



**FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND FACILITIES COMMITTEE
MINUTES
MAY 23, 2018**

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 9:50 am on Wednesday, May 23, 2018, at the Modesto A. Maidique Campus, Graham Center Ballrooms.

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

General Counsel Carlos B. Castillo conducted roll call of the Finance and Facilities Committee members and verified a quorum. Present were Trustees Leonard Boord, *Chair*; Justo L. Pozo, *Vice Chair*; Dean C. Colson; Marc D. Sarnoff; and Kathleen L. Wilson.

Trustees Cesar L. Alvarez and Natasha Lowell were excused.

Board Chair Claudia Puig, Trustees Gerald C. Grant, Jr., Michael G. Joseph, Jose L. Sirven, III, and Rogelio Tovar, and University President Mark B. Rosenberg also were in attendance.

2. Approval of Minutes

Committee Chair Boord asked that the Committee approve the Minutes of the meeting held on December 7, 2017. A motion was made and passed to approve the Minutes of the Finance and Facilities Committee Meeting held on Thursday, December 7, 2017.

Committee Chair Boord discussed follow-up items from the Board's April Retreat and requested a timeline detailing when the items will be presented to the Board.

3. Discussion Items

3.1 Review of FIU Financial Statement Audit for Fiscal Year Ended June 30, 2017

Senior Vice President and Chief Financial Officer Kenneth A. Jessell reported on the results of the State of Florida's Auditor General Financial Statements Audit for Fiscal Year ended June 30, 2017, explaining that the audit disclosed that the University's basic financial statements were presented fairly in all material respects in accordance with prescribed financial reporting standards. He stated that the audit results disclosed no instances of noncompliance or other matters that are required to be reported. He further noted that the audit did not identify any deficiencies in internal controls over financial reporting that were considered material weaknesses.

Sr. VP and CFO Jessell noted that the financial statements included the following component units of the University: FIU Foundation, Inc. and its subsidiaries; FIU Athletics Finance Corporation; and the FIU Academic Health Center Health Care Network/Faculty Group Practice. He explained that 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 Research Foundation represent less than one percent of the total aggregate component units' assets and operating revenues. He presented balance sheet highlights in terms of the major components of changes in assets, liabilities, and net position as well as revenues and expenses.

3.2 Review of FIU Foundation, Inc. IRS Form 990 for Fiscal Year Ended June 30, 2017

Sr. VP and CFO Jessell explained that recently, the State of Florida Auditor General completed Operational Audits at the University of Florida, University of South Florida, and the University and North Florida. He added that one comprehensive finding for all three universities related to greater oversight and review of the Direct Support Organizations by the boards of trustees. He stated that 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. He added that revenues, expenses, assets, liabilities and net assets tie to the Audited Financial Statements and that the differences in revenue and expenses are the result of the required adjustments for tax presentation.

In response to Trustee Marc D. Sarnoff's request for a description of the methods used for gift reporting, Sr. VP and CFO Jessell answered that Financial Accounting Standards are used by the FIU Foundation, Inc. and that there are differences between financial statement reporting and capital campaign or fundraising reporting. Committee Chair Boord requested a detailed discussion on the methods used for representation of gift commitments on the balance sheet for a future meeting of the Committee.

3.3 Financial Performance Review, Third Quarter FY 2017-18

Sr. VP and CFO Jessell pointed out that the Financial Performance Review is now presented in accordance with Committee Chair Boord's request in terms of focusing on variances in revenues and expenses that are not timing related. Sr. VP and CFO Jessell presented the Financial Performance Review for the third 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 \$35.5M (or 4 percent), which can be primarily attributed to higher student financial aid and research grant revenues. He added that these were offset by lower percentage of graduate and professional out-of-state students. He explained that operating expenses were above estimates by \$18.9M (or 2 percent), primarily due to higher sponsored research and unit research support expenses associated with additional grants and higher student financial aid expenses.

4. Reports

There were no questions from the Committee members in terms of the reports included as part of the agenda materials: Athletics Update, Business Services Report, Emergency Management Status Report, Facilities and Construction Update, Foundation Report, Safety and Environmental Compliance Report, and Treasury Report.

5. New Business

No new business was raised.

6. 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 Wednesday, May 23, 2018 at 10:24 am.

Trustee Requests	Follow-up	Completion Date
<i>1. Trustee Leonard Boord discussed follow-up items from the Board's April Retreat and requested a timeline detailing when the items will be presented to the Board.</i>	<i>Senior Vice President and Chief Financial Officer Kenneth A. Jessell</i>	<i>September meeting</i>
<i>2. Trustee Leonard Boord requested a detailed discussion on the methods used for representation of gift commitments on the balance sheet.</i>	<i>Senior Vice President and Chief Financial Officer Kenneth A. Jessell</i>	<i>September/ December meeting</i>

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