Other assets. See Part IV, line 11 .....	1,201,187.	<b>14</b>	345,662.
<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	335,979,487.	<b>15</b>	358,698,028.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses .....	417,206.	<b>16</b>	107,497.
	<b>18</b> Grants payable .....		<b>17</b>	
	<b>19</b> Deferred revenue .....	255,000.	<b>18</b>	273,586.
	<b>20</b> Tax-exempt bond liabilities .....		<b>19</b>	
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D .....	62,240.	<b>20</b>	12,400.
	<b>22</b> Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L .....		<b>21</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties .....	5,420,000.	<b>22</b>	4,574,758.
	<b>24</b> Unsecured notes and loans payable to unrelated third parties .....		<b>23</b>	
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D .....	5,321,431.	<b>24</b>	6,657,588.
	<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25 .....	11,475,877.	<b>25</b>	11,625,829.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets .....	26,984,167.	<b>26</b>	32,461,222.
	<b>28</b> Temporarily restricted net assets .....	87,854,851.	<b>27</b>	101,704,424.
	<b>29</b> Permanently restricted net assets .....	209,664,592.	<b>28</b>	212,906,553.
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds .....		<b>29</b>	
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund .....		<b>30</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds .....		<b>31</b>	
	<b>33</b> Total net assets or fund balances .....	324,503,610.	<b>32</b>	347,072,199.
	<b>34</b> Total liabilities and net assets/fund balances .....	335,979,487.	<b>33</b>	358,698,028.

Form **990** (2016)

**FLORIDA INTERNATIONAL UNIVERSITY  
FOUNDATION INC**

Form 990 (2016)

23-7047106 Page **12**

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response or note to any line in this Part XI ☒ **X**

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	35,637,455.
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	30,218,584.
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1	<b>3</b>	5,418,871.
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	324,503,610.
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	23,546,143.
<b>6</b>	Donated services and use of facilities	<b>6</b>	
<b>7</b>	Investment expenses	<b>7</b>	
<b>8</b>	Prior period adjustments	<b>8</b>	
<b>9</b>	Other changes in net assets or fund balances (explain in Schedule O)	<b>9</b>	-6,396,425.
<b>10</b>	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	<b>10</b>	347,072,199.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response or note to any line in this Part XII ☒ **X**

		Yes	No
<b>1</b> Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> <b>Accrual</b> <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
<b>2a</b> Were the organization's financial statements compiled or reviewed by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	<b>2a</b>		<b>X</b>
<b>b</b> Were the organization's financial statements audited by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> <b>Consolidated basis</b> <input type="checkbox"/> Both consolidated and separate basis	<b>2b</b>	<b>X</b>	
<b>c</b> If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? _____ If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	<b>2c</b>	<b>X</b>	
<b>3a</b> As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? _____	<b>3a</b>		<b>X</b>
<b>b</b> If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits _____	<b>3b</b>		

Form **990** (2016)

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Public Charity Status and Public Support**

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.  
▶ Attach to Form 990 or Form 990-EZ.

▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2016**

**Open to Public  
Inspection**

Name of the organization **FLORIDA INTERNATIONAL UNIVERSITY  
FOUNDATION INC**

Employer identification number  
**23-7047106**

**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 ☐ A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E (Form 990 or 990-EZ).)
- 3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: \_\_\_\_\_
- 5 ☒ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 ☐ An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: \_\_\_\_\_
- 10 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 11 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 12 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
- a ☐ **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
- b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
- c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
- d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
- e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.

f Enter the number of supported organizations \_\_\_\_\_

g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
<b>Total</b>						

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....	35,393,002.	18,451,630.	38,955,258.	22,375,097.	27,601,962.	142,776,949.
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....		887,007.	899,905.	897,826.	1,050,859.	3,735,597.
<b>4 Total.</b> Add lines 1 through 3 .....	35,393,002.	19,338,637.	39,855,163.	23,272,923.	28,652,821.	146,512,546.
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) .....						16,649,574.
<b>6 Public support.</b> Subtract line 5 from line 4.						129,862,972.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
<b>7</b> Amounts from line 4 .....	35,393,002.	19,338,637.	39,855,163.	23,272,923.	28,652,821.	146,512,546.
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....	5,383,537.	4,672,707.	3,556,362.	4,761,626.	2,634,535.	21,008,767.
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on .....						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>11 Total support.</b> Add lines 7 through 10 .....						167,521,313.
<b>12</b> Gross receipts from related activities, etc. (see instructions) .....					12	830,339.
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> .....						

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2016 (line 6, column (f) divided by line 11, column (f)) .....	<b>14</b>	77.52 %
<b>15</b> Public support percentage from 2015 Schedule A, Part II, line 14 .....	<b>15</b>	74.70 %
<b>16a 33 1/3% support test - 2016.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		
		<input checked="" type="checkbox"/>
<b>b 33 1/3% support test - 2015.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		
		<input type="checkbox"/>
<b>17a 10% -facts-and-circumstances test - 2016.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....		
		<input type="checkbox"/>
<b>b 10% -facts-and-circumstances test - 2015.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....		
		<input type="checkbox"/>
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions .....		
		<input type="checkbox"/>

Schedule A (Form 990 or 990-EZ) 2016

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose .....						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 .....						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>6 Total.</b> Add lines 1 through 5 .....						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons .....						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year .....						
<b>c</b> Add lines 7a and 7b .....						
<b>8 Public support.</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
<b>9</b> Amounts from line 6 .....						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....						
<b>c</b> Add lines 10a and 10b .....						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)						
<b>14 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> .....						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2016 (line 8, column (f) divided by line 13, column (f)) .....	<b>15</b>	%
<b>16</b> Public support percentage from 2015 Schedule A, Part III, line 15 .....	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2016 (line 10c, column (f) divided by line 13, column (f)) .....	<b>17</b>	%
<b>18</b> Investment income percentage from 2015 Schedule A, Part III, line 17 .....	<b>18</b>	%

**19a 33 1/3% support tests - 2016.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization .....

☐

**b 33 1/3% support tests - 2015.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization .....

☐

**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions .....

☐

**Part IV Supporting Organizations**

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

**Section A. All Supporting Organizations**

	Yes	No
<b>1</b> Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
<b>2</b> Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
<b>3a</b> Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		
<b>b</b> Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
<b>c</b> Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
<b>4a</b> Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>		
<b>b</b> Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
<b>c</b> Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
<b>5a</b> Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
<b>b Type I or Type II only.</b> Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
<b>c Substitutions only.</b> Was the substitution the result of an event beyond the organization's control?		
<b>6</b> Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
<b>7</b> Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
<b>8</b> Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
<b>9a</b> Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
<b>b</b> Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
<b>c</b> Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
<b>10a</b> Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer 10b below.</i>		
<b>b</b> Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

**Part IV** Supporting Organizations (continued)

	Yes	No
<b>11</b> Has the organization accepted a gift or contribution from any of the following persons?		
<b>a</b> A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
<b>11a</b>		
<b>b</b> A family member of a person described in (a) above?		
<b>11b</b>		
<b>c</b> A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in <b>Part VI</b> .		
<b>11c</b>		

**Section B. Type I Supporting Organizations**

	Yes	No
<b>1</b> Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? If "No," describe in <b>Part VI</b> how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.		
<b>1</b>		
<b>2</b> Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in <b>Part VI</b> how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.		
<b>2</b>		

**Section C. Type II Supporting Organizations**

	Yes	No
<b>1</b> Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in <b>Part VI</b> how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).		
<b>1</b>		

**Section D. All Type III Supporting Organizations**

	Yes	No
<b>1</b> Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
<b>1</b>		
<b>2</b> Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in <b>Part VI</b> how the organization maintained a close and continuous working relationship with the supported organization(s).		
<b>2</b>		
<b>3</b> By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in <b>Part VI</b> the role the organization's supported organizations played in this regard.		
<b>3</b>		

**Section E. Type III Functionally Integrated Supporting Organizations**

<b>1</b> Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).			
<b>a</b> <input type="checkbox"/> The organization satisfied the Activities Test. Complete <b>line 2</b> below.			
<b>b</b> <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete <b>line 3</b> below.			
<b>c</b> <input type="checkbox"/> The organization supported a governmental entity. Describe in <b>Part VI</b> how you supported a government entity (see instructions).			
<b>2</b> Activities Test. Answer (a) and (b) below.			
<b>a</b> Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in <b>Part VI</b> identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.			
<b>2a</b>			
<b>b</b> Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in <b>Part VI</b> the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.			
<b>2b</b>			
<b>3</b> Parent of Supported Organizations. Answer (a) and (b) below.			
<b>a</b> Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in <b>Part VI</b> .			
<b>3a</b>			
<b>b</b> Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in <b>Part VI</b> the role played by the organization in this regard.			
<b>3b</b>			

**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations**

- 1 ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI.) **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	<b>Adjusted Net Income</b> (subtract lines 5, 6, and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	<b>Total</b> (add lines 1a, 1b, and 1c)	1d	
e	<b>Discount</b> claimed for blockage or other factors (explain in detail in <b>Part VI</b> ):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035	6	
7	Recoveries of prior-year distributions	7	
8	<b>Minimum Asset Amount</b> (add line 7 to line 6)	8	

Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	<b>Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

Schedule A (Form 990 or 990-EZ) 2016



**Part V** Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions	Current Year
<b>1</b> Amounts paid to supported organizations to accomplish exempt purposes	
<b>2</b> Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
<b>3</b> Administrative expenses paid to accomplish exempt purposes of supported organizations	
<b>4</b> Amounts paid to acquire exempt-use assets	
<b>5</b> Qualified set-aside amounts (prior IRS approval required)	
<b>6</b> Other distributions (describe in <b>Part VI</b> ). See instructions	
<b>7 Total annual distributions.</b> Add lines 1 through 6	
<b>8</b> Distributions to attentive supported organizations to which the organization is responsive (provide details in <b>Part VI</b> ). See instructions	
<b>9</b> Distributable amount for 2016 from Section C, line 6	
<b>10</b> Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2016	(iii) Distributable Amount for 2016
<b>1</b> Distributable amount for 2016 from Section C, line 6			
<b>2</b> Underdistributions, if any, for years prior to 2016 (reasonable cause required- explain in Part VI). See instructions			
<b>3</b> Excess distributions carryover, if any, to 2016:			
<b>a</b>			
<b>b</b>			
<b>c</b> From 2013			
<b>d</b> From 2014			
<b>e</b> From 2015			
<b>f Total</b> of lines 3a through e			
<b>g</b> Applied to underdistributions of prior years			
<b>h</b> Applied to 2016 distributable amount			
<b>i</b> Carryover from 2011 not applied (see instructions)			
<b>j</b> Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
<b>4</b> Distributions for 2016 from Section D, line 7: \$			
<b>a</b> Applied to underdistributions of prior years			
<b>b</b> Applied to 2016 distributable amount			
<b>c</b> Remainder. Subtract lines 4a and 4b from 4			
<b>5</b> Remaining underdistributions for years prior to 2016, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI. See instructions			
<b>6</b> Remaining underdistributions for 2016. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions			
<b>7 Excess distributions carryover to 2017.</b> Add lines 3j and 4c			
<b>8</b> Breakdown of line 7:			
<b>a</b>			
<b>b</b> Excess from 2013			
<b>c</b> Excess from 2014			
<b>d</b> Excess from 2015			
<b>e</b> Excess from 2016			

Schedule A (Form 990 or 990-EZ) 2016

SCHEDULE C  
(Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No. 1545-0047

2016

Open to Public  
Inspection

Department of the Treasury  
Internal Revenue Service

For Organizations Exempt From Income Tax Under section 501(c) and section 527  
▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**  
▶ **Information about Schedule C (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**

**If the organization answered "Yes," on Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then**

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

**If the organization answered "Yes," on Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then**

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

**If the organization answered "Yes," on Form 990, Part IV, line 5 (Proxy Tax) (see separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (see separate instructions), then**

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization <b>FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION INC</b>	Employer identification number <b>23-7047106</b>
--	---

**Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.**

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.

2 Political campaign activity expenditures ..... ▶ \$ \_\_\_\_\_

3 Volunteer hours for political campaign activities ..... \_\_\_\_\_

**Part I-B Complete if the organization is exempt under section 501(c)(3).**

1 Enter the amount of any excise tax incurred by the organization under section 4955 ..... ▶ \$ \_\_\_\_\_

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ..... ▶ \$ \_\_\_\_\_

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ..... ☐ Yes ☐ No

4a Was a correction made? ..... ☐ Yes ☐ No

b If "Yes," describe in Part IV.

**Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).**

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ..... ▶ \$ \_\_\_\_\_

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ..... ▶ \$ \_\_\_\_\_

3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ..... ▶ \$ \_\_\_\_\_

4 Did the filing organization file **Form 1120-POL** for this year? ..... ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule C (Form 990 or 990-EZ) 2016

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**Part II-A** Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

**A** Check ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).

**B** Check ☐ if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
<b>1a</b> Total lobbying expenditures to influence public opinion (grass roots lobbying)															
<b>b</b> Total lobbying expenditures to influence a legislative body (direct lobbying)		301,575.													
<b>c</b> Total lobbying expenditures (add lines 1a and 1b)		301,575.													
<b>d</b> Other exempt purpose expenditures		23,125,435.													
<b>e</b> Total exempt purpose expenditures (add lines 1c and 1d)		23,427,010.													
<b>f</b> Lobbying nontaxable amount. Enter the amount from the following table in both columns.		1,000,000.													
<table border="1"> <thead> <tr> <th>If the amount on line 1e, column (a) or (b) is:</th> <th>The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>	If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.			
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e.														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.														
Over \$17,000,000	\$1,000,000.														
<b>g</b> Grassroots nontaxable amount (enter 25% of line 1f)		250,000.													
<b>h</b> Subtract line 1g from line 1a. If zero or less, enter -0-		0.													
<b>i</b> Subtract line 1f from line 1c. If zero or less, enter -0-		0.													
<b>j</b> If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No													

**4-Year Averaging Period Under section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.

See the separate instructions for lines 2a through 2f.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) Total
<b>2a</b> Lobbying nontaxable amount	1,000,000.	1,000,000.	1,000,000.	1,000,000.	4,000,000.
<b>b</b> Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000.
<b>c</b> Total lobbying expenditures	281,496.	961,926.	289,646.	301,575.	1,834,643.
<b>d</b> Grassroots nontaxable amount	250,000.	250,000.	250,000.	250,000.	1,000,000.
<b>e</b> Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000.
<b>f</b> Grassroots lobbying expenditures					

Schedule C (Form 990 or 990-EZ) 2016



**SCHEDULE D**  
(Form 990)

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.**

▶ **Attach to Form 990.**

▶ **Information about Schedule D (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**

OMB No. 1545-0047

**2016**

Open to Public  
Inspection

Name of the organization **FLORIDA INTERNATIONAL UNIVERSITY  
FOUNDATION INC**

Employer identification number  
**23-7047106**

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year .....		
2 Aggregate value of contributions to (during year) .....		
3 Aggregate value of grants from (during year) .....		
4 Aggregate value at end of year .....		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No

**Part II Conservation Easements.** Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).  
☐ Preservation of land for public use (e.g., recreation or education) ☐ Preservation of a historically important land area  
☐ Protection of natural habitat ☐ Preservation of a certified historic structure  
☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements .....	2a
b Total acreage restricted by conservation easements .....	2b
c Number of conservation easements on a certified historic structure included in (a) .....	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register .....	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ .....

4 Number of states where property subject to conservation easement is located ▶ .....

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? .....

☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ .....

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$ .....

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? .....

☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1 .....

▶ \$ .....

(ii) Assets included in Form 990, Part X .....

▶ \$ .....

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenue included on Form 990, Part VIII, line 1 .....

▶ \$ .....

b Assets included in Form 990, Part X .....

▶ \$ .....

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)**3** Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items

(check all that apply):

- a** ☐ Public exhibition **d** ☐ Loan or exchange programs  
**b** ☐ Scholarly research **e** ☐ Other \_\_\_\_\_  
**c** ☐ Preservation for future generations

**4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.**5** During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assetsto be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☒ No**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.**1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☒ No**b** If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
<b>c</b> Beginning balance	<b>1c</b>
<b>d</b> Additions during the year	<b>1d</b>
<b>e</b> Distributions during the year	<b>1e</b>
<b>f</b> Ending balance	<b>1f</b>

**2a** Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☒ Yes ☐ No**b** If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII ☒**Part V Endowment Funds.** Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
<b>1a</b> Beginning of year balance	222,945,763.	230,954,396.	228,419,576.	202,704,359.	183,227,941.
<b>b</b> Contributions	6,978,900.	5,196,014.	7,252,071.	5,273,351.	12,588,553.
<b>c</b> Net investment earnings, gains, and losses	22,209,081.	-3,993,652.	4,520,871.	28,497,041.	15,941,955.
<b>d</b> Grants or scholarships					
<b>e</b> Other expenditures for facilities and programs	11,538,245.	9,210,995.	9,238,122.	8,055,175.	9,054,090.
<b>f</b> Administrative expenses					
<b>g</b> End of year balance	240,595,499.	222,945,763.	230,954,396.	228,419,576.	202,704,359.

**2** Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:**a** Board designated or quasi-endowment ☒ \_\_\_\_\_ %**b** Permanent endowment ☒ 88.50 %**c** Temporarily restricted endowment ☒ 11.50 %

The percentages on lines 2a, 2b, and 2c should equal 100%.

**3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
<b>(i)</b> unrelated organizations	<b>3a(i)</b>	<input checked="" type="checkbox"/>
<b>(ii)</b> related organizations	<b>3a(ii)</b>	<input checked="" type="checkbox"/>

**b** If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? **3b****4** Describe in Part XIII the intended uses of the organization's endowment funds.**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
<b>1a</b> Land				
<b>b</b> Buildings		21,003,519.	5,873,073.	15,130,446.
<b>c</b> Leasehold improvements				
<b>d</b> Equipment		926,465.	422,184.	504,281.
<b>e</b> Other		61,731.		61,731.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				15,696,458.

Schedule D (Form 990) 2016

**Part VII Investments - Other Securities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives .....		
(2) Closely-held equity interests .....		
(3) Other .....		
(A) INTERNATIONAL EQUITY		
(B) SECURITY	73,741,982.	END-OF-YEAR MARKET VALUE
(C) CORPORATE BONDS	32,907,800.	END-OF-YEAR MARKET VALUE
(D) LIMITED PARTNERSHIPS	93,499,607.	END-OF-YEAR MARKET VALUE
(E)		
(F)		
(G)		
(H)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶	200,149,389.	

**Part VIII Investments - Program Related.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

**Part IX Other Assets.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

**Part X Other Liabilities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value	
(1) Federal income taxes		
(2) DUE TO FLORIDA INTERNATIONAL		
(3) UNIVERSITY	2,206,451.	
(4) SPLIT INTEREST OBLIGATION	746,137.	
(5) FUNDS HELD FOR OTHERS	3,610,000.	
(6) DUE TO FIU ATHLETICS FINANCE		
(7) CORPORATION	95,000.	
(8)		
(9)		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	6,657,588.	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII ☒

**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

<b>1</b>	Total revenue, gains, and other support per audited financial statements .....	<b>1</b>	62,984,787.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
<b>a</b>	Net unrealized gains (losses) on investments .....	<b>2a</b>	23,546,143.
<b>b</b>	Donated services and use of facilities .....	<b>2b</b>	1,050,859.
<b>c</b>	Recoveries of prior year grants .....	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII.) .....	<b>2d</b>	2,373,002.
<b>e</b>	Add lines <b>2a</b> through <b>2d</b> .....	<b>2e</b>	26,970,004.
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b> .....	<b>3</b>	36,014,783.
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b .....	<b>4a</b>	730,780.
<b>b</b>	Other (Describe in Part XIII.) .....	<b>4b</b>	-1,108,108.
<b>c</b>	Add lines <b>4a</b> and <b>4b</b> .....	<b>4c</b>	-377,328.
<b>5</b>	Total revenue. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12.) .....	<b>5</b>	35,637,455.

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

<b>1</b>	Total expenses and losses per audited financial statements .....	<b>1</b>	34,600,137.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
<b>a</b>	Donated services and use of facilities .....	<b>2a</b>	1,050,859.
<b>b</b>	Prior year adjustments .....	<b>2b</b>	
<b>c</b>	Other losses .....	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII.) .....	<b>2d</b>	4,061,474.
<b>e</b>	Add lines <b>2a</b> through <b>2d</b> .....	<b>2e</b>	5,112,333.
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b> .....	<b>3</b>	29,487,804.
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b .....	<b>4a</b>	730,780.
<b>b</b>	Other (Describe in Part XIII.) .....	<b>4b</b>	
<b>c</b>	Add lines <b>4a</b> and <b>4b</b> .....	<b>4c</b>	730,780.
<b>5</b>	Total expenses. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18.) .....	<b>5</b>	30,218,584.

**Part XIII Supplemental Information.**

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

**PART IV, LINE 2B:**

THE FOUNDATION HOLDS FUNDS DEPOSITED FOR MANAGEMENT ON BEHALF OF A FAMILY FOUNDATION IN THE AMOUNT OF \$12,400.

**PART V, LINE 4:**

THE FOUNDATION'S ENDOWMENT CONSISTS OF DONATIONS RECEIVED BY THE FOUNDATION IN WHICH THE DONOR HAS FORMALLY INDICATED THAT THE FUNDS MUST BE HELD AND INVESTED IN PERPETUITY. EARNINGS DERIVED FROM THE INVESTED ENDOWED FUNDS ARE AVAILABLE FOR SPENDING BASED ON THE DONOR'S EXPLICIT INTENT.

**PART X, LINE 2:**



**Part XIII** Supplemental Information (continued)

ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA REQUIRE MANAGEMENT TO EVALUATE TAX POSITIONS TAKEN AND RECOGNIZE A TAX LIABILITY (OR ASSET) IF THE ORGANIZATION HAS TAKEN AN UNCERTAIN POSITION THAT MORE LIKELY THAN NOT WOULD NOT BE SUSTAINED UPON EXAMINATION BY TAXING AUTHORITIES. MANAGEMENT HAS ANALYZED THE TAX POSITIONS TAKEN AND HAS CONCLUDED THAT AS OF JUNE 30, 2017, THERE ARE NO UNCERTAIN POSITIONS TAKEN OR EXPECTED TO BE TAKEN THAT WOULD REQUIRE RECOGNITION OF A LIABILITY (OR ASSET) OR DISCLOSURE IN THE CONSOLIDATED FINANCIAL STATEMENTS.

## PART XI, LINE 2D - OTHER ADJUSTMENTS:

ADMINISTRATIVE FEE	2,373,002.
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## PART XI, LINE 4B - OTHER ADJUSTMENTS:

RENTAL EXPENSES REPORTED ON 990 PART VIII	-1,445,596.
SPECIAL EVENT EXPENSES REPORTED ON 990 PART VIII	-326,214.
SPECIAL EVENT DIRECT DONOR BENEFITS	104,013.
GAIN ON SALE OF FIXED ASSETS REPORTED ON 990 PART VIII	559,688.
ROUNDING	1.
TOTAL TO SCHEDULE D, PART XI, LINE 4B	-1,108,108.

## PART XII, LINE 2D - OTHER ADJUSTMENTS:

ADMINISTRATIVE FEE	2,373,002.
EXPENSES FROM RELATED ORGANIZATION (REPORTED ON CONSOLIDATED FS)	20,676.
RENTAL EXPENSE REPORTED ON 990 PART VIII	1,445,596.
SPECIAL EVENT EXPENSES REPORTED ON 990 PART VIII	326,214.
SPECIAL EVENT DIRECT DONOR BENEFITS	-104,013.

**Part XIII** Supplemental Information *(continued)*

ROUNDING -1.

TOTAL TO SCHEDULE D, PART XII, LINE 2D 4,061,474.

Empty lines for supplemental information.

**SCHEDULE F  
(Form 990)**Department of the Treasury  
Internal Revenue Service**Statement of Activities Outside the United States**

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 14b, 15, or 16.

▶ Attach to Form 990.

▶ Information about Schedule F (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2016****Open to Public  
Inspection**

Name of the organization

**FLORIDA INTERNATIONAL UNIVERSITY  
FOUNDATION INC**

Employer identification number

**23-7047106****Part I** **General Information on Activities Outside the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 14b.

- 1 For grantmakers.** Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ..... ☐ Yes ☐ No
- 2 For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.
- 3 Activities per Region.** (The following Part I, line 3 table can be duplicated if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in the region	(d) Activities conducted in the region (by type) (such as, fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in the region	(f) Total expenditures for and investments in the region
CENTRAL AMERICA AND THE CARIBBEAN - ANTIGUA & BARBUDA, ARUBA, BAHAMAS,	0	0	INVESTMENTS	N/A	105,378,092.
<b>3 a</b> Sub-total .....	0	0			105,378,092.
<b>b</b> Total from continuation sheets to Part I .....	0	0			0.
<b>c Totals</b> (add lines 3a and 3b) .....	0	0			105,378,092.

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule F (Form 990) 2016

**Part II** **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Part II can be duplicated if additional space is needed.

<b>1</b> <b>(a)</b> Name of organization	<b>(b)</b> IRS code section and EIN (if applicable)	<b>(c)</b> Region	<b>(d)</b> Purpose of grant	<b>(e)</b> Amount of cash grant	<b>(f)</b> Manner of cash disbursement	<b>(g)</b> Amount of noncash assistance	<b>(h)</b> Description of noncash assistance	<b>(i)</b> Method of valuation (book, FMV, appraisal, other)

- 2** Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter ▶ \_\_\_\_\_
- 3** Enter total number of other organizations or entities ▶ \_\_\_\_\_

Part III can be duplicated if additional space is needed.

[illegible]

**Part IV Foreign Forms**

- 1** Was the organization a U.S. transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)* ..... ☒ Yes ☐ No
- 2** Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to separately file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A; do not file with Form 990)* ..... ☐ Yes ☒ No
- 3** Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations (see Instructions for Form 5471)* ..... ☒ Yes ☐ No
- 4** Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund (see Instructions for Form 8621)* ..... ☒ Yes ☐ No
- 5** Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships (see Instructions for Form 8865)* ..... ☒ Yes ☐ No
- 6** Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to separately file Form 5713, International Boycott Report (see Instructions for Form 5713; do not file with Form 990)* ..... ☐ Yes ☒ No

Schedule F (Form 990) 2016

<b>Part V</b>	<b>Supplemental Information</b>
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Provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information. See instructions.





## FLORIDA INTERNATIONAL UNIVERSITY

Schedule G (Form 990 or 990-EZ) 2016 FOUNDATION INC

23-7047106 Page 2

**Part II Fundraising Events.** Complete if the organization answered "Yes" on Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col. (a) through col. (c))
		TORCH AWARDS (event type)	PURIM GALA (event type)	1 (total number)	
Revenue	1 Gross receipts .....	290,808.	42,979.	36,308.	370,095.
	2 Less: Contributions .....	189,044.	27,604.	27,440.	244,088.
	3 Gross income (line 1 minus line 2) .....	101,764.	15,375.	8,868.	126,007.
Direct Expenses	4 Cash prizes .....				
	5 Noncash prizes .....				
	6 Rent/facility costs .....	99,346.		5,000.	104,346.
	7 Food and beverages .....	3,860.	21,753.	3,262.	28,875.
	8 Entertainment .....	102,905.	7,523.		110,428.
	9 Other direct expenses .....	67,435.	2,910.	12,220.	82,565.
	10 Direct expense summary. Add lines 4 through 9 in column (d) .....				326,214.
	11 Net income summary. Subtract line 10 from line 3, column (d) .....				-200,207.

**Part III Gaming.** Complete if the organization answered "Yes" on Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue .....				
	2 Cash prizes .....				
Direct Expenses	3 Noncash prizes .....				
	4 Rent/facility costs .....				
	5 Other direct expenses .....				
	6 Volunteer labor .....	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
	7 Direct expense summary. Add lines 2 through 5 in column (d) .....				
	8 Net gaming income summary. Subtract line 7 from line 1, column (d) .....				

9 Enter the state(s) in which the organization conducts gaming activities: \_\_\_\_\_

a Is the organization licensed to conduct gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain: \_\_\_\_\_

10a Were any of the organization's gaming licenses revoked, suspended, or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain: \_\_\_\_\_

- 11 Does the organization conduct gaming activities with nonmembers? ☐ Yes ☐ No
- 12 Is the organization a grantor, beneficiary or trustee of a trust, or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No
- 13 Indicate the percentage of gaming activity conducted in:
- |                               |     |   |
|-------------------------------|-----|---|
| a The organization's facility | 13a | % |
| b An outside facility         | 13b | % |
- 14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ► \_\_\_\_\_

Address ► \_\_\_\_\_

- 15a Does the organization have a contract with a third party from whom the organization receives gaming revenue?
- ☐
- Yes
- ☐
- No

- b If "Yes," enter the amount of gaming revenue received by the organization ► \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party ► \$ \_\_\_\_\_

- c If "Yes," enter name and address of the third party:

Name ► \_\_\_\_\_

Address ► \_\_\_\_\_

- 16 Gaming manager information:

Name ► \_\_\_\_\_

Gaming manager compensation ► \$ \_\_\_\_\_

Description of services provided ► \_\_\_\_\_

☐ Director/officer ☐ Employee ☐ Independent contractor

- 17 Mandatory distributions:

- a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No

- b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ► \$ \_\_\_\_\_

**Part IV** **Supplemental Information.** Provide the explanations required by Part I, line 2b, columns (iii) and (v); and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also provide any additional information. See instructions

SCHEDULE G, PART I, LINE 2B, LIST OF TEN HIGHEST PAID FUNDRAISERS:

(I) NAME OF FUNDRAISER: DIRECTLINE TECHNOLOGIES, INC.

(I) ADDRESS OF FUNDRAISER: 1600 N CARPENTER ROAD, MODESTO, CA 95351

<b>Part IV</b>	<b>Supplemental Information</b> <i>(continued)</i>
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**SCHEDULE I  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Grants and Other Assistance to Organizations,  
Governments, and Individuals in the United States**

Complete if the organization answered "Yes" on Form 990, Part IV, line 21 or 22.

▶ Attach to Form 990.

▶ Information about Schedule I (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2016**

**Open to Public  
Inspection**

Name of the organization **FLORIDA INTERNATIONAL UNIVERSITY  
FOUNDATION INC**

Employer identification number  
**23-7047106**

**Part I General Information on Grants and Assistance**

- 1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☒ Yes ☐ No
- 2** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

**Part II Grants and Other Assistance to Domestic Organizations and Domestic Governments.** Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

<b>1 (a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC section (if applicable)	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of noncash assistance	<b>(h)</b> Purpose of grant or assistance
COLLEGE OF MEDICINE 11200 SW 8TH STREET MIAMI, FL 33199	65-0177616	115(1)	5,332,677.	0.			UNIVERSITY/STUDENT ASSISTANCE
COLLEGE OF BUSINESS ADMINISTRATION 11200 SW 8TH STREET MIAMI, FL 33199	65-0177616	115(1)	1,562,915.	0.			UNIVERSITY/STUDENT ASSISTANCE
WOLFSONIAN MUSEUM 11200 SW 8TH STREET MIAMI, FL 33199	65-0177616	115(1)	1,747,495.	0.			UNIVERSITY/STUDENT ASSISTANCE
COLLEGE OF ARTS, SCIENCES & EDUCATION - 11200 SW 8TH STREET - MIAMI, FL 33199	65-0177616	115(1)	1,533,288.	0.			UNIVERSITY/STUDENT ASSISTANCE
UNIVERSITY BUILDING PROGRAM 11200 SW 8TH STREET MIAMI, FL 33199	65-0177616	115(1)	315,998.	0.			UNIVERSITY/STUDENT ASSISTANCE
ATHLETICS FUND - GOLDEN PANTHERS 11200 SW 8TH STREET MIAMI, FL 33199	65-0177616	115(1)	1,520,009.	0.			UNIVERSITY/STUDENT ASSISTANCE

- 2** Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ▶ **29.**
- 3** Enter total number of other organizations listed in the line 1 table ▶

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) (2016)

FLORIDA INTERNATIONAL UNIVERSITY

Schedule I (Form 990)

FOUNDATION INC

23-7047106

Page 1

**Part II** Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
UNIVERSITY WIDE SCHOLARSHIPS & PROGRAMS - 11200 SW 8TH STREET - MIAMI, FL 33199	65-0177616	115(1)	1,166,499.	0.			UNIVERSITY/STUDENT ASSISTANCE
SCHOOL OF HOSPITALITY MANAGEMENT 11200 SW 8TH STREET MIAMI, FL 33199	65-0177616	115(1)	991,971.	0.			UNIVERSITY/STUDENT ASSISTANCE
COLLEGE OF ENGINEERING & COMPUTING 11200 SW 8TH STREET MIAMI, FL 33199	65-0177616	115(1)	1,772,839.	0.			UNIVERSITY/STUDENT ASSISTANCE
COLLEGE OF NURSING & HEALTH SCIENCES - 11200 SW 8TH STREET - MIAMI, FL 33199	65-0177616	115(1)	838,059.	0.			UNIVERSITY/STUDENT ASSISTANCE
FROST ART MUSEUM 11200 SW 8TH STREET MIAMI, FL 33199	65-0177616	115(1)	327,899.	0.			UNIVERSITY/STUDENT ASSISTANCE
COLLEGE OF COMMUNICATION, ARCHITECTURE & THE ARTS - 11200 SW 8TH STREET - MIAMI, FL 33199	65-0177616	115(1)	737,075.	0.			UNIVERSITY/STUDENT ASSISTANCE
FIU ALUMNI ASSOCIATION 11200 SW 8TH STREET MIAMI, FL 33199	65-0177616	115(1)	173,236.	0.			UNIVERSITY/STUDENT ASSISTANCE
COLLEGE OF LAW 11200 SW 8TH STREET MIAMI, FL 33199	65-0177616	115(1)	933,141.	0.			UNIVERSITY/STUDENT ASSISTANCE
OFFICE OF ENGAGEMENT 11200 SW 8TH STREET MIAMI, FL 33199	65-0177616	115(1)	76,634.	0.			UNIVERSITY/STUDENT ASSISTANCE

Schedule I (Form 990)

## FLORIDA INTERNATIONAL UNIVERSITY

Schedule I (Form 990)

FOUNDATION INC

23-7047106

Page 1

**Part II** Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
STEMPEL SCHOOL OF PUBLIC HEALTH 11200 SW 8TH STREET MIAMI, FL 33199	65-0177616	115(1)	258,869.	0.			UNIVERSITY/STUDENT ASSISTANCE
ACADEMIC AFFAIRS 11200 SW 8TH STREET MIAMI, FL 33199	65-0177616	115(1)	822,880.	0.			UNIVERSITY/STUDENT ASSISTANCE
SCHOOL OF COMPUTING & INFORMATION 11200 SW 8TH STREET MIAMI, FL 33199	65-0177616	115(1)	388,446.	0.			UNIVERSITY/STUDENT ASSISTANCE
HONORS COLLEGE 11200 SW 8TH STREET MIAMI, FL 33199	65-0177616	115(1)	77,019.	0.			UNIVERSITY/STUDENT ASSISTANCE
FIU LIBRARIES 11200 SW 8TH STREET MIAMI, FL 33199	65-0177616	115(1)	49,645.	0.			UNIVERSITY/STUDENT ASSISTANCE
STUDENT AFFAIRS 11200 SW 8TH STREET MIAMI, FL 33199	65-0177616	115(1)	160,940.	0.			UNIVERSITY/STUDENT ASSISTANCE
EXTERNAL RELATIONS 11200 SW 8TH STREET MIAMI, FL 33199	65-0177616	115(1)	28,194.	0.			UNIVERSITY/STUDENT ASSISTANCE
UNIVERSITY COLLEGE 11200 SW 8TH STREET MIAMI, FL 33199	65-0177616	115(1)	42,491.	0.			UNIVERSITY/STUDENT ASSISTANCE
UNIVERSITY ADVANCEMENT 11200 SW 8TH STREET MIAMI, FL 33199	65-0177616	115(1)	20,703.	0.			UNIVERSITY/STUDENT ASSISTANCE

Schedule I (Form 990)

## FLORIDA INTERNATIONAL UNIVERSITY

Schedule I (Form 990)

FOUNDATION INC

23-7047106

Page 1

**Part II** Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
HUMAN RESOURCES 11200 SW 8TH STREET MIAMI, FL 33199	65-0177616	115(1)	24,790.	0.			UNIVERSITY/STUDENT ASSISTANCE
DIVISION OF RESEARCH 11200 SW 8TH STREET MIAMI, FL 33199	65-0177616	115(1)	755,739.	0.			UNIVERSITY/STUDENT ASSISTANCE
GREEN SCHOOL OF INT'L & PUBLIC AFFAIRS - 11200 SW 8TH STREET - MIAMI, FL 33199	65-0177616	115(1)	544,087.	0.			UNIVERSITY/STUDENT ASSISTANCE
STUDENT ACCESS & SUCCESS 11200 SW 8TH STREET MIAMI, FL 33199	65-0177616	115(1)	789,360.	0.			UNIVERSITY/STUDENT ASSISTANCE
GOVERNMENT RELATIONS 11200 SW 8TH STREET MIAMI, FL 33199	65-0177616	115(1)	84,338.	0.			UNIVERSITY/STUDENT ASSISTANCE

Schedule I (Form 990)

**Part III** **Grants and Other Assistance to Domestic Individuals.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22.  
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of noncash assistance

**Part IV** **Supplemental Information.** Provide the information required in Part I, line 2; Part III, column (b); and any other additional information.

PART I, LINE 2:

ALL GRANT FUNDS ARE REVIEWED FOR COMPLIANCE WITH DONOR INTENT AND DISBURSED  
OR TRANSFERRED IN SUPPORT OF FLORIDA INTERNATIONAL UNIVERSITY.



**SCHEDULE J  
(Form 990)**Department of the Treasury  
Internal Revenue Service**Compensation Information**For certain Officers, Directors, Trustees, Key Employees, and Highest  
Compensated Employees

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.

▶ Attach to Form 990.

▶ Information about Schedule J (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2016**Open to Public  
Inspection

Name of the organization

FLORIDA INTERNATIONAL UNIVERSITY  
FOUNDATION INC

Employer identification number

23-7047106

**Part I Questions Regarding Compensation**

	Yes	No
<b>1a</b> Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <input checked="" type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account <input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (such as, maid, chauffeur, chef)		
<b>b</b> If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain .....	<b>1b</b> X	
<b>2</b> Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a? .....	<b>2</b> X	
<b>3</b> Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III. <input type="checkbox"/> Compensation committee <input type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations <input type="checkbox"/> Written employment contract <input type="checkbox"/> Compensation survey or study <input type="checkbox"/> Approval by the board or compensation committee		
<b>4</b> During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization: <b>a</b> Receive a severance payment or change-of-control payment? .....	<b>4a</b>	X
<b>b</b> Participate in, or receive payment from, a supplemental nonqualified retirement plan? .....	<b>4b</b>	X
<b>c</b> Participate in, or receive payment from, an equity-based compensation arrangement? .....	<b>4c</b>	X
If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.		
<b>Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.</b>		
<b>5</b> For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of: <b>a</b> The organization? .....	<b>5a</b>	X
<b>b</b> Any related organization? .....	<b>5b</b>	X
If "Yes" on line 5a or 5b, describe in Part III.		
<b>6</b> For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of: <b>a</b> The organization? .....	<b>6a</b>	X
<b>b</b> Any related organization? .....	<b>6b</b>	X
If "Yes" on line 6a or 6b, describe in Part III.		
<b>7</b> For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III .....	<b>7</b>	X
<b>8</b> Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III .....	<b>8</b>	X
<b>9</b> If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? .....	<b>9</b>	

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Schedule J (Form 990) 2016

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

**Note:** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) KENNETH G. FURTON EX-OFFICIO	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	423,405.	0.	0.	30,793.	16,020.	470,218.	0.
(2) HOWARD R. LIPMAN CEO	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	371,571.	0.	0.	21,197.	18,038.	410,806.	0.
(3) MILAGROS GARCIA-CHICA CONTROLLER	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	127,383.	0.	0.	9,766.	16,020.	153,169.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
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	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

**Part III** Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

**PART I, LINE 1A:**

EVERY EFFORT IS MADE TO OBTAIN THE MOST REASONABLE AIR FARE RATES. THE  
FOUNDATION WILL REIMBURSE CARRIER EXPENSES FOR COACH. BUSINESS CLASS TRAVEL  
OR ONE UPGRADE MAY BE REIMBURSED FOR THE UNIVERSITY PRESIDENT,  
VICE-PRESIDENT, AND DEANS ONLY IF THE TRAVEL TIME EXCEEDS 4 HOURS. IF ANY  
OTHER EMPLOYEE WISHES TO FLY BUSINESS CLASS FOR AN INTERNATIONAL TICKET  
EXCEEDING 4 HOURS, APPROVAL IS REQUIRED PRIOR TO TICKET PURCHASE FROM  
VICE-PRESIDENT. IF BUSINESS CLASS IS AVAILABLE, FIRST CLASS TRAVEL IS NOT  
REIMBURSABLE THROUGH THE FOUNDATION.

**PART I, LINE 3:**

THE ORGANIZATION DOES NOT HAVE ANY PAID EMPLOYEES. HOWEVER, THE  
ORGANIZATION'S BOARD APPROVES THE BUDGET WHICH INCLUDES THE REIMBURSEMENT  
FOR PART OF HOWARD R. LIPMAN'S SALARY, WHO IS THE CEO OF THE ORGANIZATION.

**SCHEDULE M**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Noncash Contributions**

OMB No. 1545-0047

**2016**

**Open To Public  
Inspection**

- ▶ **Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.**
- ▶ **Attach to Form 990.**
- ▶ **Information about Schedule M (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**

Name of the organization **FLORIDA INTERNATIONAL UNIVERSITY  
FOUNDATION INC**

Employer identification number  
**23-7047106**

**Part I** **Types of Property**

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art - Works of art .....				
2 Art - Historical treasures .....				
3 Art - Fractional interests .....				
4 Books and publications .....				
5 Clothing and household goods .....				
6 Cars and other vehicles .....				
7 Boats and planes .....				
8 Intellectual property .....				
9 Securities - Publicly traded .....	<b>X</b>	<b>11</b>	<b>118,570.</b>	<b>FMV</b>
10 Securities - Closely held stock .....				
11 Securities - Partnership, LLC, or trust interests .....				
12 Securities - Miscellaneous .....				
13 Qualified conservation contribution - Historic structures .....				
14 Qualified conservation contribution - Other ...				
15 Real estate - Residential .....				
16 Real estate - Commercial .....				
17 Real estate - Other .....				
18 Collectibles .....				
19 Food inventory .....				
20 Drugs and medical supplies .....				
21 Taxidermy .....				
22 Historical artifacts .....				
23 Scientific specimens .....				
24 Archeological artifacts .....				
25 Other ▶ ( .....				
26 Other ▶ ( .....				
27 Other ▶ ( .....				
28 Other ▶ ( .....				

29 Number of Forms 8283 received by the organization during the tax year for contributions  
for which the organization completed Form 8283, Part IV, Donee Acknowledgement .....

**29**

		Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which isn't required to be used for exempt purposes for the entire holding period? .....	30a		<b>X</b>
b If "Yes," describe the arrangement in Part II.			
31 Does the organization have a gift acceptance policy that requires the review of any nonstandard contributions? .....	31	<b>X</b>	
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions? .....	32a	<b>X</b>	
b If "Yes," describe in Part II.			
33 If the organization didn't report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.			

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**Schedule M (Form 990) (2016)**

**Part II** **Supplemental Information.** Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

SCHEDULE M, PART I, COLUMN (B):

THE ORGANIZATION IS REPORTING THE NUMBER OF CONTRIBUTORS.

SCHEDULE M, LINE 32B:

THE FIU FOUNDATION HAS A GIFT CLEARING ACCOUNT AT SUNTRUST FOR THE  
ACCEPTANCE AND SALE OF GIFTS OF SECURITIES.

**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2016**

Open to Public  
Inspection

Name of the organization

FLORIDA INTERNATIONAL UNIVERSITY  
FOUNDATION INC

Employer identification number

23-7047106

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

SCIENTIFIC, EDUCATIONAL AND CHARITABLE PURPOSES FOR FIU AND ITS  
OBJECTIVES.

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

DIRECTORS, WHOSE MEMBERS PLAY A SIGNIFICANT ROLE IN THE DEVELOPMENT OF  
THE UNIVERSITY AS A MAJOR EDUCATIONAL, CULTURAL AND ECONOMIC RESOURCE.  
THROUGH THE INVOLVEMENT OF THE DIRECTORS AND THEIR CONTRIBUTION OF  
TIME, LEADERSHIP AND FINANCIAL RESOURCES, THE MISSION OF THE UNIVERSITY  
IS ADVANCED.

FORM 990, PART VI, SECTION A, LINE 2:

TRISH BELL, DIRECTOR, AND DAN BELL, DIRECTOR HAVE A FAMILY RELATIONSHIP.

FORM 990, PART VI, SECTION B, LINE 11B:

AN INITIAL DRAFT IS REVIEWED BY THE ASSISTANT VICE-PRESIDENT AND THE CHAIR  
OF THE AUDIT SUBCOMMITTEE FOR ACCURACY BEFORE FORM 990 IS FILED. THE  
APPROVED DRAFT FORM 990 IS SUBSEQUENTLY SENT TO ALL BOARD MEMBERS FOR THEIR  
REVIEW.

FORM 990, PART VI, SECTION B, LINE 12C:

EACH FOUNDATION BOARD AND COMMITTEE MEMBER HAS A CONTINUING OBLIGATION TO  
BE FAMILIAR WITH THE FLORIDA STATUTES REGARDING ETHICS AND CONFLICTS OF  
INTEREST AND THE TERMS OF THE POLICY; DISCLOSE TO THE FOUNDATION BOARD  
AND/OR COMMITTEE CHAIR ANY POSSIBLE PERSONAL, FAMILIAL OR BUSINESS  
RELATIONSHIPS THAT MIGHT REASONABLY GIVE RISE TO A CONFLICT INVOLVING THE

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Schedule O (Form 990 or 990-EZ) (2016)

632211 08-25-16

Name of the organization **FLORIDA INTERNATIONAL UNIVERSITY  
FOUNDATION INC**

Employer identification number  
**23-7047106**

FOUNDATION; AND ACKNOWLEDGE BY HIS OR HER EXECUTION OF THE "CONFLICT OF INTEREST DISCLOSURE FORM" THAT HE OR SHE IS IN COMPLIANCE WITH THE LETTER AND SPIRIT OF THIS POLICY AND APPLICABLE LAWS. BEGINNING EVERY FISCAL YEAR A FORM IS MAILED TO EVERY BOARD MEMBER FOR REVIEW AND UPDATE.

FORM 990, PART VI, SECTION B, LINE 15:

THE ORGANIZATION DOES NOT HAVE ANY EMPLOYEES AND DOES NOT PROVIDE ANY OFFICER, DIRECTOR, OR OTHER REPRESENTATIVE WITH ANY COMPENSATION. MEMBERS ARE COMPENSATED THROUGH FLORIDA INTERNATIONAL UNIVERSITY, A RELATED ORGANIZATION.

FORM 990, PART VI, LINE 17, LIST OF STATES RECEIVING COPY OF FORM 990:

AK, CA, CO, FL, KY, MA, MD, ME, MN, NV, NH, NJ, NY, ND, OH, OK, OR, PA, SC, UT, WA, WV, WI

FORM 990, PART VI, SECTION C, LINE 19:

THE ORGANIZATION'S GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY ARE MADE AVAILABLE TO THE PUBLIC ON THEIR WEBSITE AND UPON REQUEST. THE FINANCIAL STATEMENTS AND FORM 990 ARE AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

CHANGES IN VALUE OF SPLIT-INTEREST	-34,887.
PROVISION FOR UNCOLLECTIBLE PROMISE	-6,361,538.
TOTAL TO FORM 990, PART XI, LINE 9	-6,396,425.

FORM 990, PART XII, LINE 2C

THE PROCESS FOR THE SELECTION AND SUPERVISION OF THE ORGANIZATION'S INDEPENDENT AUDITOR HAS REMAINED CONSISTENT WITH THE PRIOR YEAR.

**SCHEDULE R  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Related Organizations and Unrelated Partnerships**

- Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.  
► Attach to Form 990.

OMB No. 1545-0047

**2016**  
**Open to Public  
Inspection**

► Information about Schedule R (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Name of the organization **FLORIDA INTERNATIONAL UNIVERSITY  
FOUNDATION INC** Employer identification number **23-7047106**

**Part I Identification of Disregarded Entities.** Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
FOUNDATION ENTERPRISE HOLDINGS I, LLC - 27-2586968, 11200 SW 8TH STREET, CSC 319, MIAMI, FL 33199	BENEFIT FOUNDATION	FLORIDA	222,234.	1,855,753.	N/A
FOUNDATION ENTERPRISE HOLDINGS II, LLC - 46-1339057, 11200 SW 8TH STREET, CSC 319, MIAMI, FL 33199	BENEFIT FOUNDATION	FLORIDA	59,638.	2,686,690.	N/A
FOUNDATION ENTERPRISE HOLDINGS III, LLC - 46-3023343, 11200 SW 8TH STREET, CSC 319, MIAMI, FL 33199	BENEFIT FOUNDATION	FLORIDA	214,998.	783,282.	N/A
FOUNDATION ENTERPRISE HOLDINGS IV, LLC - 46-4970036, 11200 SW 8TH STREET, CSC 319, MIAMI, FL 33199	BENEFIT FOUNDATION	FLORIDA	21,047.	16,516.	N/A

**Part II Identification of Related Tax-Exempt Organizations.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
FLORIDA INTERNATIONAL UNIVERSITY - 65-0177616, 11200 SW 8TH STREET, MIAMI, FL 33199	EDUCATION	FLORIDA	115(1)	N/A	N/A		X
THE WOLFSONIAN, INC. - 59-2741851 11200 SW 8TH STREET- MARC 530 MIAMI, FL 33199	BENEFIT UNIVERSITY	FLORIDA	501(C)(3)	LINE 7	N/A		X

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2016



**Part III Identification of Related Organizations Taxable as a Partnership.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

**Part IV Identification of Related Organizations Taxable as a Corporation or Trust.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No

**Part V Transactions With Related Organizations.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.**Note:** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

	Yes	No
<b>1</b> During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
<b>a</b> Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity .....		X
<b>b</b> Gift, grant, or capital contribution to related organization(s) .....	X	
<b>c</b> Gift, grant, or capital contribution from related organization(s) .....		X
<b>d</b> Loans or loan guarantees to or for related organization(s) .....		X
<b>e</b> Loans or loan guarantees by related organization(s) .....		X
<b>f</b> Dividends from related organization(s) .....		X
<b>g</b> Sale of assets to related organization(s) .....		X
<b>h</b> Purchase of assets from related organization(s) .....		X
<b>i</b> Exchange of assets with related organization(s) .....		X
<b>j</b> Lease of facilities, equipment, or other assets to related organization(s) .....	X	
<b>k</b> Lease of facilities, equipment, or other assets from related organization(s) .....		X
<b>l</b> Performance of services or membership or fundraising solicitations for related organization(s) .....		X
<b>m</b> Performance of services or membership or fundraising solicitations by related organization(s) .....	X	
<b>n</b> Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) .....		X
<b>o</b> Sharing of paid employees with related organization(s) .....		X
<b>p</b> Reimbursement paid to related organization(s) for expenses .....	X	
<b>q</b> Reimbursement paid by related organization(s) for expenses .....		X
<b>r</b> Other transfer of cash or property to related organization(s) .....		X
<b>s</b> Other transfer of cash or property from related organization(s) .....		X

**2** If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) FLORIDA INTERNATIONAL UNIVERSITY	B	23,077,236.	CASH PAID
(2) FLORIDA INTERNATIONAL UNIVERSITY	J	2,149,590.	CASH RECEIVED
(3) FLORIDA INTERNATIONAL UNIVERSITY	M	360,092.	CASH RECEIVED
(4) FLORIDA INTERNATIONAL UNIVERSITY	P	3,535,989.	CASH PAID
(5)			
(6)			

**Part VI Unrelated Organizations Taxable as a Partnership.** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

[illegible]



**Florida International University**  
**Financial Summary Overview <sup>1</sup>**  
**FY 2017-18**

	Year To Date March 2018			
	Budget	Current Year Actual	Variance	
			\$	%
(\$ in millions)				
<b>Revenue / Receipts</b>				
<b>University</b>				
Educational and General (net) <sup>2</sup>	\$ 411.6	\$ 405.3	(6.3)	-2%
University	369.3	363.0	(6.3)	-2%
College of Medicine	42.3	42.2	(0.0)	0%
FIU Self-Insurance Program	0.5	0.3	(0.2)	-40%
Auxiliary Enterprises	173.5	173.1	(0.4)	0%
Intercollegiate Athletics	21.9	18.6	(3.3)	-15%
Activities and Service	16.2	16.6	0.4	2%
Technology Fee	8.3	8.8	0.5	6%
Board Approved Fees	0.3	0.2	(0.1)	-33%
Contracts and Grants	92.2	102.1	9.9	11%
Student Financial Aid	148.7	172.3	23.6	16%
Concessions	0.5	0.4	(0.1)	-20%
<b>Direct Support Organizations</b>				
FIU Athletic Finance Corp	3.1	3.1	-	0%
FIU Foundation Inc.	22.3	24.7	2.4	11%
FIU Health Care Network	5.4	6.3	0.9	17%
FIU Research Foundation	-	0.0	0.0	0%
Interfund Adjustments <sup>3</sup>	(4.9)	(4.4)	0.5	-10%
<b>Total Operating Revenues</b>	<b>\$ 899.6</b>	<b>\$ 927.4</b>	<b>\$ 27.9</b>	<b>3%</b>
University Treasury (net)	1.5	9.4	7.9	527%
FIU Foundation Inc.	8.4	14.6	6.2	74%
<b>Total Investment Revenues</b>	<b>\$ 9.9</b>	<b>\$ 24.0</b>	<b>\$ 14.1</b>	<b>142%</b>
<b>Total Revenues / Receipts</b>	<b>\$ 909.5</b>	<b>\$ 951.4</b>	<b>\$ 42.0</b>	<b>5%</b>
<b>Expenses</b>				
<b>University</b>				
Educational and General (net)	\$ 386.1	\$ 352.3	\$ 33.8	9%
University	349.0	319.0	30.0	9%
College of Medicine	37.1	33.3	3.8	10%
FIU Self-Insurance Program	0.5	0.1	0.4	80%
Auxiliary Enterprises	146.1	142.6	3.5	2%
Intercollegiate Athletics	19.8	22.2	(2.4)	-12%
Activities and Service	15.6	12.7	2.9	19%
Technology Fee	9.1	8.9	0.2	2%
Board Approved Fees	0.2	0.1	0.1	50%
Contracts and Grants	90.5	99.2	(8.7)	-10%
Student Financial Aid	153.9	174.0	(20.1)	-13%
Concessions	0.6	0.4	0.2	33%
<b>Direct Support Organizations</b>				
FIU Athletic Finance Corp	2.0	1.9	0.1	5%
FIU Foundation Inc.	24.0	26.3	(2.3)	-10%
FIU Health Care Network	4.0	4.2	(0.2)	-5%
FIU Research Foundation	-	0.0	(0.0)	0%
Interfund Adjustments <sup>3</sup>	(4.9)	(4.4)	(0.5)	10%
<b>Total Expenses</b>	<b>847.5</b>	<b>840.5</b>	<b>7.0</b>	<b>1%</b>
Principal Payment of Debt <sup>4</sup>	1.2	1.5	(0.3)	-25%
<b>Change in Net Assets (incl. Investments)</b>	<b>\$ 60.8</b>	<b>\$ 109.4</b>	<b>\$ 48.6</b>	<b>80%</b>
<b>Change in Net Assets (excl. Investments)</b>	<b>\$ 50.9</b>	<b>\$ 85.4</b>	<b>\$ 34.5</b>	<b>68%</b>

**Florida International University**  
**Financial Summary Overview**<sup>1</sup>  
**FY 2017-18 as of March 2018**

**Financial Highlights:**

**Real      Timing**

**Operations - By Fund and Direct Support Organization**

**Educational and General Variance: Revenues \$-6.3M, Expenses \$33.8M**

**I. University (ex-College of Medicine) Variance: Revenues \$-6.3M, Expenses \$30M**

**Revenues**

State Appropriations:

▪ Timing of distributions from the state, (\$7.0M), offset by additional pass through distribution to cover higher risk management insurance premium, \$0.1M	0.1	(7.0)
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Tuition:

▪ Undergraduate base: resident student credit hour enrollment down by 918 FTE or 3.5%, offset by an increase of 124 FTE or 5.7% in non-resident enrollment	(1.4)	-
▪ FIU Fully Online: student credit hour enrollment, mainly non-resident, higher than budget by 23 FTE or 1.2%	0.4	0.1
▪ Dual Enrollment: student credit hour enrollment is above target by 58 FTE or 4.5%; unbudgeted revenues from in-state fee for on-campus dual enrolled students	0.4	(0.0)
▪ Shorelight Enrollment: 69.5% or 127 FTE higher than budgeted enrollment	1.5	(0.0)
▪ Tuition differential: below target due to lower fundable, resident student credit hour enrollment	(0.4)	-
▪ Graduate and Professional: student credit hour enrollment on target, however lower than budgeted Grad II non-resident enrollment driving lower net revenues	(1.1)	-
▪ Other: Mainly timing of incidental fees, bad debt, and graduate waivers and higher incidental revenues, offset by higher out-of-state waivers for undocumented and disaster-relief students	(1.0)	2.3

**Total Revenues Variance**

	<b>\$ (1.6)</b>	<b>\$ (4.7)</b>
--	-----------------	-----------------

**Operating Expenses:**

**Position Salaries and Benefits:**

**Savings:**

▪ Net Realized Salary Float - Year-to-date budget from vacant administrative positions for which budgets are returned centrally, \$0.4M		
▪ Vacancies in faculty, administrative, and staff positions, \$7.2M, one-time savings due to parental, sabbatical, and medical leave paid out of fringe benefit pool, \$3.7M, lower than budgeted salaries, \$1.2M, and other savings, \$1.4M, offset by unbudgeted positions (\$5.4M), and higher than budgeted notice payouts and shift differential, (\$0.5M)	8.0	-

**Timing:**

▪ Budgeted placeholder for benefits pass-throughs, \$3.4M, offset by University-wide salary actions implemented earlier than budgeted, (\$1.0M)	-	2.4
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**Sub-Total Position Salaries and Benefits**

	<b>8.0</b>	<b>2.4</b>
--	------------	------------

**Other Expenses:**

▪ <b><u>Savings:</u></b> Variance due to savings in contractual expenses paid out of carry forward, \$5.2M and other in-unit savings, \$0.7M, offset by higher risk management insurance premium, (\$0.1M)	5.8	-
▪ <b><u>Timing:</u></b> Delays in payment of Oracle license renewal and general maintenance and supply expenses, \$4.7M, delayed spending on strategic investments and special legislative appropriations, \$3.5M, minor repairs and maintenance projects that were budgeted in full but will be completed in FY 2018-19, \$0.8M, and generally lower spending across all units, \$4.7M	-	13.7

**Sub-Total Other Expenses**

	<b>5.8</b>	<b>13.7</b>
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**Total Operating Expenses Variance**

	<b>\$ 13.9</b>	<b>\$ 16.2</b>
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**II. College of Medicine Variance: Revenues \$0M, Expenses \$3.8M**

Revenues are on target, however timing of higher than budgeted bad debt allocation is offset by lower waivers.	\$ 0.1	\$ (0.2)
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Expenses are below target mainly due to vacant positions, \$3.0M, and timing of spending on other operating expenses, \$0.8M.	\$ 3.0	\$ 0.8
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**FIU Self-Insurance Program Variance: Revenues \$-0.2M, Expenses \$0.4M**

Revenues are below target due to less investment earnings and transfers required to cover anticipated premium costs.	\$ (0.2)	\$ -
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Less than anticipated expenses and timing of payment of expenses.	\$ 0.2	\$ 0.2
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**Florida International University**  
**Financial Summary Overview**<sup>1</sup>  
**FY 2017-18 as of March 2018**

**Financial Highlights:**

**Real**      **Timing**

**Auxiliary Enterprises Variance: Revenues \$-0.4M, Expenses \$3.5M**

Revenues are slightly below target, lower enrollment in market rate programs across several colleges and schools, lower Parking revenues due to delays in collections and the University closure as a result of Hurricane Irma, lower Shared Services fee collections, and lower Housing occupancy (98.3% vs. planned 99.4%) are reduced by higher than anticipated sales in the Panther TECH store, higher media and network services, and higher distance learning fee revenues.

\$ (1.1) \$ 0.7

Expenditures are below budget primarily due to lower program costs tied to lower enrollment in the academic auxiliaries, delays in projects across parking, student health, and business services, contractual services and gasoline savings in parking due to contract renegotiation, savings in interest payment on parking bonds, vacant positions across several auxiliaries, and savings in facilities Construction Services Fee (CSR) expenses. These are offset by higher expenses in the Panther TECH store commensurate with higher sales and earlier than budgeted payment of hardware and software support services and IT media purchases for the Recreation Center.

\$ 2.2 \$ 1.3

**Intercollegiate Athletics Variance: Revenues \$-3.3M, Expenses \$-2.4M**

Revenues are below target primarily as a result of the loss of game guarantee revenues from the cancellation of the Indiana University game due to Hurricane Irma and timing of receipt of disbursements from the NCAA, game guarantee payment from UCF, and Athletics Finance Corp. support for Athletics operations.

\$ (0.9) \$ (2.4)

Expenditures are above budget mainly due to additional game guarantee for University of Massachusetts game, Gasparilla Bowl expenses, replacement and repairs expenses due to Hurricane Irma, replacement and upgrades to facilities, team uniforms, and athletic equipment, and higher travel expenses to take the football team and other student athletes to Alabama to avoid Hurricane Irma. These are offset by lower scholarship expenses as other aid resources are utilized.

\$ (2.4) \$ -

**Student Activity and Service Variance: Revenues \$0.4M, Expenses \$2.9M**

Revenues are higher than target mainly due to higher activity and service fee revenue from higher than budgeted student credit hour enrollment and lower bad debt allocation. Additionally, higher than anticipated Summer Fest tickets sales, orientation program revenues, and unbudgeted student activity revenues contribute to the favorable variance.

\$ 0.3 \$ 0.0

Expenses are below target primarily due to delays in planned Student Government projects, lower spending across various student clubs and organizations, savings related to vacant positions in student centers and spaces, and lower orientation expenses due to cancelled programs.

\$ 2.3 \$ 0.6

**Technology Fee: Revenues \$0.5M, Expenses \$0.2M**

Revenues are higher than target mainly due to higher than budgeted student credit hour enrollment.

\$ 0.5 \$ -

Expenses are below target mainly attributable to budgeted capitalized technology infrastructure expenditures recorded under capital expenditures and project delays.

\$ 0.1 \$ 0.1

**Board Approved Fees: Revenues \$-0.1M, Expenses \$0.1M**

Revenues are slightly below budget due to less than anticipated students who are eligible to take the Florida bar exam.

\$ (0.0) \$ -

Expenses are below budget due to timing of payments to the bar prep course vendors.

\$ - \$ 0.1

**Contracts and Grants Variance: Revenues \$9.9M, Expenses \$-8.7M**

**Sponsored Research:**

The favorable variance in revenues of \$9.3M is mainly due to higher than budgeted federal grant revenues and unbudgeted private revenues, offset by lower state and other private project revenues.

\$ 9.3 \$ -

Expenditures are above budget \$9.8M commensurate with higher than projected revenues combined with higher than expected commitments against F&A returns spent by the colleges, units, centers, and researchers.

\$ (9.8) \$ -

**Florida International University**  
**Financial Summary Overview**<sup>1</sup>  
**FY 2017-18 as of March 2018**

**Financial Highlights:**

**Real      Timing**

**External Contracts:**

Revenues are above budget by \$0.5M, primarily College of Medicine incidental revenues offset by timing of lower DSO reimbursements from the Foundation and the HealthCare Network for the capital campaign and the College of Medicine, respectively.

\$    1.8    \$    (1.3)

Expenses are below budget by \$1.0M and are generated mainly by lower spending across several College of Medicine external contract programs and timing of the Wolfsonian-FIU cataloging efforts.

\$    0.3    \$    0.7

**Student Financial Aid Variance: Revenues \$23.6M, Expenses \$-20.1M**

Student financial aid revenue is above budget due to higher Florida Student Assistance Grant (FSAG) and First Generation Matching Grant (FGMG) allocations from the state and higher Pell and Bright Futures awards. More students are receiving Pell awards and a change in legislature whereby the Bright Futures Florida Academic Scholar award now covers 100% of tuition and fees and \$300 per semester was not included in the budget for all cohorts. Earlier than planned and unbudgeted revenues from private and donor-related scholarships also contribute to the favorable variance.

\$    24.2    \$    (0.6)

Student financial aid expense is above target. Higher FSAG, Pell, and Bright Futures disbursements, new unbudgeted donor-related (e.g. Braman Family Completion Scholarship) and private scholarships along with earlier than planned disbursements of private and donor-related scholarships and higher federal work study are offset by timing of institutional aid disbursements.

\$    (26.5)    \$    6.4

The negative change in net assets of \$1.7M is \$3.5M higher than anticipated and is primarily due to timing of Pell awards as they are typically disbursed in advance of receipt of funds from the federal government.

**Concessions Variance: Revenues \$-0.1M, Expenses \$0.2M**

Vending machine sales commissions are lower than budget by \$54K, primarily due to generally lower demand for vending products, credit card reader issues, and University closure for several days due to Hurricane Irma.

\$    (0.1)    \$    0.0

Expenditures are lower than budget largely due to unallocated reserves and unspent contingencies in vending operations.

\$    0.2    \$    0.0

**FIU Athletic Finance Corp Variance: Revenues \$0M, Expenses \$0.1M**

Operating Revenues are slightly below budget due to loss of rental income from Miami FC for the Spring season, offset by higher than planned sales of season tickets and premium seating.

\$    (0.0)    \$    -

Total expenses are below budget. Lower than budgeted debt service interest payment - as a result of refinancing - are offset by higher than planned football game security costs and other game day related expenses.

\$    0.1    \$    -

**FIU Foundation Inc. Variance: Revenues \$2.4M, Expenses \$-2.3M**

The favorable variance in operating revenues is due to higher cash contributions mainly from gifts from the College of Communication, Architecture + The Arts, University-wide scholarships and programs, Student Access and Success, Academic Affairs, and building funds.

\$    2.4    \$    -

Foundation operating expenses are above target mainly due to scholarships and program expenses for the Athletics Capital Improvement project offset by less support due to vacant positions.

\$    (2.3)    \$    -

**FIU Health Care Network Variance: Revenues \$0.9M, Expenses \$-0.2M**

Operating revenues are higher than budget due to more enrolled students and resulting higher fee income from the international student programs and unbudgeted revenue from the IMAMU international conference.

\$    0.9    \$    -

The increased enrollment in the international student programs resulted in additional expenditures for contracted services for preceptors and affiliates in addition to unbudgeted University-wide salary increases and bargaining unit bonuses.

\$    (0.2)    \$    -



**Florida International University**  
**Financial Summary Overview**<sup>1</sup>  
**FY 2017-18 as of March 2018**

**Financial Highlights:**

	<b><u>Real</u></b>	<b><u>Timing</u></b>
<b>FIU Research Foundation Variance: Revenues \$0M, Expenses \$0M</b>		
Favorable variance of \$10K is due to earlier than budgeted receipt of revenue.	\$ -	\$ 0.0
Expenses are above budget, \$14K, as a result of payment for accounting services occurring earlier than budgeted.	\$ -	\$ (0.0)

**Net Investment Returns: \$14.1M**

**University Treasury** investments fiscal year-to-date returns are 3.9% or \$13.9M. The \$9.4M of net investment revenues are \$7.9M above plan and comprised of \$16.3M of investment income and \$2.4M of unrealized losses offset by \$4.5M of investment fees and Treasury operating expenses.

**Foundation** investments fiscal year-to-date gains are 5.3% or \$14.6M, generating a positive variance of \$6.2M. Investment returns for the full fiscal year were budgeted at 5.0%, or \$12.0M.

**Principal Payments of Debt: \$-0.3M**

Unbudgeted payment for MRI machine.	\$ (0.3)	\$ -
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**Notes:**

- <sup>1</sup> *The financials presented above reflect the state budgeting methodology which differs from full accrual financial statements. The following have the most significant impact:*
- *Depreciation of Assets: For budgeting purposes equipment purchases are fully expensed in their acquisition year, therefore depreciation is not included in the budget.*
  - *Unrealized gains and losses: The investment gains / losses are recognized as revenues in the budget however GASB accounting principles require that it be recorded as a non-operating revenue / expense.*
- <sup>2</sup> *E&G revenues include State Funding and Tuition and are net of waivers, uncollectible amounts and 30% Financial Aid need-based amounts per BOG regulation. Any differences between E&G Revenues and Expenses will be funded from prior year balances carried forward.*
- <sup>3</sup> *Interfund transfers have been included resulting in higher revenues and expenses by fund allowing for an individual fund performance analysis. The interfund adjustments eliminate this double counting. However, interfund transactions such as tuition funded by scholarships and auxiliary services provided to other units have not been eliminated. Since revenues and expenses are equal, the interfund adjustments are the same for both.*
- <sup>4</sup> *Principal payment of debt reflected above per BOG requirement that debt service payments be shown on a cash basis.*

**THE FLORIDA INTERNATIONAL UNIVERSITY**  
**BOARD OF TRUSTEES**  
**Finance and Facilities Committee**  
**May 23, 2018**

**Reports** *(For Information Only – no action required)*

Pete Garcia, Executive Director of Sports and Entertainment

**Fundraising Report**

<b>FIU Foundation, Inc.</b> <b>Unaudited Preliminary Recap</b> <b>Through the Period Ended December 31, 2017 (in thousands)</b>			
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Revenues	\$940	\$864	(\$84)

- Unfavorable to budget due to timing of gift revenue collection.

**Athletics Finance Corporation**

<b>FIU Athletics Finance Corporation</b> <b>Unaudited Preliminary Recap</b> <b>Through the Period Ended December 31, 2017 (in thousands)</b>			
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Revenues	\$2,643	\$2,993	\$351
Expenses	\$557	\$663	(\$106)

- Year-to-date Net Income excluding debt service was \$2,330, favorable to budgeted \$245,000.
  - Primary drivers include:
    - Revenue variance due to timing and collection of football ticket sales and premium seating
    - Expense variance due to timing of expenses for home football games
- The debt coverage covenant requirement is forecasted to be met for the period ending June 30, 2018.

**THE FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES**  
**Finance and Facilities Committee**  
**May 23, 2018**

BUSINESS SERVICES REPORT AS OF DECEMBER 31, 2017

**NEW SERVICES AND HIGHLIGHTS**



**Tropical Smoothie Café**, managed by Aramark, re-opened after a substantial refresh and contributed to the second quarter's success with sales of \$102.5K due to its popularity and convenient location in the newly expanded Recreation Center.



**Sergios** opened their fast-casual bowl concept in the Graham Center this Fall term. They occupy one of three storefronts previously used by Subway. Their authentic Cuban food menu features a selection of bowls with rice, beans, and traditional dishes as well as healthy menu items catering to paleo and low-sugar diets. Weekly sales average \$19K, placing them on track to reach \$800K their first year.



**Misha's** opened this Fall in PG-5 in the location of the former Juice Blendz. Their wide assortment of cupcakes has appealed to our community's sweettooth as weekly sales average \$3.2K, placing them on track to exceed \$130K their first year.



**Bad Boy Mower's Gasparilla Bowl** In November, the Panthers under coach Butch Davis, became bowl-eligible and subsequently played the Temple Owls on Dec. 21, 2017 in St. Petersburg. Business Services showed their support to Athletics and the FIU Foundation by coordinating the purchase of commemorative hats for attendees on behalf of the Alumni Association. ShopFIU branded goodies, including backpacks, were provided at the official FIU tailgate event. FIU Athletic apparel, provided by Barnes & Noble Bookstore, was also available for sale upon arrival, at the domino night event, tailgate and stadium.

**Hurricane Irma** The September 2017 storm negatively impacted operations when compared to the prior year. **Food Services** September commissions of \$239.3K fell 28% (-\$94.9K) from the prior year. **Bookstore and Retail** September commissions fell by \$24.0K and \$4.1K from the prior year. **Vending** commissions fell by \$25.8K as noted below (Vending recap).

#### FOOD SERVICES RECAP

Through the two-quarters ended December 31, 2017, \$6.7M in Food Services sales have generated commissions of \$1.2M, down 2% as compared to the same period last year. In the Spring, the Dining ITN shall kick-off with a timeline to award and launch operations under a new contract in the Fall term 2018. Aramark is the current provider.



**Aramark** continues to recover from the mandatory closure attributed to Hurricane Irma, and is currently trailing 4% behind plan and 3% from prior year. This is mainly offset by the strong openings of Sergio's Cuban Kitchen, Misha's Cupcakes, and Tropical Smoothie Café.



**Vicky Café** completed their first year of operations in December by reaching the highest commission tier with cumulative sales exceeding \$1.3M since it's opening in late December 2016. Vicky's strong performance contributed to the second quarter's success with sales exceeding \$300K.



**Café at EC** (Engineering Center) continues to outpace both prior year and planned sales, despite the mandatory closure attributed to Hurricane Irma. Weekly sales average \$8K, on track to exceed \$420K this year, a 10% increase from last year, translating into a 15% increase in commissions from plan and prior year. The addition of the LaCarreta on the first floor is a large contributing factor to the Café's success.

## BOOKSTORE RECAP

Through the two-quarters ended December 31, 2017, \$5.8M in Bookstore sales have generated commissions of \$726K, down \$99K as compared to the same period last year.

**Book Merchandise** sales continue to decline, attributable to competing platforms (e.g. Amazon and Chegg). **General Merchandise, Café/Convenience Store and Other** sales mostly comprised of commencement, school spirit clothing, accessories, dorm furnishings continue to outperform plan.



**Price Match Program** is another way B&N counters sales from discount online retailers. For Spring 2018, B&N matched 697 units, a total discount of \$18.7K and matching funds of \$63.7K. Since its inception in Spring 2016, 3,694 units have been matched, a total discount of \$102K, and matching funds of \$361K. This Spring was 7.7% more successful than the prior year in participation and the average discount per unit remains steady at \$28.

**First Day Program** soft-launched its pilot the first four weeks of the Spring term for two courses: SOP 3004 Introductory Social Psychology (2 sections within the course) and MCB 2000 Molecular and Cell Biology. This program is intended to provide course materials at a very low cost to students and specifically designed for courses with digital materials (e.g. e-books). Discounted pricing is achieved because publishers lower their base price and the bookstore lowers its profit margin. "First Day" pricing is only available at the term onset aimed at incentivizing students to buy materials at the beginning of the course and be prepared on the first day of class. A more robust pilot launch in the Summer and Fall 2018 will depend on suggested improvements from the Spring results and technological readiness.

### Results of the First Day Program Pilot:

Publisher	Course	Enrolled	Purchased	No Action	Sell-Thru	BestPrice   NationalPrice	Student Savings
McGraw Hill	SOP 3004 U02	150	194	65	66%	\$72.50   112.50*	\$40 or 36%
	SOP 3004 U01	143					
	MCB 2000 U01	250	72	147	29%	\$70.00   \$125*	\$55 or 44%

\* McGraw Hill was offering direct sale to students following the four-week pilot at \$90 for the SOP course and \$85 for the MCB course (this is the publisher-direct price).

- Sell-thru rate refers to the percentage of students taking the course who purchase the course materials. The typical sell-thru rate on a course that is not First Day is between 30 and 35%.
- Whether or not the professors utilize the “connect” features offered with the course materials impacts whether or not the students buy the materials. A professor who uses this resource basically requires students to submit e-assignments available only as part of the course materials. A professor who does not use this resource does not have this requirement. Therefore, students with professors that require the “connect” functionality will more likely buy the materials. In this pilot both SOP professors used the “connect” functionality but the MCB professor did not. This is the main driver for the higher sell-thru of one course over the other.

## VENDING

Through the two-quarter period ended December 31, 2017, \$660K in Vending sales have generated commissions of \$201K, down \$59K as compared to the same period last year. Overall YTD sales are down by 17% (Q1 -27% and Q2 -7%) compared to the same period in the prior year.

The variance is mainly due to Hurricane Irma's mandatory campus closure and card-reader connectivity issues (post Hurricane Irma) resulting from a down cell-phone tower near the Biscayne Bay Campus (BBC). All vending machine card-readers depend on this signal for credit card transactions. The outage impacted sales far beyond the time of campus closure as the machines were unable to read credit cards until the tower was operational.



**Pepsi Co.** sales for the two quarters quarter ended December 30, 2017 of \$365K represent a 17% decline compared to the same period last year mainly due to mandatory campus closure in the wake and aftermath of Hurricane Irma. There are 137 machines across the Modesto A. Maidique Campus (MMC), BBC, and the Engineering Center (EC).



**Right Choice Vending** sales for the two quarters ended December 30, 2017 of \$295K represent a 22% decline compared to the same period last year mainly due to mandatory campus closure in the wake and aftermath of Hurricane Irma. There are 101 machines across the MMC, BBC and EC serving snack, food, coffee and ice cream. Within this product mix, food and ice cream are outperforming both the prior year and plan.

In a continuous effort to improve performance:

- Machines were reconfigured after a product-mix and sales assessment.
- An upgrade of older snack machines with newer models is underway and expected to be completed by the end of the Spring term.



- We are exploring opportunities to place machines in the Green Library and MMC Recreation Center to expand product availability around-the-clock in different locations.

## RETAIL OPERATIONS RECAP

Through the two-quarter period ended December 31, 2017, \$1.4M in Retail sales have generated commissions of \$61K and \$412K in license fees, up \$4K as compared to the same period last year.

**COLLEGE OPTICAL**  
EXPRESS@FIU



**GOLDENTOUCH**  
HAIRCUTS & SHAVES

**RICOH@FIU**

**GT Ecto Carwash** applies its mist technology (0.675gal versus 75gal water per wash) to keep its sustainability status in water conservation. Year-to-date's success with sales exceeded \$129K, outpacing the same period in the prior year by 8.6% translating in increased commissions of 9.9% from a tiered commission structure.

**Ricoh @ FIU** located in the Graham Center provides the easiest way for users to access, pay and print in a completely self-serve environment offering enhanced mobile and cloud capabilities. Sales of \$434K represent a 2.5% rise compared to the same period last year. There are 33 machines serving MMC, BBC, EC, Brickell and FIU@I-75 and they have just renewed for another five year term with the University.

**Pharmabox** sales of \$34K from two machines located in the Green Library and the Graham Center generate over \$5K in commissions year-to-date. Advil liqui-gels, clear band-aids, and Vicks Dayquil Cold&Flu gel caps are the top-selling items. We are exploring opportunities for expanding to other locations including BBC.

**Santi's Salon** sales of \$204K represent a 19% decline compared to the same period last year mainly due to mandatory campus closure in the wake and aftermath of Hurricane Irma.





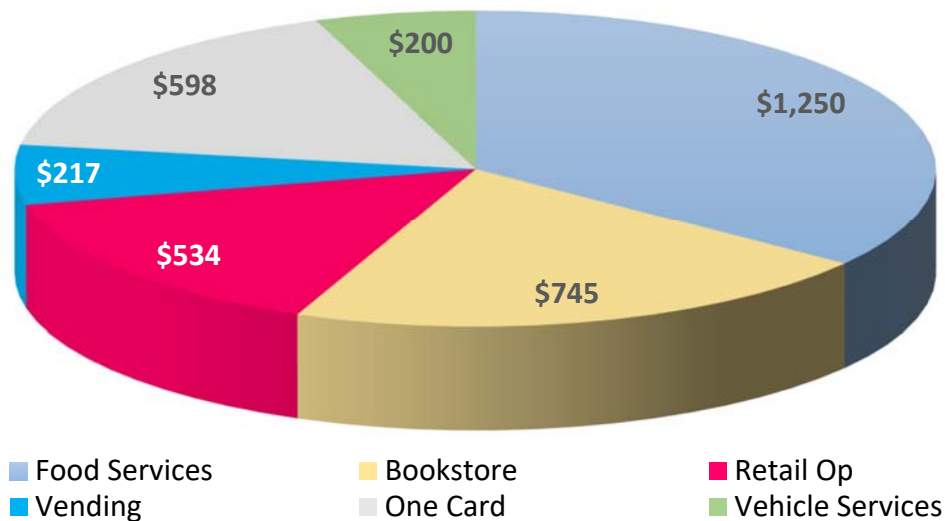
**Retail Property Management** through rental agreements with 15 internal and external users has contributed to the second quarter's success by exceeding \$0.4M in rent for retail spaces spanning MMC and BBC campuses. We are exploring opportunities for PG-6 expansion at this time, scheduled to be complete in early 2019.

**QUICK FACTS**

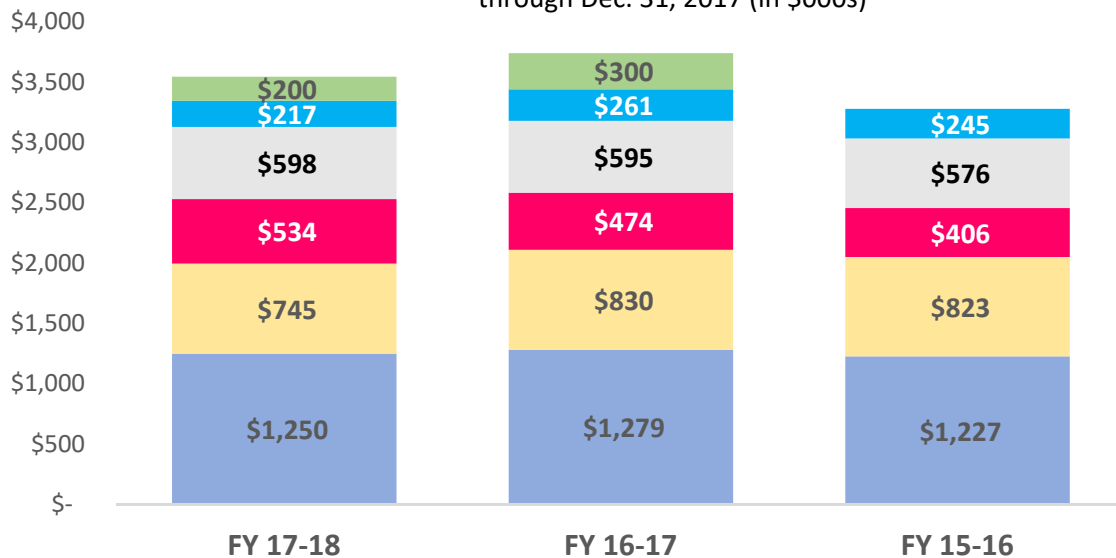
- Scope:** 55 food and retail venues, beverage and snack vending, FIU One Card Program, fleet services, multi-use facilities, property management and advertising. All information on food and retail including hours of operation may be found at [www.shop.fiu.edu](http://www.shop.fiu.edu) and on the FIU Mobile App under the “Places” link.
- Investments:** For FY 17-18, Business Services is committed to invest approximately \$6M to improve and expand existing facilities, expand service offerings and increase indoor and outdoor seating to help foster affinity and retention at FIU. Our commitment also extends to contribute over \$1.7M to fund University initiatives, provide scholarships, underwrite student services and support FIU facilities.
- Revenue:** For the two quarters ended December 31, 2017, Business Services managed sales of \$21.4M from operations, representing \$3.9M in revenue to FIU (\$3.5M in Commissions and \$392K in Grants).

## OPERATING REVENUES

**YTD FIU Operating Revenues by Business Segment**  
For the period ended Dec. 31, 2017 (in \$000s)



**3 year Comparison of YTD FIU Revenue**  
through Dec. 31, 2017 (in \$000s)



**Note:** Vehicle Services was not under Business Services in FY 15-16; therefore, figures available FY 16-17-date.



**THE FLORIDA INTERNATIONAL UNIVERSITY  
BOARD OF TRUSTEES  
Finance and Facilities Committee  
May 23, 2018**

**EMERGENCY MANAGEMENT STATUS REPORT AS FEBRUARY 28, 2018**

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**Report** *(For Information Only – no action required)*

**Test of FIU Alert emergency notification system**

On January 24, 2018, the spring semester test of FIU Alert, the University's emergency notification system was conducted. Attached is a summary report of the test.

**FIU Alert emergency notification system**

On February 27, 2018, FIU Alert, the University's emergency notification system was activated for a car fire on campus. Attached is a summary report.



Emergency Notification System

January 24, 2018

University-Wide Emergency Notification Test

Department of Emergency Management

## Test Overview

On January 24, 2018 at approximately 1:30 p.m., the FIU Police Department initiated a University-wide test of FIU Alert, the University's emergency notification system. All communication methods were tested. The FIU Alert message that was sent read as follows:

**FIU ALERT! This is a test of the FIU emergency notification system. This is only a test.**

Immediately following the test, an email containing a survey was sent to the FIU community to gauge the effectiveness of the FIU Alert emergency notification system. The results are below.

## FIU Alert Performance Evaluation Data

FIU Alert Results

System Performance	Attempted	Delivered
Voice calls to cell phones	52,830	34,602 <sup>1</sup>
Text messages to cell phones	52,647	48,959 <sup>2</sup>
Voice over internet protocol phones, outdoor speakers, callboxes	7,840	7,676
FIU email		Successful
Facebook		Successful
Twitter		Successful
Electronic message boards (EMB)		Partially Successful
FIU main webpage		Successful

<sup>1</sup> Voice calls fail because of hang ups by the user, bad phone numbers, busy signals and no answers.

<sup>2</sup> Text messages fail because of bad phone numbers, rejection by the carrier because of account settings or no verification of delivery by the carrier.

## Issues and Solutions

- EMB on the 117<sup>th</sup> entrance did not activate as it is not integrated.
  - The Graham Center's Computer Applications Department is working towards integrating the EMB to display FIU Alerts. The EMB was not integrated as the team is in the process of using alternative software to improve resiliency of the service.
- The audio playback for voice over internet protocol phones, outdoor speakers and callboxes was too short for listeners to physically check all devices.
  - The Division of Information Technology's Voice Services Department is working on lengthening the test audio duration.

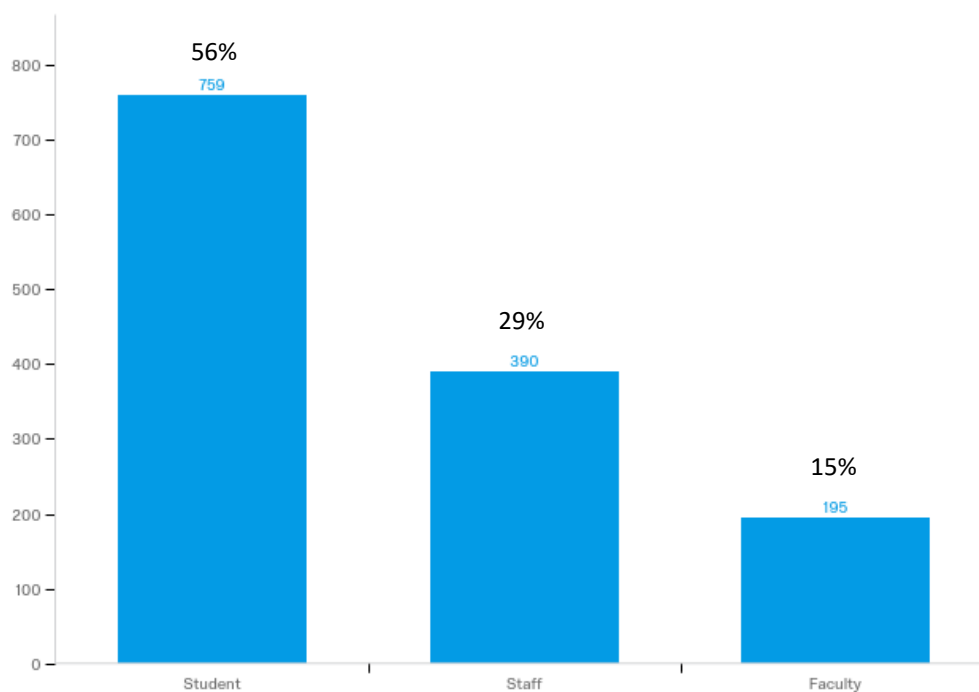
## Summary

Test was successful on most methods of alerting.

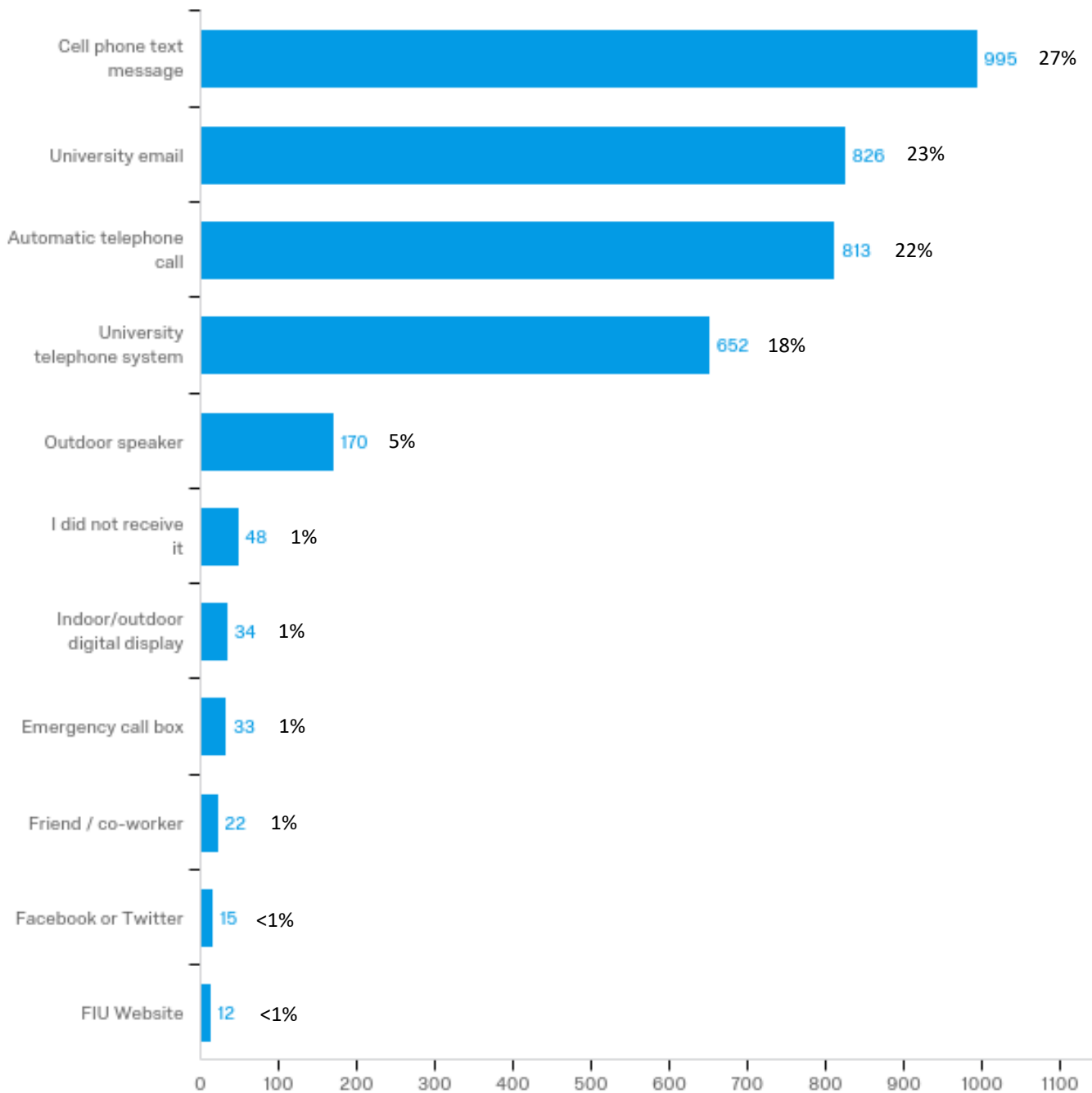
## Survey Results

Total respondents to survey: 1,351

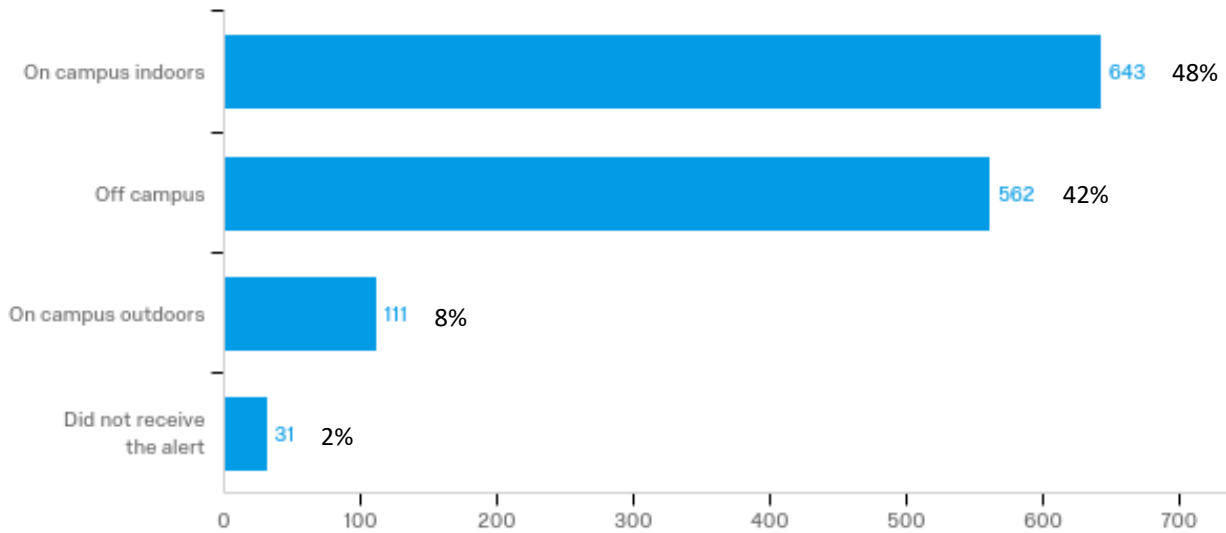
### 1 - What best describes your affiliation to Florida International University?



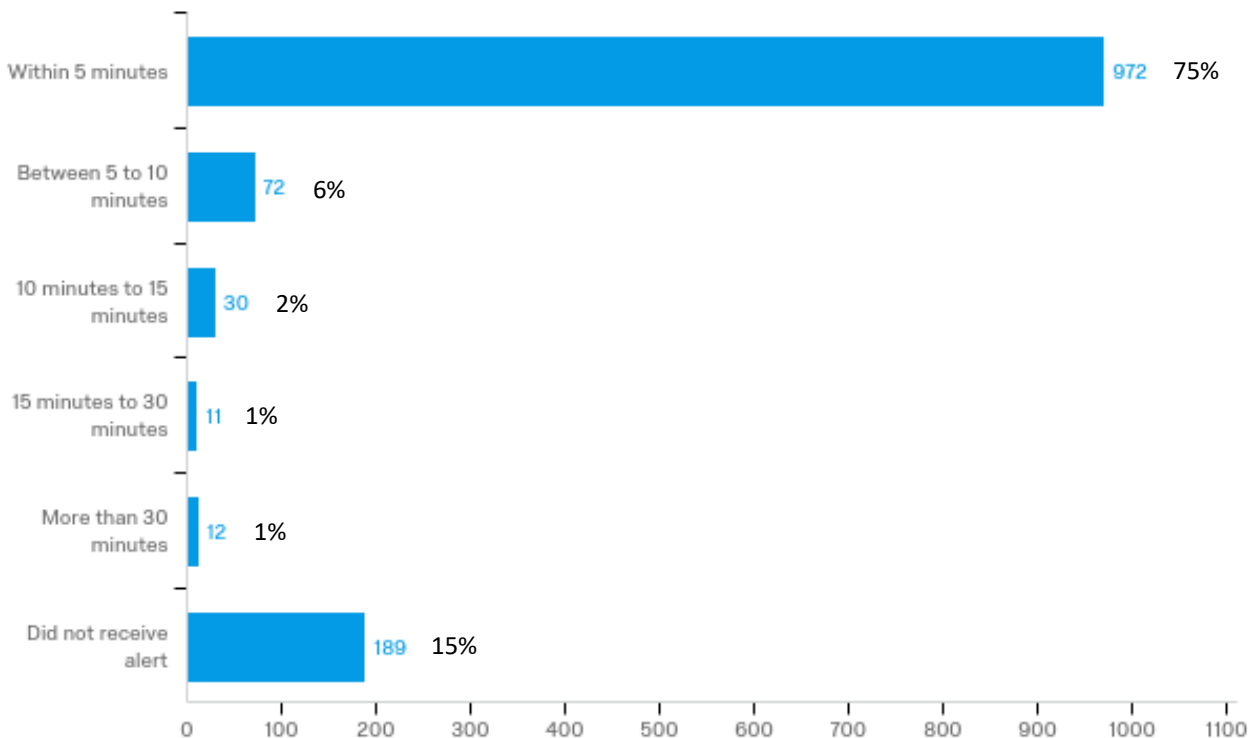
## 2 - How did you receive the test message? (Mark all that apply)



**3 - On January 24th, 2018 at 1:30 p.m., the University conducted a University-wide test of the FIU Alert emergency notification system. Where were you located when the test alert was sent out?**

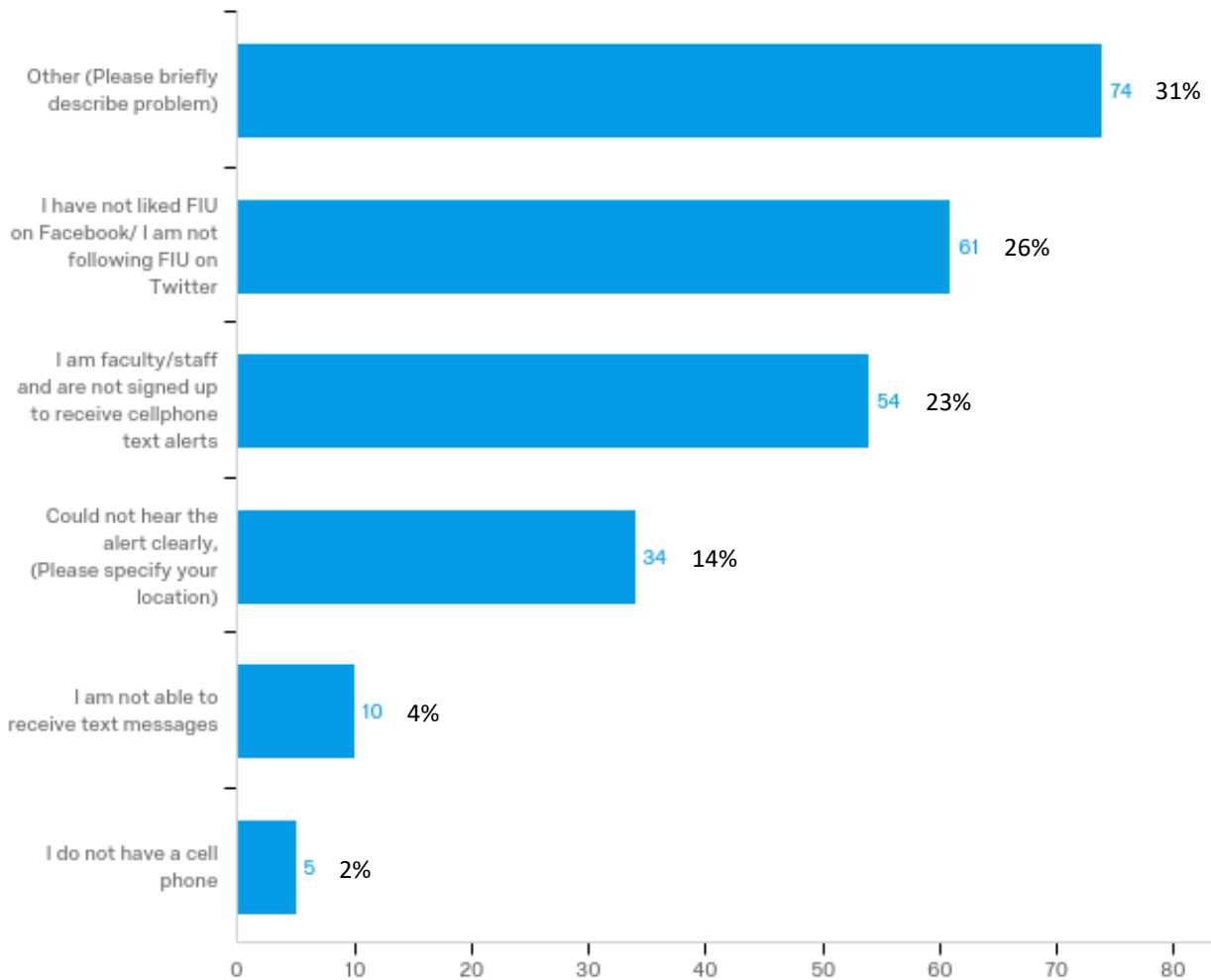


**4 - If you did receive the cell phone text message, how long after 1:30 p.m. did you receive the message?**





## 5 - If you had difficulties receiving the alert, which best describes why? (Mark all that apply)



Sample responses for “Other (Please briefly describe the problem)”

“I was currently in class and my phone was put on silent.”

“Poor cell phone reception in Starbucks by the law building delayed notification.”

“I was not aware that I had not signed up for the FIU Alert system. I have now signed up.”

“I receive so many SPAM phone calls, I do not answer phone numbers I don't know.”

“I am signed up for the text alerts and did not receive one.”



**Emergency Notification System**  
**February 27, 2018 Incident**  
**Department of Emergency Management**

### **Incident Summary**

On February 27, 2018 at 4:50 p.m., the FIU Police Department received a call regarding a vehicle with smoke under the hood located on Campus Drive in front of the Frost Art Museum. The vehicle was reported as a white four-door sedan with the driver standing outside. Miami-Dade County Fire Department was notified and extinguished the fire. The vehicle was removed from the scene by American Towing.

Voice calls, email, text messages, voice over IP phones, outdoor speakers, callboxes, electronic message boards, and social media were utilized to send the FIU Alert at 5:09 p.m. The initial FIU Alert message that was sent read as follows:

**FIU ALERT: Please stay away from SW 17th street in front of the Wertheim Performing Arts Center. SW 17th street has been blocked in both directions at this time reference a vehicle fire.**

An FIU Alert “all clear” message was sent out using voice calls, email, text messages, voice over IP phones, outdoor speakers, callboxes, electronic message boards, and social media at approximately 7:28 p.m. in response to the police activity being resolved.

**FIU ALERT: The vehicle fire has been extinguished and removed from the scene. SW 17th street has been reopened for traffic.**

### **FIU Alert Performance Evaluation Data**

<b>System Performance</b>	<b>Attempted</b>	<b>Delivered</b>
Voice calls to cell phones	57,625	43,925 <sup>1</sup>
Text messages to cell phones	57,444	53,588 <sup>2</sup>
Voice over internet protocol phones, outdoor speakers, callboxes	6,219	6,208
FIU email		Successful
Facebook		Successful
Twitter		Successful
Electronic message boards (EMB)		Successful
FIU main webpage		N/A

<sup>1</sup> Voice calls fail because of hang ups by the user, bad phone numbers, busy signals and no answers.

<sup>2</sup> Text messages fail because of bad phone numbers, rejection by the carrier because of account settings or no verification of delivery by the carrier.

## **Issues and Solutions**

- FIU main webpage was not activated automatically.
  - The FIU Digital Communications team is currently attempting to develop a solution to this issue.

## **Summary**

The FIU Alerts issued on February 27, 2018 were timely and provided the proper amount of information. The emergency notifications system functioned properly.



**THE FLORIDA INTERNATIONAL UNIVERSITY**  
**BOARD OF TRUSTEES**  
**Finance and Facilities Committee**  
**May 23, 2018**

**FACILITIES AND CONSTRUCTION UPDATE AS OF FEBRUARY 28, 2018**

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**Report** *(For Information Only – no action required)*

**Projects Completed**

- None during this reporting period.

**Projects under Construction**

- **Recreation Center Expansion (BT-903)** - \$26.7M Capital Improvement Trust Fund (CITF), Housing Auxiliary Fund, and Student Government Association (SGA) project budget. A/E - HKS; CM - Moss Construction (67,487 gsf). Funding spans five (5) years of CITF allocations. The project expanded the existing facility into Parking Lot #8 and includes an indoor basketball/volleyball gym, a weight training room, additional locker rooms, exterior basketball courts, sand volleyball courts, and a mezzanine level to include a jogging track. The expansion more than doubled the prior capacity of 50,765 gsf. \$2.6M in additional funding was provided in May to renovate and expand Tropical Smoothie and refurbish the locker rooms in the existing Rec Center. Tropical Smoothie opened on October 30, 2017 to the public while the Rec Center expansion achieved substantial completion and Temporary Conditional Occupancy on October 9, 2017 to begin the installation of exercise equipment. The ribbon-cutting ceremony celebrating the grand opening of the facility was held on December 4, 2017. The Tropical Smoothie exterior canopy, a long-lead item requiring additional design and modification to the existing curtainwall, is scheduled for installation in early May 2018.
- **University City Prosperity Project (UCPP) (BT-904)** - \$14.7M TIGER Grant project budget; multiple funding sources. Design/Build Team - MCM+FIGG. The project consists of urban design and infrastructure improvements along SW 109th Avenue between SW 6th Street and SW 10th Street, including a new pedestrian bridge over SW 8th Street, complete streets, and other pedestrian-oriented transit access improvements. These infrastructure improvements will support the synergistic integration of FIU and the adjacent City of Sweetwater. Most importantly, the pedestrian bridge will provide a safe way to reconcile pedestrian and vehicular traffic.

\$567.5K in Transportation Alternatives Program (TAP) funding was approved by the Metropolitan Planning Organization (MPO) and FDOT for the pylon beacon, north plaza west stairway, bridge furniture, and power and data conduits for kiosks. A project design revision requested by FDOT to accommodate a future westbound lane on SW 8<sup>th</sup> Street has been completed. Work on the south tower superstructure is ongoing; north and south bulkhead walls are complete. Concrete and pre-tensioning work on the bridge span to cross SW 8<sup>th</sup> Street (Span 1) is complete, and the structure will be moved into its permanent location via specialized moving equipment on March 10, 2018. Shoring and foundation work for the portion of the bridge to cross Tamiami Canal (Span 2) will start in early March. The \$1.9M amendment for Alternate 1 increasing project scope to add improved connectivity from the south plaza to the Green Library has been executed and is scheduled to start construction in late March. Road and sidewalk improvement work along SW 109<sup>th</sup> Avenue is scheduled to begin in late April 2018. Target delivery date: January 2019.

- **Multi-Purpose Practice Fields (BT-916)** - \$9.4M; multiple funding sources. A/E - Stantec; CM - Moss Construction. The project installed two (2) full-sized practice fields, one natural grass and the other artificial turf, and a 3,500 gsf scalable multi-purpose field support facility. It also includes a faculty-designed wetlands expansion south of the preserve. The artificial turf field was completed and turned-over for use in late July while the grass field was completed in early July and turned-over for use in late September after successful sod establishment. The baseball stadium batter's eye, practice field kicking nets, play clocks and scoreboards have been installed and the walking track is complete. All work in the Preserve was completed by the end of January 2018. Construction of the field support building is nearly finished with the concrete slab pour now complete. Target delivery date for the building is the first week of March with the additional canopy, exterior lighting elements, and decorative eyebrows to be installed by early June 2018.
  
- **Satellite Chiller Plant Expansion (BT-834)** - \$7.7M Public Education Capital Outlay (PECO). A/E - SGM; CM - Poole & Kent. The \$7.6M initial phase of construction to complete the building with two chillers and two cooling towers was completed in February 2013. The \$7.7M of additional funding for Phase II added two generators, two additional chillers, two additional cooling towers, and the supporting equipment to complete the original project scope. Space will still be available for a fifth and final chiller/cooling tower set when that capacity is needed. Owner direct purchased equipment has been installed. Two 8,000 gal fuel tanks serving the generators are also installed outside the east wall of the building. Both generators are installed and are undergoing final testing. Chillers and cooling towers are connected to permanent power and are undergoing final testing and commissioning. A date for final testing of the emergency power will be scheduled with FPL. Target completion date for the entire project is mid-March 2018.

## **Projects in Design**

- **Frost Museum of Science Batchelor Environmental Center at FIU (BT-913) (Phase II)** - \$1.8M privately funded project budget. A/E – MC Harry & Associates; CM – Stobs Brothers Construction. To date, \$200K has been received for Phase II design services. Combined with Phase I funding already received, \$2.4M of the \$5M commitment has been released to FIU. Phase II will be a classroom and lab building (approximately 3,000 gsf), with the remaining animal holding areas to be added at a future date when additional grant funding is received by the Frost Museum. The \$1.3M equipment budget for the project was reduced to increase the Phase II construction budget to \$1.1M for the building only; the budget will require an additional contribution of \$245,719 from the Frost Museum. Transfer of the project funding balance will be necessary once agreement is reached on the GMP to proceed with construction. 95% Construction Documents have been submitted for review. The project is on hold pending resolution of gift agreement terms and new program requirements. Delivery date: TBD.
  
- **International Center for Tropical Botany (BT-914) at The Kampong** - \$5.0M privately funded project budget. A/E – MC Harry; CM – Thornton Construction. The project will construct a new approximately 12,000 gsf facility on a site immediately adjacent to the National Tropical Botanical Garden (NTBG) property in Coconut Grove to house educational, lab, and office spaces. Programming was formally approved August 28, 2015 and the project went into design development based on the program criteria at that time. The warrant package submitted in June 2016 was revised and resubmitted on September 29, 2017 addressing all comments from the City of Miami Zoning and Planning Department. The revised submittal was accepted and approval has been placed on hold pending resolution of community concerns raised during several outreach meetings regarding building size, height, parking and site lighting. This effort is required to avoid an appeal of the warrant by the community. Subsequently, one of the neighboring property owners proposed adjustments to the building's aesthetic design as part of a gift agreement to the University. The architect and project team have determined that these changes are possible within the current project budget, including the proposed additional gift. The project is back in schematic design to accommodate the changes requested as part of the proposed agreement. Completion of the warrant process, design phase, and construction start is contingent upon finalizing the gift agreement with the donor and a separate agreement with the neighbors addressing their concerns. Negotiations with all parties are ongoing. Target delivery date: TBD.

## **Projects in Planning Stage**

- **Parkview II Housing (BT-892)** - \$66.5M bond proceed and Housing Auxiliary funded project budget. A/E – Perkins+Will; CM – TBD. The project includes construction of a new 656 private bedroom style residence hall on the Modesto A. Maidique campus with a 300-car garage. The planning effort began on April 26, 2017 with a kick-off program committee meeting. Final selection and approval of the site in Parking Lot 6 was granted on July 11, 2017. Underground utility infrastructure and roadway modifications will be assessed to determine additional cost impacts. The program was approved on September 27, 2017. Perkins+Will was selected as the architect and contract negotiations are in progress. The advertisement for the Construction Manager will post by the end of April.
- **Hotel, Conference and Alumni Center** – Public-Private Partnership (P3) project. Developer/Operator - TBD; Architect - TBD; CM –TBD. Award to the successful Invitation to Negotiate respondent is pending Florida Board of Governors, Division of Bond Finance, and Board of Trustees of the Internal Improvement Trust Fund approval, and the conclusion of negotiations resulting in fully executed Operating and Sublease agreements.
- **School of International and Public Affairs (SIPA) Phase II (BT-887)** - \$30.0M project consisting of \$12,701,439 PECO funding and \$15,000,000 private donation (current shortfall: \$2,298,561). A/E – TBD; CM – TBD. The project includes classrooms, conference facilities, offices, language and technology labs, negotiation and mediation facilities, and experimental teaching space. PECO funding for the project was received in June with the condition that all private funds be expended before any PECO monies. The timing of the private construction donation is still pending. Options to cover the shortfall of \$2,298,561 are being analyzed. Programming began on November 13, 2017 and is ongoing.
- **Engineering Building (Phase I and II) (BT-919)** - \$150.0M PECO and privately funded project budget. A/E – TBD; CM – TBD. The project to build a new engineering building on the Modesto A. Maidique Campus will include classrooms, teaching labs, study space, research labs, offices, and computer and instructional media spaces. \$10M in PECO funding has been received to begin the initial planning effort. A program committee is currently being formed.

**FIU FOUNDATION, INC.**

**FINANCIAL STATEMENTS RECAP  
& INVESTMENT SUMMARIES**

**January 31, 2018**



**FIU FOUNDATION, INC.**  
**Recap of Statement of Activities \***  
**For the Period Ended January 31, 2018**

*(In Thousands of Dollars)*

	<b>2017-18 7-Month <u>Budget</u></b>	<b>2017-18 7-Month <u>Actuals</u></b>	<b>Budget to Actual 7-Month <u>Variance</u></b>		<b>2017-18 Annual <u>Budget</u></b>	<b>2016-17 7-Month <u>Actuals</u></b>	<b>Current Year to Previous Year <u>Variance</u></b>
<b>REVENUES:</b>							
Cash Contributions	\$ 17,935	\$ 20,544	\$ 2,610	[1]	\$ 30,407	\$ 17,973	\$ 2,571
MARC Building	\$ 1,246	\$ 1,164	\$ (82)		\$ 1,687	\$ 897	\$ 267
Foundation Subsidiaries	\$ 155	\$ 167	\$ 12		\$ 294	\$ 373	\$ (206)
Estimated Investment Returns, Net of Fees	\$ 5,799	\$ 22,606	\$ 16,806	[2]	\$ 11,968	\$ 7,561	\$ 15,045
<b>TOTAL REVENUES</b>	<b>\$ 25,135</b>	<b>\$ 44,481</b>	<b>\$ 19,346</b>		<b>\$ 44,356</b>	<b>\$ 26,804</b>	<b>\$ 17,677</b>
<b>EXPENSES:</b>							
<u>University Programs:</u>							
Scholarships & Programs	\$ 11,620	\$ 12,875	\$ (1,255)	[3]	\$ 21,611	\$ 7,685	\$ (5,190)
Building Funds	\$ 675	\$ 350	\$ 325		\$ 1,750	\$ 208	\$ (142)
Unrestricted Annual Expenses	\$ 1,395	\$ 906	\$ 489		\$ 2,208	\$ 780	\$ (126)
<b>TOTAL UNIVERSITY PROGRAMS EXPENSES</b>	<b>\$ 13,690</b>	<b>\$ 14,131</b>	<b>\$ (441)</b>		<b>\$ 25,569</b>	<b>\$ 8,673</b>	<b>\$ (5,458)</b>
<u>Operational:</u>							
MARC Building	\$ 251	\$ 255	\$ (4)		\$ 471	\$ 236	\$ (19)
Foundation Subsidiaries	\$ 190	\$ 192	\$ (2)		\$ 266	\$ 855	\$ 663
Administrative & Fund-Raising	\$ 3,531	\$ 2,432	\$ 1,099	[4]	\$ 7,055	\$ 1,973	\$ (459)
<b>TOTAL OPERATIONAL EXPENSES</b>	<b>\$ 3,972</b>	<b>\$ 2,879</b>	<b>\$ 1,093</b>		<b>\$ 7,792</b>	<b>\$ 3,064</b>	<b>\$ 185</b>
<b>TOTAL EXPENSES</b>	<b>\$ 17,662</b>	<b>\$ 17,010</b>	<b>\$ 652</b>		<b>\$ 33,361</b>	<b>\$ 11,737</b>	<b>\$ (5,273)</b>
<b>EXCESS REVENUES OVER EXPENSES</b>	<b>\$ 7,473</b>	<b>\$ 27,471</b>	<b>\$ 19,998</b>		<b>\$ 10,995</b>	<b>\$ 15,067</b>	<b>\$ 12,404</b>

\*These financial statements recaps reflect expenses on an accrual basis and receipts on a cash basis, with the exception of investment returns.

\*\*Please refer to Appendix A for detailed variance notes.

Florida International University Foundation Preliminary Performance Summary As of January 31, 2018										
Asset Class/Manager	Market Value (\$000s)	% of Total Managed Assets	Long-Term Policy Target	Long-Term Policy Ranges	Current Month	Fiscal Year to Date	Trailing 1- Year	Ann. Trailing 3- Years	Ann. Trailing 5-Years	Ann. Since Inception
GMO Global Equity Asset Allocation	7,073	2.5%			6.3	18.3	30.8	11.3	---	8.6
Indus Markor Master Fund	1,880	0.7%			5.0	22.7	38.4	10.5	---	8.8
Kiltearn Global Equity Fund	12,862	4.6%			4.3	11.4	20.1	11.1	---	6.7
Maverick Long Fund, Ltd	10,538	3.8%			4.1	9.2	18.3	9.4	---	9.8
Vanguard Total World Stock Index	10,279	3.7%			5.5	17.4	27.5	12.4	---	9.9
<b>Global Public Equity</b>	<b>42,633</b>	<b>15.3%</b>	<b>11.5%</b>	<b>5.0%-25.0%</b>	<b>4.7</b>	<b>13.7</b>	<b>23.8</b>	<b>10.8</b>	<b>---</b>	<b>9.2</b>
D.E. Shaw Core Alpha Extension	13,283	4.8%			4.5	18.8	27.2	16.1	---	13.8
Sirios Focus Fund	11,547	4.1%			4.9	15.0	23.9	11.1	---	10.4
HHR Titan Offshore	6,297	2.3%			6.4	10.7	21.7	9.7	---	7.2
Vanguard Russell 1000 Value Index ETF	3,475	1.2%			3.8	---	---	---	---	3.6
<b>U.S. Public Equity</b>	<b>34,603</b>	<b>11.2%</b>	<b>13.5%</b>	<b>6.0%-35.0%</b>	<b>4.8</b>	<b>15.3</b>	<b>24.5</b>	<b>12.6</b>	<b>14.0</b>	<b>5.7</b>
Vanguard FTSE Dev. Markets	1,060	0.4%			4.7	15.3	27.7	10.4	---	6.8
AKO European Master Fund	10,447	3.7%			1.7	5.4	20.4	11.1	---	11.5
Cevian Capital II	5,454	2.0%			0.7	4.8	11.9	7.2	---	7.9
Buena Vista Asian Opp. Fund	6,886	2.5%			7.4	23.5	42.4	9.6	---	9.1
Kabouter International Opps. Fund II	6,649	2.4%			5.8	19.3	38.7	18.0	---	16.3
<b>Non-U.S. Developed Public Equity</b>	<b>30,496</b>	<b>10.9%</b>	<b>8.5%</b>	<b>4.0%-25.0%</b>	<b>3.7</b>	<b>12.2</b>	<b>27.0</b>	<b>11.5</b>	<b>10.4</b>	<b>3.7</b>
DFA Emerging Markets Value	9,172	3.3%			8.8	23.9	36.9	12.6	---	8.1
Somerset Emerging Markets	4,790	1.7%			7.0	19.2	35.9	11.1	---	8.7
Polunin Developing Countries Fund	6,073	2.2%			7.6	23.1	33.4	13.6	---	9.2
<b>Emerging Markets Public Equity</b>	<b>20,035</b>	<b>7.2%</b>	<b>4.0%</b>	<b>0.0%-15.0%</b>	<b>8.0</b>	<b>22.5</b>	<b>35.6</b>	<b>12.5</b>	<b>---</b>	<b>8.8</b>
<b>Total Public Long Equity</b>	<b>127,767</b>	<b>45.8%</b>	<b>37.5%</b>	<b>18.0%-70.0%</b>	<b>5.0</b>	<b>15.1</b>	<b>26.4</b>	<b>11.8</b>	<b>12.7</b>	<b>5.1</b>
<i>Global Private Equity</i>	26,795	9.6%	20.0%	0.0%-34.0%	---	---	---	---	---	---
<b>Total Long Public and Private Equity</b>	<b>154,562</b>	<b>54.2%</b>	<b>57.5%</b>	<b>45.0%-70.0%</b>	<b>4.1</b>	<b>12.8</b>	<b>23.4</b>	<b>12.0</b>	<b>13.2</b>	<b>5.3</b>
Valinor Capital Partners	3,333	1.2%			5.0	9.0	15.5	1.8	---	6.0
Blue Harbour Strategic Value	2,431	0.9%			-2.3	2.9	-0.2	2.5	---	2.5
Roystone Master Fund	2,702	1.0%			0.8	3.7	16.1	3.5	---	4.0
Fir Tree	3,519	1.3%			1.4	3.0	2.0	-0.9	---	-1.7
Pelham Long/Short Fund Ltd	4,439	1.6%			4.6	9.9	19.8	---	---	8.7
Highfields Capital	4,348	1.6%			3.5	2.0	3.5	---	---	3.3
Matrix Capital Offshore Fund Ltd	2,834	1.0%			4.0	8.9	7.3	---	---	12.3
<b>Hedge Funds (Growth Objective)</b>	<b>23,605</b>	<b>8.5%</b>	<b>---</b>	<b>0.0%-15.0%</b>	<b>2.7</b>	<b>5.7</b>	<b>9.1</b>	<b>3.9</b>	<b>---</b>	<b>4.3</b>
Brahman Capital Partners	1,917	0.7%			-0.5	0.6	8.6	-1.9	---	-2.6
Naya Offshore Fund	2,952	1.1%			4.1	13.1	17.4	8.9	---	7.8
Janchor Partners	4,122	1.5%			3.0	16.5	25.4	---	---	17.2
Kensico Offshore II	4,426	1.6%			0.5	4.8	7.9	---	---	7.9
Pennant Windward Fund Ltd	3,262	1.2%			1.6	---	---	---	---	1.9
Indus Asia Pacific Sidepocket	123	0.0%			---	0.9	23.4	---	---	-9.7
<b>Hedge Funds (Blended Objective)</b>	<b>16,802</b>	<b>6.0%</b>	<b>---</b>	<b>0.0%-15.0%</b>	<b>1.8</b>	<b>8.3</b>	<b>14.2</b>	<b>5.1</b>	<b>5.8</b>	<b>5.0</b>
Davidson Kempner	4,032	1.4%			1.3	3.3	6.7	5.3	---	5.1
Scopia PX Funds	3,282	1.2%			3.0	7.5	2.7	-0.7	---	2.3
GMO Systematic Global Macro Fund	3,735	1.3%			2.5	7.4	9.4	---	---	7.0
ISAM Systematic Trend	2,309	0.8%			5.3	16.6	9.2	---	---	0.0
FORT Global Contrarian	2,071	0.7%			-0.2	---	---	---	---	3.5
Luxor Capital Partners - SPV	437	0.2%			-3.2	12.4	32.2	---	---	14.5
Kynikos Opportunity Fund - Holdback	254	0.1%			---	---	---	---	---	---
Luxor - Holdback	25	0.0%			---	---	---	---	---	---
<b>Hedge Funds (Diversifying Objective)</b>	<b>16,144</b>	<b>5.8%</b>	<b>---</b>	<b>0.0%-15.0%</b>	<b>2.1</b>	<b>7.5</b>	<b>7.4</b>	<b>0.9</b>	<b>---</b>	<b>1.0</b>
<b>Total Hedge Funds</b>	<b>56,551</b>	<b>20.3%</b>	<b>17.5%</b>	<b>10.0%-30.0%</b>	<b>2.3</b>	<b>7.0</b>	<b>9.9</b>	<b>3.0</b>	<b>4.6</b>	<b>4.6</b>
Parametric Global Defensive Equity	1,364	0.5%			1.4	7.6	13.1	---	---	10.4
Renaissance RIEF	3,960	1.4%			2.1	9.2	19.0	---	---	17.2
<b>Other Diversifying Investments</b>	<b>5,323</b>	<b>1.9%</b>	<b>---</b>	<b>0.0%-30.0%</b>	<b>1.9</b>	<b>8.8</b>	<b>16.6</b>	<b>9.6</b>	<b>8.3</b>	<b>8.8</b>
<b>Total Diversified Growth</b>	<b>61,874</b>	<b>22.2%</b>	<b>17.5%</b>	<b>10.0%-40.0%</b>	<b>2.3</b>	<b>7.1</b>	<b>10.5</b>	<b>3.5</b>	<b>4.7</b>	<b>4.7</b>
Van Eck Global Hard Assets	2,335	0.8%			2.1	20.5	-2.7	0.2	---	-5.0
SPDR Gold ETF	5,565	2.0%			3.2	8.2	10.5	1.1	---	2.6
Harvest MLP Income Fund	4,001	1.4%			6.3	3.4	-3.6	-5.0	---	-0.9
<b>Public Inflation Sensitive</b>	<b>11,901</b>	<b>4.3%</b>	<b>2.0%</b>	<b>0.0%-12.5%</b>	<b>4.0</b>	<b>9.0</b>	<b>3.2</b>	<b>-0.5</b>	<b>-1.1</b>	<b>-1.2</b>
<i>Private Inflation Sensitive</i>	6,361	2.3%	8.0%	0.0%-20.0%	---	---	---	---	---	---
<b>Total Inflation Sensitive</b>	<b>18,261</b>	<b>6.5%</b>	<b>10.0%</b>	<b>5.0-20.0%</b>	<b>2.6</b>	<b>7.0</b>	<b>5.6</b>	<b>2.0</b>	<b>1.2</b>	<b>-0.1</b>
Fidelity Spartan	28,804	10.3%			-1.8	-1.9	-0.0	---	---	-1.8
StoneCastle C A Managed	5,026	1.8%			0.1	---	---	---	---	0.5
Cash Pending	2,645	0.9%			---	---	---	---	---	---
SunTrust Cash	7,759	2.8%			0.1	0.6	0.9	0.4	---	0.4
<b>Total Deflation Sensitive</b>	<b>44,234</b>	<b>15.9%</b>	<b>15.0%</b>	<b>9.0%-30.0%</b>	<b>-1.1</b>	<b>-1.0</b>	<b>0.5</b>	<b>-0.2</b>	<b>0.7</b>	<b>5.1</b>
<b>Total Managed Assets Net of CA Fees</b>	<b>278,932</b>	<b>98.7%</b>	<b>100.0%</b>	<b>---</b>	<b>2.7</b>	<b>8.7</b>	<b>15.2</b>	<b>7.3</b>	<b>8.5</b>	<b>4.9</b>
Foundation Enterprise Holdings I	574	---			---	---	---	---	---	---
Foundation Enterprise Holdings V	1,008	---			---	---	---	---	---	---
Student Managed Investment Fund	349	---			5.2	17.4	24.4	8.3	8.2	6.4
SunTrust Balanced Annuity Account	166	---			2.0	6.7	10.1	1.5	0.6	3.9
StoneCastle FICA Program	3,907	---			0.1	0.6	0.9	0.5	---	0.5
IR&M Short Fund	3,769	---			-0.3	-0.1	0.5	0.8	---	0.9
Archstone Offshore	286	---			-0.2	1.7	3.3	1.3	3.4	3.5
State of Florida Treasury Fund	1,242	---			0.1	0.4	0.6	---	---	0.3
IVA Worldwide Fund	1,574	---			2.7	---	---	---	---	7.6
Other Alternatives - Cash Pending	483	---			---	---	---	---	---	---
<b>Other Alternative Investments</b>	<b>13,358</b>	<b>---</b>			<b>0.4</b>	<b>1.6</b>	<b>2.4</b>	<b>1.5</b>	<b>1.8</b>	<b>3.5</b>
<b>Total Assets Net of CA Fees</b>	<b>292,290</b>	<b>---</b>			<b>2.6</b>	<b>8.3</b>	<b>14.5</b>	<b>7.0</b>	<b>8.3</b>	<b>4.8</b>
<b>Notes:</b> 1. Funds available for investment in the Wells Fargo operating account have been deployed to the investment portfolio as of December 31, 2013. 2. Private Investments' trailing performance represents time-weighted quarterly returns. Data represents NAVs and performance through September 30, 2017, updated with cashflows through the most recent period.										

Florida International University Foundation Preliminary Performance Summary As of January 31, 2018											
Asset Class/Composite	Market Value (\$000s)	% of Total Managed Assets	Long-Term Policy Target	Long-Term Policy Ranges	Current Month	Calendar Year to Date	Fiscal Year to Date	Trailing 1-Year	Ann. Trailing 3-Years	Ann. Trailing 5-Years	Ann. Since Inception
Global Public Equity	42,633	15.3%	11.5%	5.0%-25.0%	4.7	4.7	13.7	23.8	10.8	---	9.2
U.S. Public Equity	34,603	12.4%	13.5%	6.0%-35.0%	4.8	4.8	15.3	24.5	12.6	14.0	5.7
Non-U.S. Developed Public Equity	30,496	10.9%	8.5%	4.0%-25.0%	3.7	3.7	12.2	27.0	11.5	10.4	3.7
Emerging Markets Public Equity	20,035	7.2%	4.0%	0.0%-15.0%	8.0	8.0	22.5	35.6	12.5	---	8.8
<b>Total Public Long Equity</b>	<b>127,767</b>	<b>45.8%</b>	<b>37.5%</b>	<b>---</b>	<b>5.0</b>	<b>5.0</b>	<b>15.1</b>	<b>26.4</b>	<b>11.8</b>	<b>12.7</b>	<b>5.1</b>
<i>Global Private Equity</i>	26,795	9.6%	20.0%	0.0%-34.0%	---	---	---	-3.0	---	---	---
<b>Total Long Public Equity and Private Investments</b>	<b>154,562</b>	<b>55.4%</b>	<b>57.5%</b>	<b>45.0%-70.0%</b>	<b>4.1</b>	<b>4.1</b>	<b>12.8</b>	<b>23.4</b>	<b>12.0</b>	<b>13.2</b>	<b>5.3</b>
Total Hedge Funds	56,551	20.3%	17.5%	10.0%-30.0%	2.3	2.3	7.0	9.9	3.0	4.6	4.6
Other Diversifying Investments	5,323	1.9%	---	0.0%-30.0%	1.9	1.9	8.8	16.6	9.6	8.3	8.8
<b>Total Diversified Growth</b>	<b>61,874</b>	<b>22.2%</b>	<b>17.5%</b>	<b>10.0%-40.0%</b>	<b>2.3</b>	<b>2.3</b>	<b>7.1</b>	<b>10.5</b>	<b>3.5</b>	<b>4.7</b>	<b>4.7</b>
<b>Total Inflation Sensitive</b>	<b>18,261</b>	<b>6.5%</b>	<b>10.0%</b>	<b>5.0%-20.0%</b>	<b>2.6</b>	<b>2.6</b>	<b>7.0</b>	<b>5.6</b>	<b>2.0</b>	<b>1.2</b>	<b>-0.1</b>
<b>Total Deflation Sensitive</b>	<b>44,234</b>	<b>15.9%</b>	<b>15.0%</b>	<b>9.0%-30.0%</b>	<b>-1.1</b>	<b>-1.1</b>	<b>-1.0</b>	<b>0.5</b>	<b>-0.2</b>	<b>0.7</b>	<b>5.1</b>
<b>Total Managed Assets Net of CA Fees</b>	<b>278,932</b>	<b>100.0%</b>	<b>100.0%</b>	<b>---</b>	<b>2.7</b>	<b>2.7</b>	<b>8.7</b>	<b>15.2</b>	<b>7.3</b>	<b>8.5</b>	<b>4.9</b>
<b>Total Assets Net of CA Fees</b>	<b>292,290</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>2.6</b>	<b>2.6</b>	<b>8.3</b>	<b>14.5</b>	<b>7.0</b>	<b>8.3</b>	<b>4.8</b>

**Variance Notes:**

[1] The favorable variance of \$2.6 million in cash contributions were gifts mainly from the College of Communication, Architecture + The Arts, University-Wide Scholarships & Programs, Student Access and Success, and Academic Affairs.

[2] The favorable variance of \$16.8 million in investment returns is based on a budgeted return for the fiscal year of 5% and an actual return fiscal year-to-date of 8.3%.

[3] The unfavorable variance of \$1.3 million in scholarship and program expenses is mainly comprised of expenses for Athletic capital improvement projects that were greater than budgeted.

[4] The favorable variance of \$1.1 million in administrative & fund-raising is primarily due to the timing of budgeted expenses and the salary savings on unfilled development positions.



**THE FLORIDA INTERNATIONAL UNIVERSITY**  
**BOARD OF TRUSTEES**  
**Finance and Facilities Committee**  
May 23, 2018

**SAFETY AND ENVIRONMENTAL COMPLIANCE REPORT AS OF MARCH 9, 2018**

**Report** *(For Information Only – no action required)*

**Issue #1: Regulatory Inspection for Hazardous Waste Management**

**Agency:** Florida Department of Environmental Protection (FDEP)

**Status:** On February 2, 2018, the FDEP performed an inspection of the FIU Central Hazardous Waste Satellite Accumulation Area for the Modesto A. Maidique Campus. The inspector reviewed waste manifests, training records, inspection records, and contingency plans.

**Findings:** No major violations were observed during the time of the inspection. The inspector requested that the information in the contingency plan be updated to reflect recent changes in FIU Environmental Health and Safety (EH&S) staff members, and forwarded to all local emergency response and hospitals.

**Issue #2: Indoor Air Quality Concerns – Academic Health Center 1 and 2 (Ongoing)**

**Agency:** Florida Department of Health, Epidemiology Division

**Status:** A project to conduct 100% inspection of the A/C ducts and Variable Air Volume boxes was completed in February, 2018 in collaboration with FMD for AHC2. The working team met on March 6, 2018 to review results, discuss an effective remediation plan and any other actions.

The same approach/100% inspections are in progress per the plan.

**Findings:** As of October 12, 2017, EH&S continues to work with the Herbert Wertheim College of Medicine, College of Arts, Sciences & Education, Human Resources, Facilities Management and the Florida Department of Health to address the identified concerns and issues.



**THE FLORIDA INTERNATIONAL UNIVERSITY**  
**BOARD OF TRUSTEES**  
**Finance and Facilities Committee**  
**May 23, 2018**

**TREASURY REPORT** (For quarter ending December 31, 2017)

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**Report** (For Information Only – no action required)

**OVERVIEW**

The University's total liquidity position of \$347.2 million was 2.2 times the University's debt position of \$155.6 million at the end of FY 2018 2Q. Including direct support organization ("DSO") debt, the liquidity to total debt ratio was 1.8 times. These results are better compared to the end of FY 2017 2Q, where the liquidity to University debt and the liquidity to total debt ratios were 1.9 times and 1.6 times, respectively.

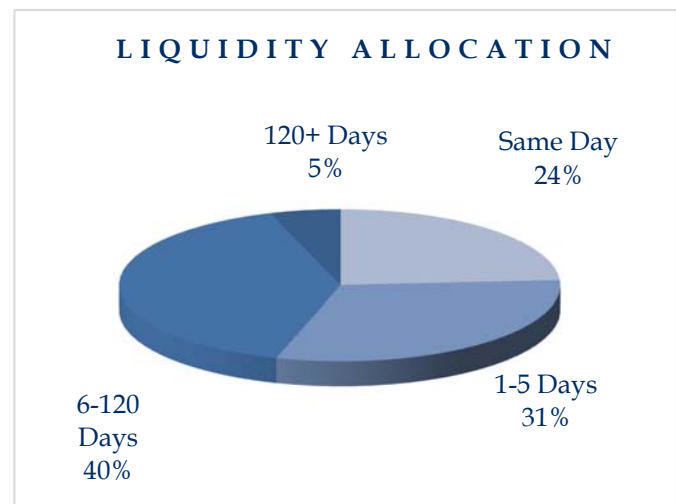
**LIQUIDITY**

**Real Days Payable**

At the end of FY 2018 2Q, \$189.8 million, or 54.7 percent, of the liquidity position was accessible within 5 business days (see *Liquidity Allocation* chart for detail). At the end of FYTD 2018 2Q, the University had 45 real days payable<sup>1</sup> ("RDP") versus 42 RDP at the end of FYTD 2017 2Q. The increase in RDP was due to equity returns in the University's most liquid investments and higher state inflows.

**Sources**

The University started the fiscal year with \$98.6 million in cash balances<sup>2</sup>. Total FYTD 2018 2Q inflows (state and operational) were \$554.8 million as compared to \$524.1 Million for FYTD 2017 2Q. On average, \$4.2 million flowed into the University each business day in FYTD 2018 2Q and \$4.0 million in FYTD 2017 2Q.



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<sup>1</sup> Real Days Payable represents the available balance of liquid funds divided by the average cash outflows of the University. The calculation uses the available balance in the University's bank accounts plus the market value of investments that are accessible within 5 business days as its balance of liquid funds.

<sup>2</sup> Cash includes Working Capital Pool assets and cash balances in the concentration bank account.



## Uses

FYTD 2018 2Q, the University used \$549.2 million as compared to \$525.2 million in the same period last fiscal year. The FYTD 2018 2Q velocity cash outflow was \$4.2 million per day and \$4.0 million in FYTD 2017 2Q. The University ended FY 2018 2Q with \$104.2 million in cash balances.

## Stress Tests/Performance Simulations

The University Office of the Treasurer (“Treasury”) analyzes the effect of negative market performance on its liquidity position through both value-at-risk (VAR) analysis and Monte Carlo simulation analyses.

VAR analysis completed quarterly, estimates the maximum potential loss during a specific time period at a given level of confidence. VAR uses the historical behavior of each asset class over various time horizons (five years, ten years, full history). Our VAR analysis predicts that there is a five percent probability that the portfolio (as of the FYTD 2018 2Q ending balance) could have unrealized losses of up to \$21.3 million and one percent probability of up to \$37.5 million of unrealized losses within a twelve-month period.

At the end of FY 2018 2Q, the Monte Carlo analysis, generated by a bottom decile performance for fixed income investments, translated into median 2.0 percent, or \$6.8 million, in unrealized losses. Liquidity, as measured by 5-day accessibility, would drop to 50.2 percent, or \$174.1 million, of the total current available cash and investment balances. RDP would fall to 41 days based on current fiscal year outflows.

The scenario with the bottom decile equity performance generates a median 3.6 percent, or \$12.7 million, in unrealized losses. Liquidity, as measured by 5-days accessibility, would drop to \$185.5 million or 53.4 percent of the total current available cash and investment balances. RDP would drop slightly to 44 days based on fiscal year outflows in this stress scenario.

Bottom decile of overall portfolio performance represents a 4.9 percent loss, or \$17.1 million, and a projected drop in liquidity to \$162.5 million or 46.8 percent of the total current available balances. Furthermore, RDP would drop to 38 days.

## Forecast and Budget

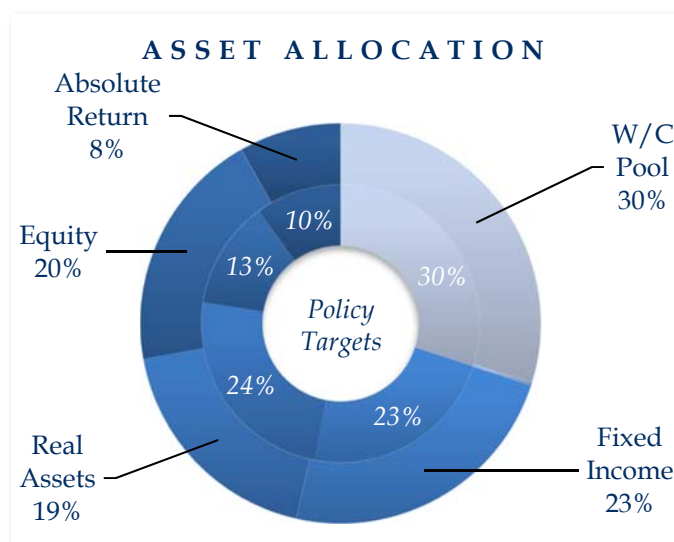
Actual balances at the end of FY 2018 2Q were 8.8 percent higher than the rolling forecast, 15.7 percent higher than the budget, and 10.7 percent higher than prior year. For the next quarter, the University should experience an increase in the cash and investment balances lasting through the end of the third quarter of FY 2018.

## INVESTMENTS

### Composition

Asset allocations at the end of FY 2018 2Q remained within policy guidelines (See *Asset Allocation* chart for quarter end detail).

At the end of FY 2018 2Q, the market value of the University’s operating funds portfolio and cash was \$347.2 million. This balance reflects a decrease of \$34.8 million or 9.1 percent, from the previous quarter. The decrease reflects the quarter-to-quarter seasonal decrease in cash flows. The total portfolio market value was \$33.6 million higher than the market value at the end

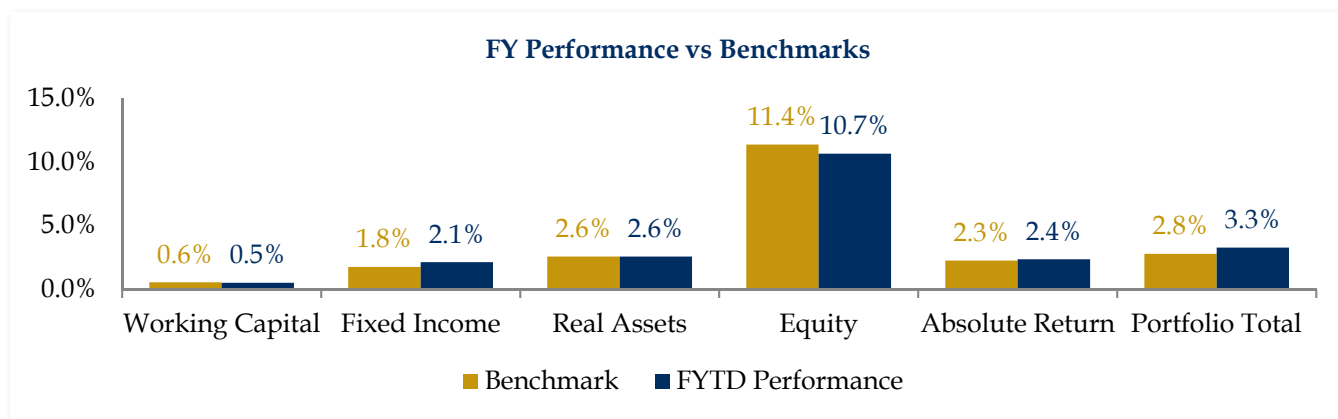


of FY 2017 2Q. The increase was largely due to strong investment performance in the Strategic and Reserve Pool.

## Performance

FIU's operating portfolio continues to outperform the State Treasury investment pool ("SPIA"), returning 4.2 percent since inception versus the SPIA's 2.5 percent for the same period. At the end of FY 2018 2Q, the portfolio returned 3.3 percent. This compares favorably to a 2.0 percent return at the end of FY 2017 2Q. The Strategic Capital and Reserve Pools returned 4.5 percent while the Working Capital Pool gained 0.5 percent. Returns from the SPIA totaled 0.9 percent at the end of FY 2018 2Q (see *FY Performance vs. Benchmarks* chart for additional performance detail by asset class).

The Working Capital Pool was flat to the benchmark and the Strategic and Reserve Pool exceeded the benchmark by 0.8 percent. Equities were lower than their benchmarks. Equities had a return of 10.7



percent (vs 11.4 percent benchmark). All other asset classes met or exceeded their benchmarks.

## DEBT

### Total Outstanding

The University and DSOs ended FY 2018 2Q with \$189.6M million in outstanding debt versus \$197.5M million at the end of FY 2017 2Q. The weighted average interest rate for the University and DSO issuances was 4.2% percent.

### Bond Refunding

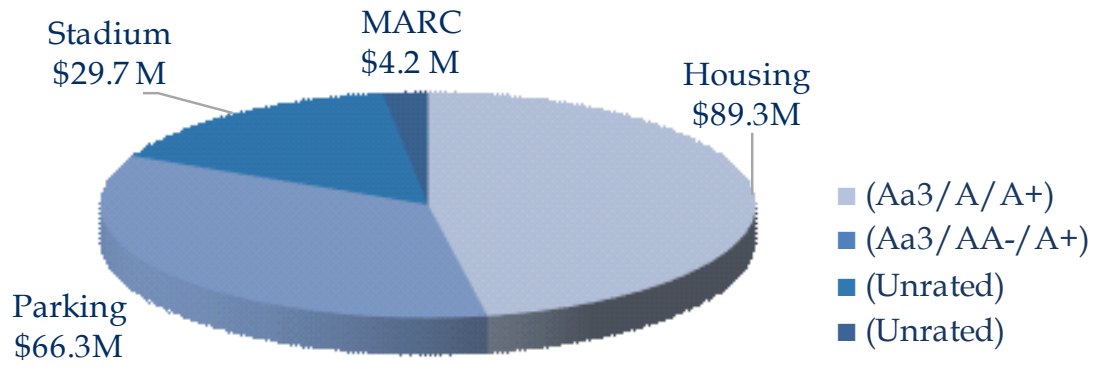
The University and the Athletics Finance Corporation (AFC), has refunded/modified all eligible outstanding bond series. The refundings/modification are projected to save the University and AFC \$10.1 million in interest expense over the term of the issuances. As of December 31, 2017, \$2.9 million of interest savings have been realized from the refunding/modification activities. The University and AFC are expected to save an additional \$0.9 million in interest expense in Fiscal Year 2018 and \$3.4 million over the next 5 years.

### Rating Agency Reviews

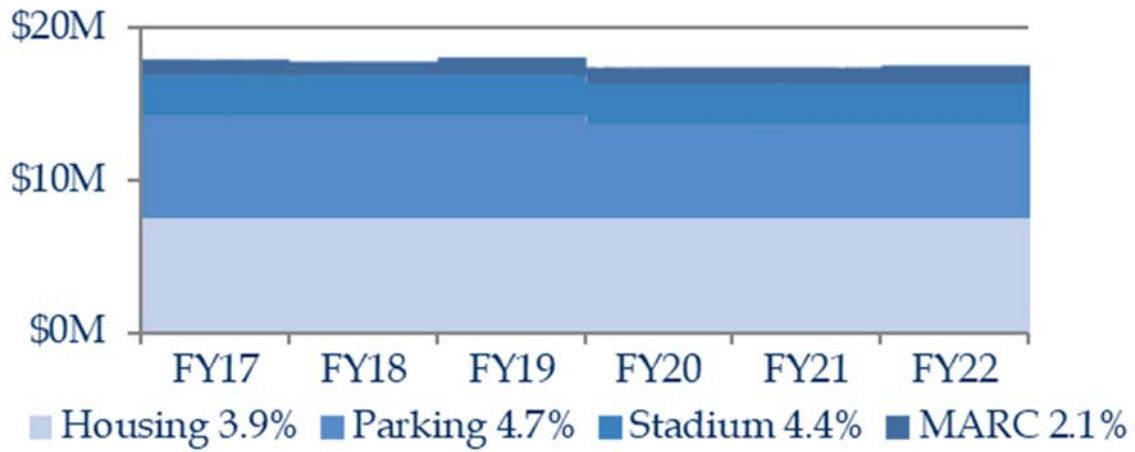
The University expects to complete annual rating reviews with Fitch, Standard & Poor's and Moody's by the end of March 2018. The rating agencies are expected to issue their final ratings reports.



## OUTSTANDING DEBT



## ANNUAL DEBT SERVICE



Period Ending December 31, 2017

(000's)

**OVERVIEW**

Liquidity/University Debt	2.23
Liquidity/Total Debt	1.83
<b>Liquidity Position</b>	
Cash + W/C Pool	\$ 104,165
Strategic + Reserve Pools	242,996
<b>Total</b>	<b>\$ 347,161</b>

**Debt Position**

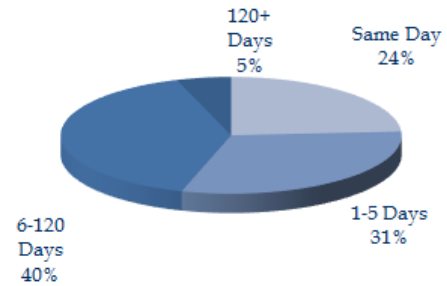
University Debt	\$ 155,590
DSO Debt	33,963
<b>Total</b>	<b>\$ 189,553</b>

**LIQUIDITY**

<b>Availability</b>	
Same Day	\$ 83,198
1-5 Days	106,651
6-120 Days	139,397
120+ Days	17,914
<b>Total</b>	<b>\$ 347,161</b>

**Real Days Payable (<5 Days)**

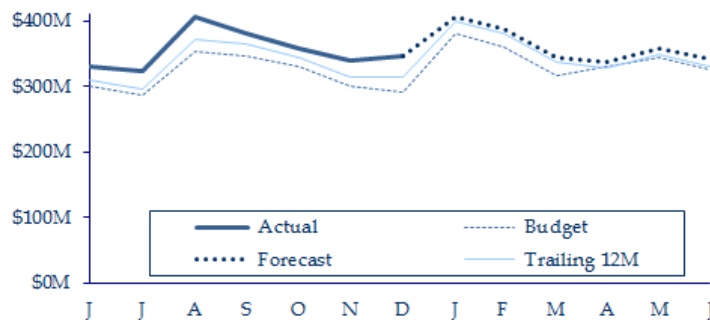
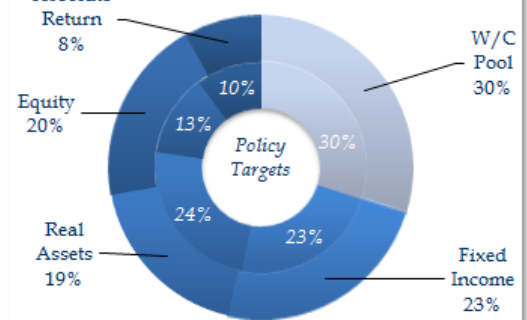
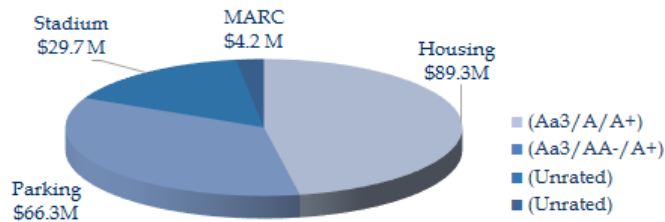
MTD Outflows	56
QTD Outflows	50
YTD Outflow	45

**LIQUIDITY ALLOCATION**

**LIQUIDITY SOURCES AND USES**

Sources	MTD	QTD	YTD
Opening W/C Pool Balance	\$ 99,339	\$ 143,281	\$ 98,050
Opening Cash Balance	782	327	536
From State	42,460	99,895	188,038
From Operations	32,497	107,881	366,752
<b>Uses</b>			
To Payroll	(47,624)	(145,002)	(296,457)
To Operations	(20,216)	(78,647)	(149,821)
To Students	(3,074)	(23,571)	(102,934)
<b>Cash + W/C Pool</b>	<b>\$ 104,165</b>	<b>\$ 104,165</b>	<b>\$ 104,165</b>

**INVESTMENTS**

Cash + W/C Pool	Balance	FYTD	Last 1Y
W/C Pool	\$ 103,248	0.5%	1.2%
Cash	917	0.0%	0.0%
<b>Strategic + Reserve Pools</b>			
Fixed Income	81,763	2.1%	5.6%
Real Assets	64,550	2.6%	2.1%
Equity	67,976	10.7%	21.5%
Absolute Return	28,707	2.4%	7.2%
<b>Total</b>	<b>\$ 347,161</b>	<b>4.5%</b>	<b>8.8%</b>

**CASH + INVESTMENTS FORECAST**

**ASSET ALLOCATION**

**DEBT**
**OUTSTANDING DEBT**

**ANNUAL DEBT SERVICE**
