



**FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND FACILITIES COMMITTEE**

Thursday, April 18, 2019
9:30 a.m. **approximate start time*
Florida International University
Modesto A. Maidique Campus
Graham Center Ballrooms

Committee Membership:

Leonard Boord, *Chair*; Rogelio Tovar, *Vice Chair*; Cesar L. Alvarez; Dean C. Colson; Natasha Lowell; Joerg Reinhold; Marc D. Sarnoff

AGENDA

- | | |
|---|--------------------|
| 1. Call to Order and Chair's Remarks | Leonard Boord |
| 2. Approval of Minutes | Leonard Boord |
| 3. Action Items | |
| FF1. CasaCuba Building | Kenneth A. Jessell |
| FF2. Biscayne Bay Campus Aquatic Center Repair and Renovation | Kenneth A. Jessell |
| 4. Discussion Item | |
| 4.1 Review of FIU Financial Statement Audit for Fiscal Year Ended June 30, 2018 | Kenneth A. Jessell |
| 5. New Business <i>(If Any)</i> | Leonard Boord |
| 6. Concluding Remarks and Adjournment | Leonard Boord |

The next Finance and Facilities Committee Meeting is scheduled for June 19, 2019

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**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Facilities Committee**

April 18, 2019

Subject: Approval of Minutes of Meeting held March 4, 2019

Proposed Committee Action:

Approval of Minutes of the Finance and Facilities Committee meeting held on Monday, March 4, 2019 at the FIU, Modesto A. Maidique Campus, MARC 290, Earlene and Albert Dotson Pavilion.

Background Information:

Committee members will review and approve the Minutes of the Finance and Facilities Committee meeting held on Monday, March 4, 2019 at the FIU, Modesto A. Maidique Campus, MARC 290, Earlene and Albert Dotson Pavilion.

Supporting Documentation: Minutes: Finance and Facilities Committee Meeting, March 4, 2019

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

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FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND FACILITIES COMMITTEE
MINUTES
MARCH 4, 2019

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 9:03 am on Monday, March 4, 2019 at the Modesto A. Maidique Campus, MARC 290, Earlene and Albert Dotson Pavilion.

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*; Rogelio Tovar, *Vice Chair*; Cesar L. Alvarez; Dean C. Colson; Natasha Lowell; Joerg Reinhold; and Marc D. Sarnoff.

Board Chair Claudia Puig, Trustees Gerald C. Grant, Jr., Michael G. Joseph, Justo L. Pozo, and Sabrina L. Rosell and University President Mark B. Rosenberg also were in attendance.

Committee Chair Boord welcomed all Trustees and University faculty and staff to the meeting. He also welcomed FIU Foundation, Inc. Board of Directors Treasurer, Andre L. Teixeira.

2. Approval of Minutes

Committee Chair Boord asked that the Committee approve the Minutes of the meeting held on December 5, 2018. A motion was made and unanimously passed to approve the Minutes of the Finance and Facilities Committee meeting held on Wednesday, December 5, 2018.

3. Follow-up to Item from Previous Meeting

Committee Chair Boord explained that in response to a request from the Committee's December 2018 meeting, Senior Vice President of Administration and Chief Financial Officer Kenneth A. Jessell would present a prioritized schedule of deferred maintenance/infrastructure projects. Sr. VP and CFO Jessell explained that the cumulative total of all pending projects is approximately \$71M and that this included \$8.2M in critical one-year infrastructure/deferred maintenance projects. He indicated that based on a request from the Florida Board of Governors, every institution completed an evaluation of their university facilities, adding that these are now included as part of a System-wide database where facility and infrastructure conditions are documented and indexed. He described the database as a resource in aiding institutions to predict elements that are most vulnerable.

Sr. VP and CFO Jessell presented a historical overview of maintenance funding, noting that the current levels of increased deferred maintenance can be attributed to unaddressed issues from prior

years, a larger plant, and declining state revenues. He indicated that in terms of addressing the funding shortages, the University will continue the discussions with the Board of Governors and the State Legislature. He stated that Trustee Roger Tovar has dedicated time and efforts in meeting with University leadership to personally review the deferred maintenance issues within the University. Sr. VP and CFO Jessell stated that through the use of carryforward funds, the University has been able to address projects such as lab renovations and that under the carryforward Statute, these funds can be utilized to address repairs and renovations of facilities.

Board Chair Claudia Puig commended Trustee Tovar's leadership. Trustees engaged in a substantive discussion on deferred maintenance and infrastructure projects. Trustee Tovar requested a review of deferred maintenance projects in order to identify the historical issues and then subsequently develop a plan on how to address and fund. He also requested information on how efficiently the University utilizes its space. To aid in the discussions with state legislators, Trustee Marc D. Sarnoff requested a brief listing of critical deferred maintenance issues that also describes the University's space utilization. Committee Chair Boord requested a comprehensive analysis that describes square footage, percentage of maintenance completed, and level of deferred maintenance. Sr. VP and CFO Jessell stated that the University is in the process of reviewing the space utilization analysis recently completed by the Florida Legislature's Office of Program Policy Analysis and Government Accountability (OPPAGA), as this will provide the foundation for a consistent method of analysis in comparing the University to the other System institutions.

In response to Trustee Lowell's inquiry, Senior Vice President for University Advancement Howard R. Lipman explained that donors generally are not inclined to give towards operational expenses.

4. Action Item

FF1. Puerto Rico and the Virgin Islands Tuition Waiver Extension

Provost and Executive Vice President Kenneth G. Furton presented the Puerto Rico and the Virgin Islands tuition waiver extension for Committee review, noting that the waiver covers approximately 230 undergraduate and 20 graduate students. He explained that in response to Hurricane Maria in September 2017, the University waived out-of-state fees and charged in-state tuition beginning in Spring 2018 through Spring 2019 for students from Puerto Rico and the Virgin Islands. He indicated that the request consists of extending the waiver through Summer 2022 and that students who meet the criteria can continue to receive in-state tuition rates through Summer 2022 as long as they remain continuously enrolled.

A motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee recommend to the FIU Board of Trustees approval to extend granting in-state tuition rates for students from Puerto Rico and the Virgin Islands who were impacted by Hurricane Maria.

Senior Vice President for Academic and Student Affairs Elizabeth M. Bejar introduced Ms. Gabriela De Jesus, President of the FIU Puerto Rican Student Association. Ms. De Jesus discussed the importance of forming a community in terms of adapting and succeeding academically.

5. Discussion Items

5.1 Financial Performance Review – Second Quarter FY 2018-19

Sr. VP and CFO Jessell presented the Financial Performance Review for the second quarter of 2018-19 and reported that the University and direct support organizations' operating revenues were above estimates by \$11.1M (or 1 percent) and explained that this was primarily attributed to higher research grants and contracts and higher direct support organizations revenues and international student program enrollment. He indicated that operating expenses were below estimates by \$3.3M (or 1 percent), stating that lower Educational & General expenses, lower risk management insurance premium, and other savings were offset by higher student financial aid expenses and higher sponsored research and unit research support expenses

5.2 Operating Funds Investment Program

Sr. VP and CFO Jessell introduced University Treasurer Benjamin "Powell" Jarrell. Sr. VP and CFO Jessell welcomed Mr. Gustavo Bikkesbakker, Senior Vice President of Meketa Investment Group, noting that Meketa was hired as the University investment advisors in September 2016. Sr. VP and CFO Jessell added that Trustee Gerald C. Grant, Jr. serves as the Board of Trustees liaison to the University's Investment Committee.

Mr. Jarrell provided an overview of FIU's investment program and its governance and history, and explained that prior to its implementation in 2006, all investments were in the Special Purpose Investment Account (SPIA) operated by the Florida State Treasury. He also described the Program's diversification, noting that the value of FIU's portfolio as of January 31, 2019 was \$429.2M and that the portfolio has broad exposure across several asset classes. Mr. Jarrell indicated that the working capital pool is focused on safety and liquidity and that as of January 31, 2019 has a market value of \$209.8M. He stated that the strategic capital and reserve pools focus on diversification and risk-adjusted returns for funds not needed in the short term and that as of January 31, 2019 these pools have a market value of \$219.4M.

Mr. Jarrell presented data that compared FIU's performance in relation to SPIA and the benchmarks which are based upon target asset allocation. He stated that FIU has consistently outperformed both SPIA and the benchmarks since inception, indicating that since 2010, the Program has added approximately \$115M in total value to the University.

Trustees engaged in a substantive discussion on the University's Investment Program. Trustee Grant described the investment approach in terms of the portfolio as one that is both rigorous and conservative. In response to Trustee Dean C. Colson's inquiry, a complete review of the University's Investment Program beginning with its inception will be provided to the Committee. In response to Trustee Cesar L. Alvarez' inquiry relating to the University's outperformance of SPIA, Sr. VP and CFO Jessell explained that diversification is a critical part of the process. Trustee Grant added that funds are invested in different allocations were fixed instruments generate stable returns with low associated risks along with a strategic mix of long-term investments. In response to Trustee Tovar's inquiry regarding risks and how these could be mitigated in the case of a potential market downturn, Trustee Grant explained that a 20-year forward looking study was conducted and this revealed very minimal risk.

Mr. Jarrell described the University's approach, noting that risk identification precedes the development of the portfolio. Mr. Bikkesbakker explained that risks can be considered individually, but also collectively as part of a portfolio, stating that the latter can yield lower overall risk with a higher expected return. Committee Chair Boord requested to continue the discussion on the risks and yields in terms of the University's Investment Program for the next regularly scheduled Finance and Facilities Committee meeting. Sr. VP and CFO Jessell stated that the last agenda and related meeting materials of the University's Investment Committee would be shared with the Finance and Facilities Committee, adding that variations in market performance have been modeled for where significant reductions can be absorbed.

6. Reports

There were no questions from the Committee members in regards to 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.

7. New Business

No new business was raised.

8. 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 Monday, March 4, 2019 at 10:12 am.

Trustee Requests

1. *In terms of deferred maintenance/infrastructure projects, the Committee requested the following:*
 - *A review of deferred maintenance projects in order to identify the historical issues and then subsequently develop a plan on how to address and fund; and*
 - *Information on how efficiently the University utilizes its space.*
2. *Committee Chair Boord requested to continue the discussion on the risks and yields in terms of the University's Investment Program for the next regularly scheduled Finance and Facilities Committee meeting.*

3.12.19 MB

THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Facilities Committee

April 18, 2019

Subject: CasaCuba Building

Proposed Committee Action:

Recommend to the Florida International University Board of Trustees approval of the design and, upon receipt of required funding, future construction of the CasaCuba building on the east side of the FIU Modesto A. Maidique Campus and recommend to the Florida International University Board of Trustees an amendment to the University Campus Master Plan to include the CasaCuba project.

Background Information

FIU is a global leader in the study of Cuba and the preservation of Cuban culture. In addition to enrolling the largest number of University students of Cuban origin outside of Cuba and housing the largest nucleus of faculty experts on Cuba, FIU's prominence in Cuban history, oral narrative, genealogy, photography and art collections across multiple colleges and museums uniquely positions the University as the country's preeminent intellectual and cultural hub dedicated to fostering understanding of the Cuban heritage. CasaCuba will leverage these significant academic and non-academic resources to expand FIU's depth and breadth of teaching, scholarship, and cultural engagement on Cuba and the Cuban diaspora.

CasaCuba will allow FIU to build a leading intellectual and cultural center dedicated to creating and disseminating knowledge about Cuba, and preserving Cuban culture. As a gathering place for researchers, students, the South Florida community, and visitors from around the world, CasaCuba will offer a welcoming home away from home to learn about Cuba and the Cuban diaspora, and a think tank that provides a forum for exploration and discussion of Cuban affairs, producing impactful analysis to guide policymakers and business leaders. As a cultural institution, CasaCuba will celebrate artistic expression in all its forms, recognizing talent and achievement and inspiring creativity in the Cuban community and beyond. CasaCuba will be fully integrated with our existing institutes, programs, research initiatives and cultural collections related to Cuba and Cuban-Americans, including the Cuban Research Institute; the Kimberly Green Latin American and Caribbean Center; collaborative research and professional engagement with Cuban scholars, artists, and intellectuals; Patricia and Phillip Frost Art Museum; Wolfsonian-FIU; The Jewish Museum of Florida-FIU; and FIU Libraries.

CasaCuba will be located at the SW corner of SW 16 Street and SW 107 Avenue, directly across from the Ronald W. Reagan Presidential House. CasaCuba will contain approximately 63,000 gross square feet (GSF), including 40,000 GSF of auditorium and exhibition space, 5,500 GSF of classroom space, 5,600 GSF of teaching and research labs, and 12,000 GSF of office, computer and campus support space. The total cost of the project is \$37.3 million,

reflecting \$28 million in construction, site and utility costs; \$2.5 million in architectural, engineering and professional fees; \$3.8 million for movable furnishings and equipment; \$1.9 million contingency; and \$1.1 million for construction services.

Funding for planning, design, construction, and equipment will come from private funds through fundraising, private grants, and private foundations. The estimated annual operation and maintenance (O&M) budget for utilities, normal maintenance, repairs, routine equipment replacement, and custodial and landscaping services is \$635,000. O&M funding will come from an endowment reserve and net revenues from events taking place within CasaCuba. The total fundraising goal to build and operate the facility is \$50 million.

Currently, over \$4.1 million has been raised for the project. The John S. and James L. Knight Foundation, which contributed \$200,000 in 2017 to hire an executive director and launch CasaCuba operations, also donated \$2 million in 2018 in support of project development. Additionally, FIU Foundation, Inc. Board of Directors member Agustin R. Arellano, Sr. and his family donated \$1 million to CasaCuba in 2018. The National Endowment for the Humanities recently awarded a 2019 grant in the amount of \$750,000. Other gifts in the amount of \$172,145 have also been received to support the CasaCuba project. Anticipated available cash through next year in the amount of \$1.7 million will be used to begin the architectural/engineering selection process and the development of design plans consistent with the approved building program. Once design development and architectural and engineering design plans are finalized and approved and the total funds for the project are obtained, FIU will begin the process of advertising for and selecting a Construction Manager for the project. Construction is expected to take approximately 19 months.

The University Campus Master Plan will be amended to reflect the location of the CasaCuba building on the SE corner of campus, at SW 16 Street and SW 107 Avenue. The project is consistent with required elements of the Campus Master Plan including future land use and academic/support facilities described in the capital improvement element to accommodate future needs.

Supporting Documentation:

CasaCuba Building Project:

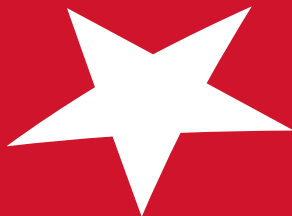
- *Brochure*
- *Space Needs Assessment*
- *Space List*
- *Master Plan Analysis*
- *Site Analysis*
- *Preliminary Schedule*
- *Project Budget Summary*
- *Press Releases 2017, 2018, 2019*

Facilitator/Presenter:

Kenneth A. Jessell

CASACUBA

FIU CasaCuba
FLORIDA INTERNATIONAL UNIVERSITY





WELCOME TO

CASACUBA

CasaCuba is a place to share and preserve Cuba's rich history and heritage; a global forum where top Cuban scholars and policymakers from around the world can meet and share their ideas; a vibrant education center where students and professionals will find learning resources and mentorship; a dynamic space to showcase Cuban arts and culture. CasaCuba is truly a home where we can all explore our roots and envision a shared future as one people.

Image by Humberto Calzada, *La Tradición* [detail], 2017, 60x60 inches.



A HOME FOR ALL THINGS CUBA

Cuba is in FIU's DNA. For many years, we have been one of the world's leading universities in the study of the island nation. It has thus been a longtime dream to build a home away from home to share our wealth of resources related to Cuba, in a vibrant academic, cultural and community center.

That dream is CasaCuba.

This initiative will facilitate access to FIU's vast repository of Cuban art, music, memorabilia, special collections and genealogy material. It will engage a global audience through collaboration with international partners, digital exhibits and distance learning. And it will bring together the expertise and interests of faculty members, students and the community under one roof.

The doors of CasaCuba are open to all of South Florida, as well as visitors from around the world. Our aspiration is to be a meeting place where everyone may be inspired by the richness of the Cuban heritage.

Mark B. Rosenberg
President of Florida International University

WORKING TOGETHER TO INSPIRE

CasaCuba will be a place we can all call a second home. The Board of Advisors is excited to help bring to life a unique initiative that will showcase the Cuban experience as a way to educate, support and inspire our community at large. Through dynamic exhibits, scholarly research and vibrant public programming, CasaCuba aims to be a leading hub to engage deeply with Cuban culture.

As we build CasaCuba, we look to our community for support in this historic endeavor.

Agustín Arellano, Sr.
Chair of the Board of Advisors

Rendering of the future home of CasaCuba
Conceptual Design by Claudia Fernandez

MISSION

To foster global understanding on Cuban affairs and culture through education, discussion, research and the arts.

VISION

To be a leading source of information and engagement on Cuban affairs.

TURNING VISION INTO REALITY

2015

The idea for CasaCuba is born out of meetings of the FIU Foundation Board of Directors

2016

First meeting of the CasaCuba Board of Advisors

Agustín Arellano, Sr. becomes Chair of the Board of Advisors

Ray Rodríguez becomes Vice-Chair of the Board of Advisors

Board members visit site for CasaCuba

Board members meet with the Director of the National Museum of African American History and Culture in Washington D.C.

2017

Board of Advisors meeting held in Washington D.C.

The John S. and James L. Knight Foundation provides \$200,000 in seed funding to hire CasaCuba's Executive Director

2018

María Carla Chicuéen becomes CasaCuba's founding Executive Director

CasaCuba fundraising kicks off with \$1 million lead gift from Agustín Arellano, Sr., Chair of the Board of Advisors



FIU: GLOBAL EPICENTER OF CUBAN STUDIES AND CULTURE

FIU is a world leader in the study of Cuba and the preservation of Cuban culture. We are situated 228 miles from Havana, in a geographic area that is home to 70 percent of the two million U.S. residents of Cuban origin. Nearly 57,000 students are enrolled at FIU, including the greatest number of university students of Cuban heritage outside of Cuba. Our faculty also includes the leading group of specialists on Cuba and the Cuban American community, across all disciplines.

Given our location, our large Cuban student population, our research expertise in Cuba, and our acclaimed Cuban art, history, and genealogy collections, FIU is uniquely positioned to build a global hub dedicated to fostering understanding of Cuban affairs.

RESEARCH EXPERTISE

The Kimberly Green Latin American and Caribbean Center (LACC): Founded in 1979 and located within the prestigious Steven J. Green School of International and Public Affairs, LACC has been designated as a National Resource Center on Latin America by the U.S. Department of Education. LACC draws upon the expertise of one of the largest concentrations of Latin American and Caribbean Studies scholars in the country, spanning many disciplines and colleges.

The Cuban Research Institute (CRI): CRI is the nation's leading institute focused on interdisciplinary teaching and research on Cuba and the Cuban diaspora. Since its founding in 1991, CRI has organized hundreds of academic and cultural events on Cuba and Cuban Americans at the intersection of politics, the arts, and society.

Cuban Studies: FIU offers a Cuban Studies certificate and a master's concentration in Cuban Studies, including more than 70 Cuba-related courses across more than 20 disciplines.

FIU Cuba Poll: First conducted in 1991, the FIU Cuba Poll is the longest-running research project tracking the opinions of Cuban Americans in South Florida. It is widely considered the most authoritative and complete poll on Cuban American political attitudes over time, and as such, it routinely supports the work of media and government officials.



FIU CUBA COLLECTIONS

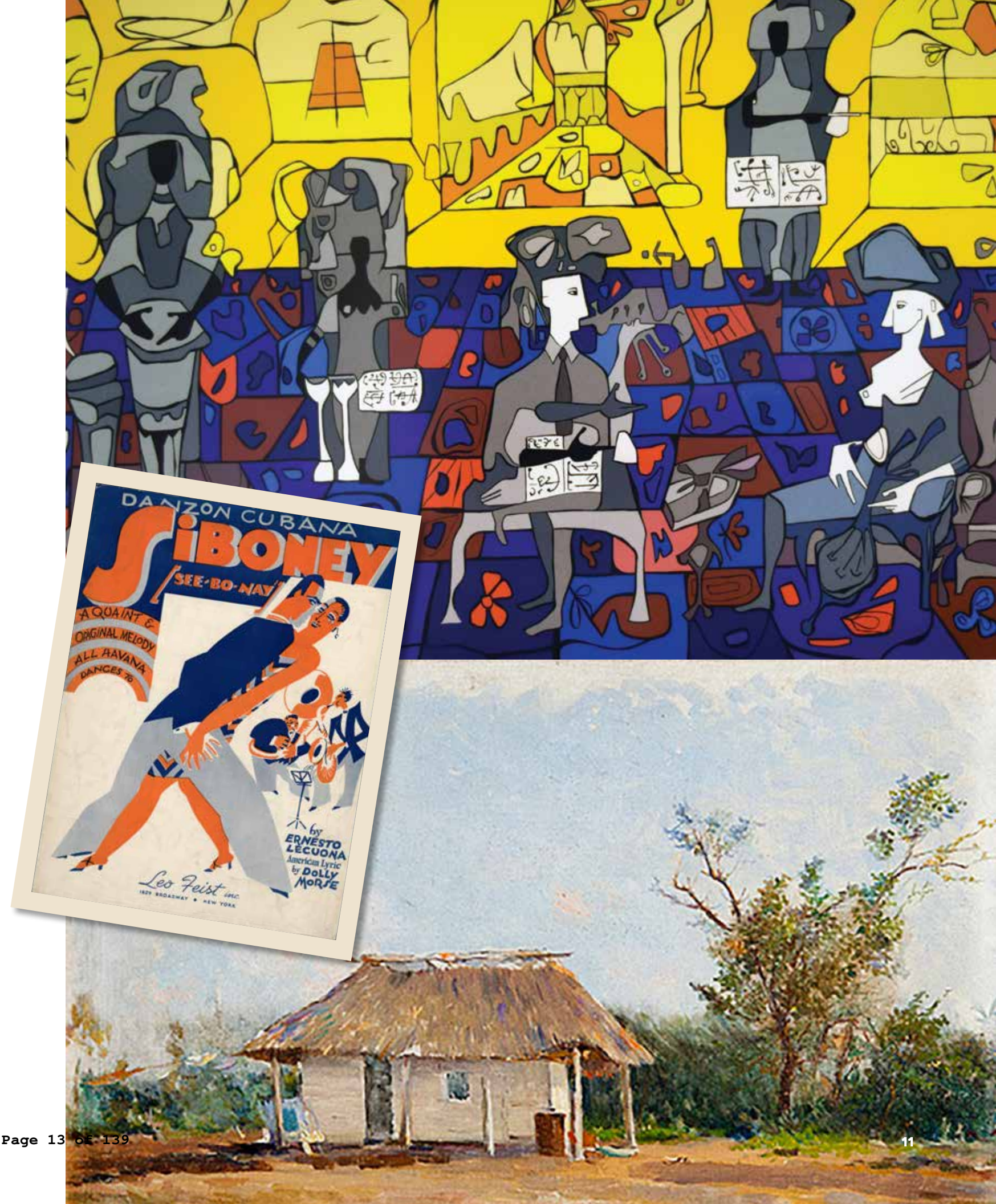
From oral histories, genealogy materials and memorabilia, to the world's largest collection of publicly available Cuban music, FIU's collections document the cultural and political history of Cubans and Cuban Americans.

FIU Libraries: FIU Libraries' Special Collections and Archive are distinguished by their prominent Cuba holdings, including the Díaz-Ayala Cuban and Latin American Music Collection, the Elena Kurstin Cuban Memorabilia Collection, and the Cuban Exile Archives and History Project. FIU also administers the Digital Library of the Caribbean, which provides public access to digitized versions of Caribbean cultural, historical, and research materials currently held in private collections, archives, and libraries.

The Frost Art Museum: Collections at FIU's Patricia & Phillip Frost Art Museum include the work of Cuban American artist Humberto Calzada, one of the most renowned artists of his generation, and the Darlene M. & Jorge M. Pérez Art Collection, featuring nineteenth- and twentieth-century Cuban landscape paintings, portraits, and other vivid works.

The Wolfsonian-FIU: The Wolfsonian's Cuba holdings emphasize the American-Cuban tourist trade products from 1920-1959, including travel brochures, posters, and promotional films. These artifacts include more than 1,000 works gifted to the museum from collector, author, and longtime donor Vicki Gold Levi.

The Jewish Museum of Florida-FIU: In stories, documents, photographs, and artifacts, the Museum archives chronicle the history of Cuban Jews who made their way to Florida.



Top: Image by Cundo Bermudez, *Quinteto Matancero* [detail], 1994, Serigraph, 25 ½ x 38 inches. Gift of Univision Communications Inc. Displayed at the Frost Art Museum

Middle: 1929 sheet music from the Vicki Gold Levi Collection at the Wolfsonian-FIU

Bottom: Painting by Leopoldo Romañach, *Untitled*, c. 1910-1930. Gift of Darlene M. and Jorge M. Pérez. Displayed in the Frost Art Museum



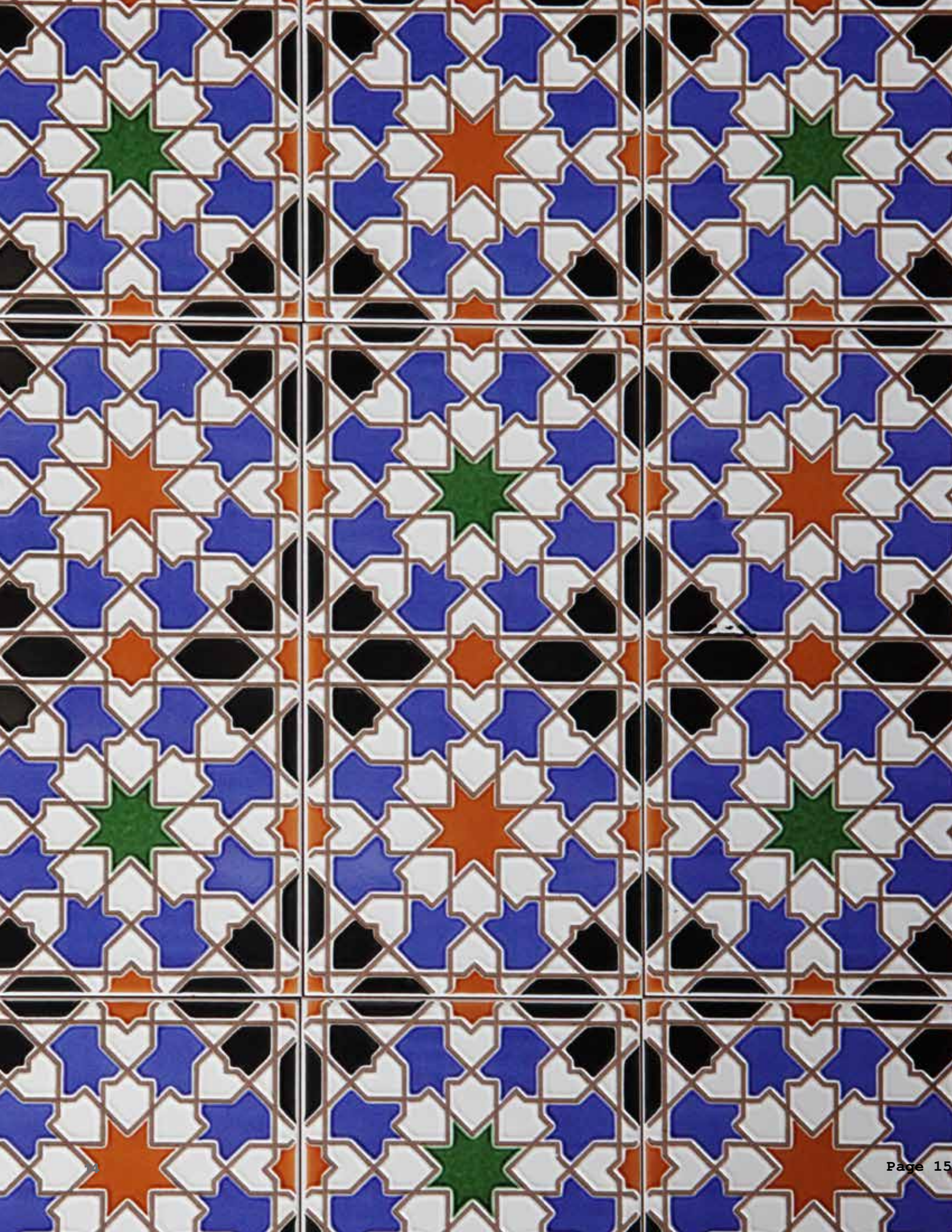
JOIN US IN OUR VISION

CasaCuba aspires to be the world's preeminent hub for information, engagement and understanding on Cuban and Cuban American affairs. Housed in a state-of-the-art, 50,000-square-foot facility on FIU's main campus, CasaCuba will provide a dynamic meeting place for the community and a vibrant schedule of programming across the arts, education and research. Given FIU's expertise in Cuban studies and its wealth of Cuba-related resources across its colleges, centers and museums, as well as its large student body and faculty of Cuban origin, CasaCuba will offer unprecedented opportunities to support the work of Cuba scholars and policymakers across the globe while showcasing and preserving, for generations to come, the richness of the Cuban heritage.

For more information or to get involved with CasaCuba, please call 305-348-6631 or email casacuba@fiu.edu.

Future home of
CASACUBA

Building the **premier hub**
for **Cuban research and culture**



BOARD OF ADVISORS

Agustín Arellano, Sr.

Chair of construction firm NV2A Group, chair

Ray Rodríguez

Former president and chief operating officer of Univision Communications, vice chair

César Álvarez

Senior chairman of Greenberg Traurig and member of the FIU Board of Trustees

Néstor Carbonell, Sr.

Author, former international public affairs and business leader at PepsiCo

Alfonso Fanjul, Jr.

Chairman and chief executive officer at Florida Crystals Corporation and Fanjul Corp.

George Feldenkreis

Executive chairman of the board of Perry Ellis International

Andy García

Award-winning actor and director

Alberto Ibargüen

President, chief executive officer and a trustee of the John S. and James L. Knight Foundation

Jorge Mas

Chairman of the board, MasTec

Lily Prellezo

Author

Claudia Puig

President and General Manager of Local Media in Miami for Univision Communications Inc. (UCI)

Mark B. Rosenberg

President of Florida International University

Eduardo M. Sardiña

Former president and chief executive officer of Bacardi U.S.A.

José J. Valdés-Fauli

Private investor and former banker

EXECUTIVE DIRECTOR

María Carla Chicuén is the founding Executive Director of CasaCuba. She has a Bachelor's Degree with High Honors in History from Harvard University and a Master's of Science with Merit in International Relations from the London School of Economics. Previously, María Carla led special projects for the Office of the President at Miami Dade College. Earlier in her career she was a consultant at the World Bank in Washington D.C. and the Inter-American Development Bank in Panama City, Panama, in the education and integration sectors, respectively. She is the author of the book *Achieve the College Dream*. María Carla was born in Cuba and moved to South Florida as she was about to start high school.



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VI. SPACE NEEDS ASSESSMENT

CasaCuba will house the following units, to be divided into two phases of construction. CasaCuba should be designed and built to allow for both vertical and horizontal expansion in the future years, as projected growth ensues.

PROGRAM AREAS

Phase 1

CasaCuba Administrative Suite: The CasaCuba Executive Director's Office and Administrative Suite includes the leadership personnel of the center and the respective administrative teams that execute daily operations and advance strategic initiatives. The leadership team is projected to include the Executive Director, Administrative Assistant, the Director of Programs, Program Specialist, Education Specialist, Chief Registrar, Chief Curator, Exhibition Specialist, System Administrator, Communications Director, Director of Development, Security Manager, Director of Administrative Services, and Visitor Services Manager. Office suites must ensure interaction and facilitate collaboration, while allowing for privacy and independent work.

Cuban Research Institute: The CRI Suite will house the current CRI staff, plus new offices for CRI affiliated faculty and visiting scholars. In addition, the suite features space for a reception, a faculty/staff lounge/kitchen, one seminar room for small gatherings, one conference room for larger groups, and space for storage and files. It is assumed here that the CRI Suite will share the same floor with the CasaCuba Administrative Suite, and as a result, the reception, lounge, seminar and conference room are noted as shared spaces.

Event Venue: As the leading center devoted to Cuban affairs and culture in the world, CasaCuba is set to host the most consequential conversations that allow scholars, faculty, students and the community to engage with thought leaders on compelling Cuban issues. CasaCuba is thus envisioned as a destination venue for lectures, conferences, and book presentations, film screenings, and art and music events, including dance, live music and theater, which may require a raised area. A state-of-the-art event venue will thus be required for an audience of 300 people. This will be a multipurpose hall with flexible seating and table format that includes acoustic separation to prevent conduction of noise, as well as dressing rooms, a green room and a multimedia control room. Catering prep space and storage space (for chairs, tables, podium and other props) should also be included.

Galleries: CasaCuba will collaborate with external organizations as well as FIU museums, academic departments, and libraries on joint, temporary exhibitions, organized across one main gallery and one smaller gallery that should support use of advanced electronic media, as well as traditional art media. The main gallery space will showcase CasaCuba's permanent collection and major temporary exhibitions, both in-house and traveling exhibitions of international caliber. The smaller gallery will allow for thematic exhibitions that will change regularly as objects on display are rotated. The smaller gallery will also function as a screening room to present lectures, videos and remote meetings, and as a photography gallery space. A large-scale projection screen, either electrically-operated drop-down, or fixed, at the back wall for double image slide projection. CD Rom projection capabilities and satellite link-up capabilities. Flat floor and moveable chairs. Photographs may be displayed in mattes without frames in wall mounted cases with sloping glazed surfaces, as well as on walls, matted only or matted and framed. Galleries should be multipurpose spaces, with moveable walls, able to host a wide range of public events. Exhibitions across all galleries will rely on state-of-the-art technology such as virtual reality, and tactile digital screens will be featured along the walls and throughout the gallery space, showcasing Cuban genealogy material, videos, historical information, and artwork. Exhibition galleries will include areas for visitors to rest, gather, read, or view digital media about the exhibitions and architecture. Climate controlled access from other areas and support spaces. Separations from any potentially hazardous materials or activities for either people, or works of art. Flexible lighting should be ensured in the galleries.

Collection Zone: In order to support the galleries, CasaCuba should include storage, and spaces for documentation, security, examination and preparation, and collection handling. Security should be provided with the aid of CCTV screens and building management system, and a security station located adjacent to a shipping receiving entrance. There should be a secure entrance that can be used by drivers presenting their credentials. There is a need for an exhibition props area to accommodate cases, plinths, pedestals, panels, and like. A completely enclosed art loading dock should be provided to accommodate one 18-foot wheeler. A separate loading dock should be available for non-collection deliveries and for garbage disposal. A shipping-receiving area equipped with a hydraulic platform lift and an insulated and weather-stripped overhead door is needed to accommodate a forklift. A collection elevator and a crate storage area should be included in the collection zone. At least one entrance to the facility, and at least one elevator, should have doors that allow for the transportation of large art pieces.

Classrooms: CasaCuba will house two classrooms. One classroom with capacity for 50 will be administered centrally, and available to all courses and departments at the University. The other classroom, with capacity for 30, will be available for courses related to Cuban and Latin American studies, and special courses administered by CRI and LACC. Access to the classrooms should be designed as not to interfere with the operations and security requirements of the rest of the building, and should be ensured even when center is not in operation (through ground floor separate access, or elevators). The two classrooms should be designed for active learning, including flexible seating.

Seminar/Conference Rooms: These rooms will provide the necessary space for faculty, staff, administrators and students to engage in a variety of academic and administrative activities. All rooms will allow relatively small groups to have an inviting and conducive space where they can work together on a variety of projects.

Flexible Working Area: CasaCuba will leverage the business incubation and innovation expertise of StartupFIU to launch its own co-working, communal space, including flexible offices, and laboratory spaces layered with robust programming, advising, and community-building initiatives. CasaCuba is envisioned as a collaborative, inclusive, and value-adding center of gravity with a strong focus on helping Cubans, and the community at large, reach economic development and connect with resources that help them advance their individual and organizational goals. Electrical outlets must abound and be dispersed. Lighting should be adjusted. Storage should be provided to store and lock important documents. There should be high ceilings.

Public Spaces: Lobby, Porch, Garden, Courtyard, Gift Shop

As a community hub, CasaCuba will integrate many gathering spaces for both spontaneous (conversation, reading, resting) and structured programming.

- Lobby: The lobby is a ground floor lobby space contiguous with the main public entrance, which provides gathering, ticketing and circulation space to all public amenities, public areas and galleries. There should be an information and ticketing counter oriented to visitors both entering and exiting from the building, directional information and signage, public telephones and drinking fountain. The counter must be clearly visible and accessible from the main entrance doors, sited with careful attention to traffic flow to avoid crowding, and allow room for queues. Lockable counter with space for up to two seated admissions clerks, with computerized ticketing and cash till, telephone, visitor information and under-counter storage for immediate supplies. Panic button under counter manually operated to sound alarm in security headquarters and offices. Cloakroom and stroller storage located off the lobby designed to be operated as a self-serve storage area for visitors' personal effects, with coin lockers or coat-hooks, lockable cabinets for storing lunches, and an area for storing baby strollers. The lobby will also form an attractive campus social space, including the CasaCuba gift shop.

- Gift Shop: The public sales area of the shop should be visible to all visitors as they enter and exit the building. Accessible to non-museum patrons, and for operation during hours when the galleries are closed. Counter separates the public from staff manning the sales counter, which can oversee all shelving and displays. May be open when offices or exhibit spaces are closed. Shelving and shop layout to be open to surveillance from cash drawer.
- Courtyard, Garden and Porch: A courtyard, a garden and traditional Cuban porch will provide additional space for intimate gatherings such as receptions, networking events, community conversations and small-scale concerts, screenings and readings. There should be reserved spaces for a piano and other musical instruments. The airlock entrance should provide a transition between the outside environment and the controlled environment inside the building, at all regularly used entrances.
- Food Area: A food area such as a food cart or traditional Cuban “ventanita” located in the lobby, will offer traditional, possibly free, gourmet Cuban coffee and bite-sized pastries. This could be a historically accurate oxcart attended by a person in traditional 19th century clothing demonstrating early coffee preparation techniques or a more modern reinterpretation.

Center of Excellence in Rum: The Center of Excellence in Rum at FIU will focus on four main areas of programming: advocacy, research, best practices and innovation, in addition to creating a “best in” award based on production standards, industry-wide audits and expanding applications. Leveraging CasaCuba’s initiatives as a premier center focused on Cuban affairs and culture, coupled with the research, innovation and creative expertise of the Chaplin School of Hospitality & Tourism Management, this Center will host events and signature speaker series for distillers, mixologists, and leading rum brands from across the world; conduct consumer research and sensory analysis; and scale interdisciplinary thinking through open innovation within the University. The space devoted to this Center will consist of a consumer facing portion and another portion for research and development. It will include features for consumer testing and tasting, museum and archive space, and lab space for product innovation and development.

Phase 2

Student Academic and Support Space

CasaCuba seeks to become the hub for FIU student organizations related to Cuba and Cuban studies, offering them a space to gather and conduct meetings and programming. This area will also provide study space for all FIU students.

Teaching Laboratory Facilities

CasaCuba seeks to support the professional activities of the community, with an emphasis on helping research on Cuba, and the Cuban arts, thrive in Miami, FL. For this purpose, teaching laboratory facilities would include studios and workspaces for residencies by artists, scholars and researchers. Spaces would include a dance studio, a music practice room, a media lab, and a language room for the instruction of Spanish.

CasaCuba Space List

VER. 10

3/6/2019 12:23

Description	No. of Spaces	No. of Occupants	NSF Per Occupant	NSF Per Space	Total NSF for All Space Type	SUS SPACE CAT.
CASACUBA ADMINISTRATIVE SUITE						
Executive Director Office	1	1	150	150	150	IS/OC
Administrative Assistant	1	1	110	110	110	IS/OC
Director of Programs	1	1	120	120	120	IS/OC
Program, Education, Exhibition Specialists	1	1	220	220	220	IS/OC
System Administrator	1	1	110	110	110	IS/OC
Communications Director	1	1	120	120	120	IS/OC
Director of Development	1	1	120	120	120	IS/OC
Security Manager	1	1	110	110	110	IS/OC
Administrative Services	1	1	110	110	110	IS/OC
Visitor Services	1	1	110	110	110	IS/OC
Reception Area	1	8	25	200	200	IS/OC
				Subtotal	1,480	
CUBAN RESEARCH INSTITUTE OFFICE SUITE						
Director's Office	1	1	150	150	150	IS/OC
Assoc. Director's Office	1	1	120	120	120	IS/OC
Affiliated Faculty Office	3	1	120	120	360	IS/OC
Visiting Scholar Office	3	1	120	120	360	IS/OC
Program Manger	1	1	110	110	110	IS/OC
Program Coordinator	1	1	110	110	110	IS/OC
Reception	1	4	64	256	256	IS/OC
Faculty / Staff Lounge (Shared)	1	8	36	288	288	IS/OC
Conference Room	1	12	25	300	300	IS/OC
Large Conference Room	1	20	25	500	500	IS/OC
Storage	1	1	100	100	100	IS/OC
				Subtotal	2,654	
EVENT VENUE						
Meeting/Ballroom/Banquet	1	300	20	6,000	6,000	AS/AE
Catering Prep Space	1	8	75	600	600	AS/AE
Meeting/Ballroom/Banquet Storage	1	1	600	600	600	AS/AE
Dressing Rooms	4	6	60	360	1,440	AS/AE
Green Room	1	5	60	300	300	AS/AE
Multimedia Control Room	1	4	40	160	160	AS/AE
				Subtotal	9,100	
GALLERIES						
Large Gallery Permanent Collection and Temporary Exhibits	1	150	30	4,500	4,500	AS/AE
Large Gallery Storage	1	1	450	450	450	AS/AE
Resting/Reading/Viewing Area	1	25	0	0	0	AS/AE
Event Area	1	25	0	0	0	AS/AE
Small Gallery	1	75	40	3,000	3,000	AS/AE
Small Gallery Storage	1	1	360	360	360	AS/AE
Resting/Reading/Viewing Area	1	13	0	0	0	AS/AE
Event Area	1	25	0	0	0	AS/AE
				Subtotal	8,310	

CasaCuba Space List

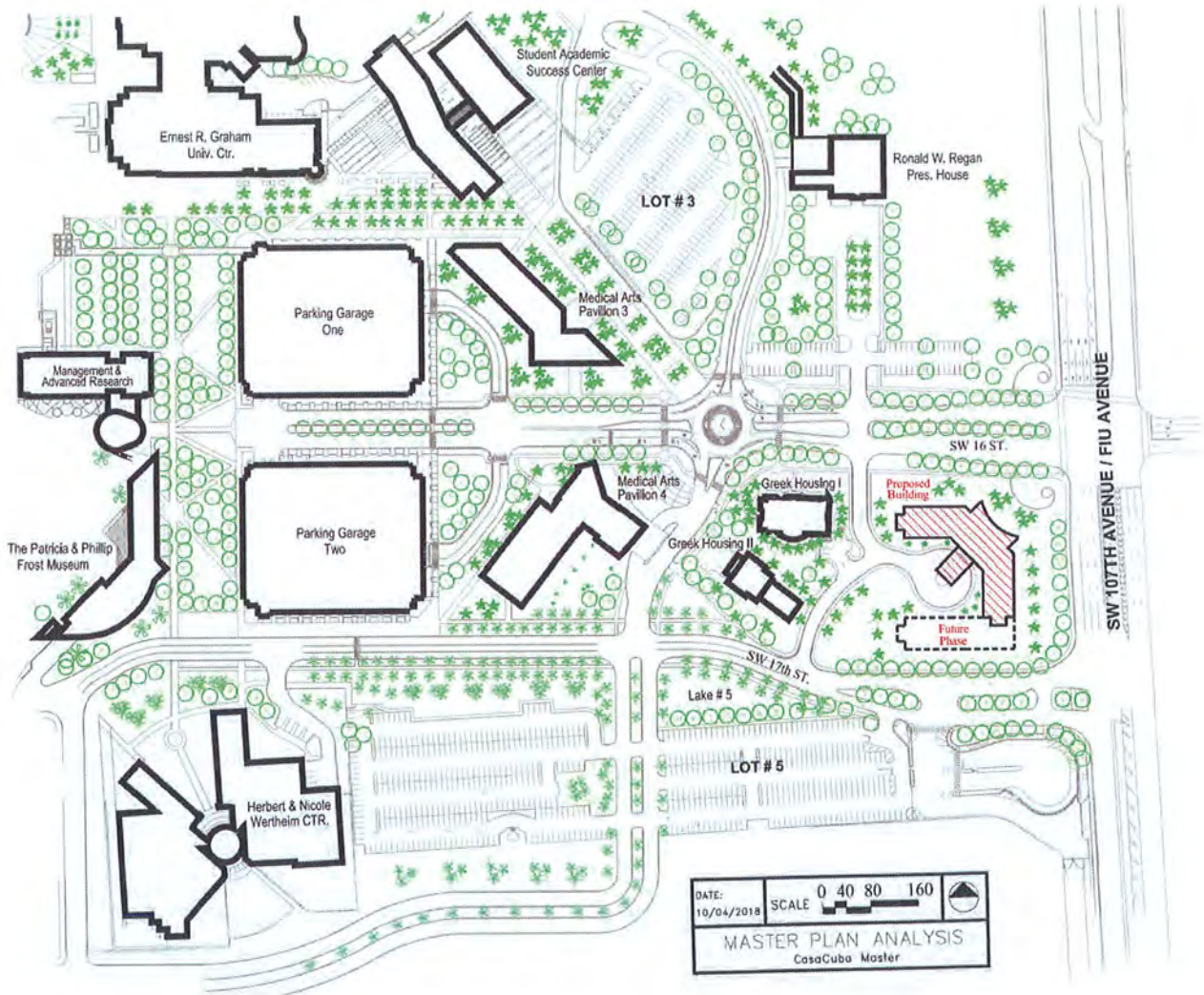
VER. 10

3/6/2019 12:23

Description	No. of Spaces	No. of Occupants	NSF Per Occupant	NSF Per Space	Total NSF for All Space Type	SUS SPACE CAT.
COLLECTIONS ZONE						
Storage	1	1	2,500	2,500	2,500	AS/AE
Examination and Preparation Space	1	2	200	400	400	AS/AE
Security Station	1	1	100	100	100	AS/AE
Shipping & Receiving	1	1	1,200	1,200	1,200	AS/AE
Exhibition Props	1	1	400	400	400	AS/AE
Loading Dock	1	1	384	384	384	AS/AE
Crate Storage	1	1	600	600	600	AS/AE
Freight Elevator	1	1	150	150	150	AS/AE
				Subtotal	5,734	
CLASSROOMS						
Small Classroom	1	30	22.5	675	675	INS/CLASS
Large Classroom	1	50	22.5	1,125	1,125	INS/CLASS
				Subtotal	1,800	
SEMINAR/CONFERENCE ROOMS						
Seminar Room	1	50	22.5	1,125	1,125	INS/CLASS
Large Conference Room	1	20	25	500	500	INS/CLASS
				Subtotal	1,625	
FLEXIBLE WORK AREA						
Open Work Area	1	10	100	1,000	1,000	IS/OC
Large Conference Room	1	20	25	500	500	IS/OC
Reception Area	1	4	30	120	120	IS/OC
Storage	1	1	100	100	100	IS/OC
				Subtotal	1,720	
LOBBY						
Gathering/Meeting/Lounge Area	1	100	15	1,500	1,500	AS/AE
Information and Ticketing Counter	1	6	40	240	240	AS/AE
Cloakroom/Stroller Storage	1	1	360	360	360	AS/AE
				Subtotal	2,100	
GIFT SHOP						
Sales & Display Area	1	30	50	1,500	1,500	NC/TEN
Storage	1	1	150	150	150	NC/TEN
				Subtotal	1,650	
CENTER FOR EXCELLENCE IN RUM						
Consumer Area	1	1	2500	2,500	2,500	INS/TLAB
Research and Development Area	1	1	1000	1,000	1,000	INS/RLAB
				Subtotal	3,500	
					39,673	TOTAL NET INTERIOR SPACE
					1.6	NET TO GROSS MULTIPLIER
					63,476	TOTAL ESTIMATED GROSS INTERIOR AREA

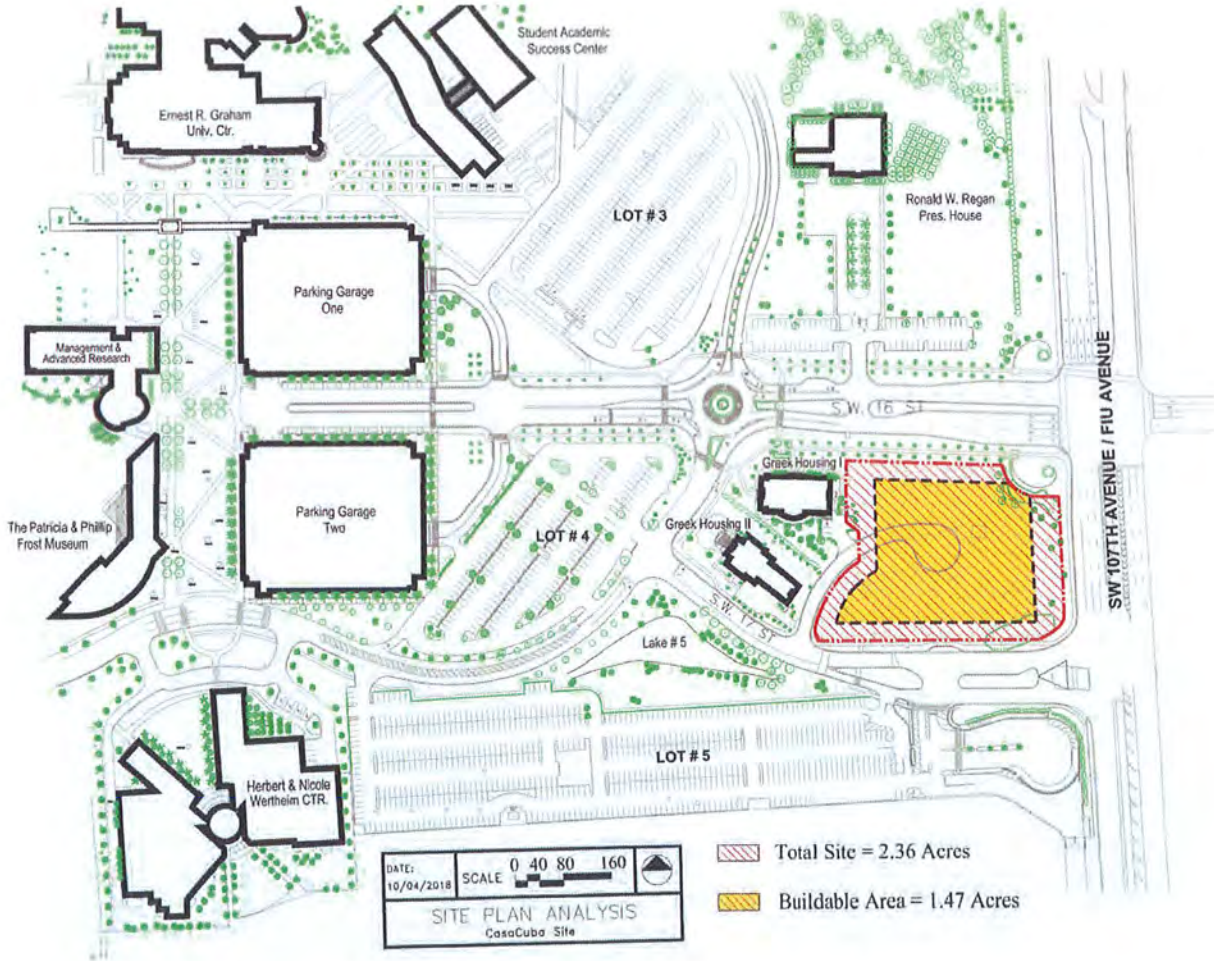
VII. ANALYSIS OF IMPACT ON MASTER PLAN

The University Master Plan will be amended to include the CasaCuba project east of the existing Greek housing Buildings. No other buildings were planned for that location.



VIII. SITE ANALYSIS

The site selected for CasaCuba is on the east side of MMC fronting SW 107th Avenue between SW 16th and SW 17th streets. The building should be located so as not to diminish service and emergency vehicle access for the adjacent buildings.



VIII. SITE ANALYSIS (continued)



VIII. SITE ANALYSIS (continued)

Particular attention must be given to the layout of the building footprint and site arrangement to achieve the following:

- Create a memorable, iconic building image from a distance for pedestrians on campus and vehicles on 107th Avenue with a readily identifiable main entrance.
- Develop a building plan that establishes a clear linkage with neighborhood facilities allowing for easy pedestrian access between buildings.
- Maintain vehicular access to existing buildings for drop-off, deliveries and unloading/loading trash removal service and emergency vehicles. Maintain access to existing building support facilities including trash rooms, electrical and mechanical rooms, etc.
- VIP and valet parking should be considered.
- Re-work campus roadways and service drives as required.



XIII. PROJECT SCHEDULE

Milestone dates for this project are planned as follows:

CasaCuba - Preliminary Schedule

3/6/2019

Task No.	Description of Task	Task	No. of Days
1	Program Final Draft	A/E Selection	
2	Approve Program		74
3	Arch./Engineer (A/E) - Submit Legal Adv't in Fla. Admin. Register		1
4	A/E- FAR Adv't Posted		2
5	A/E- Qualifications Deadline		31
6	A/E- Shortlist Meeting		15
7	A/E- Presentations & Interviews		31
8	A/E- Selection Notice		14
9	A/E- Negotiations & Contract Award		21
10	AE- Notice to Proceed (latest start date)		7
11	Program Verification		196
12	Conceptual Schematics	Design and CM Selection	38
13	FIU review		14
14	Advanced Schematics		49
15	FIU review		14
16	Construction Manager (CM) - Submit Legal Adv't in FAR		0
17	CM- FAR Adv't Posted		3
18	CM- Qualifications Deadline		28
19	CM- Shortlist Meeting		10
20	CM- Presentations & Interviews		28
21	CM- Selection Notice		14
22	CM- Negotiations & Contract Award		15
23	CM- Notice to Proceed (pre-construction)		13
24	Design Development		70
25	CM/FIU review		14
26	50% Contract Documents		70
27	CM/FIU review		21
28	100% Contract Documents		70
29	CM/FIU Review		28
30	Bid Date/Issuance of Guaranteed Maximum Price		499
31	Award Date/Notice to Proceed	Bid, Permit and Build	28
32	Building Permit		11
33	Construction Start		14
34	Substantial Completion		476
35	Final Completion		32
36	Occupancy/ Furniture & Equipment Installation	561	0
37	Closeout Documentation (after Subcontractors Complete)		45
TOTAL DAYS			1374

XV. PROJECT BUDGET SUMMARY

CasaCuba		PRELIMINARY DRAFT			3/06/2019 - 1	
Facility/Space Type	Net Area (NASF)	Net to Gross Conversion	Gross Area (GSF)	12/1/2021 Unit Cost (Cost/GSF)	Construction Cost	
Instructional Spaces						
Classroom	3,425	1.6	5,480	\$361.09	\$1,978,749.84	
Teaching Laboratory	2,500	1.6	4,000	\$389.18	\$1,556,713.75	
Research Laboratory	1,000	1.6	1,600	\$463.28	\$741,251.10	
Academic Support						
Study Space/Student Academic Support	0	1.6	0	\$349.85	\$0.00	
Instructional Media						
Auditorium/Exhibition	25,244	1.6	40,390	\$406.71	\$16,427,335.64	
Institutional Support						
Office/Computer	5,854	1.6	9,366	\$365.94	\$3,427,509.31	
Campus Support (Non-Categorized Tenant Space)	1,650	1.6	2,640	\$331.33	\$874,704.03	
Totals	39,673	1.6	63,477		\$25,006,264	
Total Construction - New						\$25,006,264
SCHEDULE OF PROJECT COMPONENTS						ESTIMATED COSTS
Basic Construction Cost						
1. a. Construction Cost (from above)						\$25,006,264
Add'l/Extraordinary Const. Costs						
b. Environmental Impacts/Mitigation						\$0
c. Site Preparation						\$300,000
d. Landscape/Irrigation						\$400,000
e. Plaza/Walks						\$150,000
f. Roadway and Parking Improvements						\$150,000
h. Telecommunication and Security System						\$600,000
i. Electrical Service						\$40,000
j. Water Service						\$40,000
k. Sanitary Sewer						\$110,000
l. Chilled Water System						\$1,000,000
m. Storm Water System						\$80,000
n. Energy Efficient Equipment						-
Total Construction Costs						\$27,876,264
2. Other Project Costs						
a. Land/existing facility acquisition						\$0.00
b1. Professional Fees - A/E, Landscape DMS Fee Curve "Average Complexity" (B)						6.45% \$1,796,817
b2. CM Fees -Pre-Construction						1.00% \$278,763
c. Fire Marshall Fees						0.25% \$69,691
d. Inspection Services - total						\$360,000
* On-site representation						\$180,000 -
* Code inspections						\$180,000 -
e. Insurance Consultant						0.10% \$27,876
f. Surveys & Tests						\$40,000
g. Permit/Impact/Environmental Fees						\$7,500
h. Artwork						-
i. Moveable Furnishings & Equipment (+/-13.84%***)						\$3,859,090
j. Project Contingency 5%						\$1,865,000
k. Construction Service Reimbursement						\$1,119,000
Total - Other Project Costs						\$9,423,737
ALL COSTS 1+2						\$37,300,000
TOTAL PROJECT COST						\$37,300,000

***Note: Exhibits and digital exhibit system software and hardware are not part of this overall budget estimate.

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CasaCuba: a home for all things Cuban at FIU

Posted by [Jennifer Lacayo](#) 08/16/2017 at 2:36 pm

The Knight Foundation provides seed funding



Artist's rendering of CasaCuba at FIU.

A group of Cuban-American community leaders has stepped forward to support “CasaCuba,” an initiative that brings together all things Cuban at FIU.

The initiative will harness FIU’s prestigious scholarly and cultural resources to activate its extensive Cuban collections for scholars and the public, with the eventual goal of constructing a 50,000-square-foot facility on FIU’s campus.

“The CasaCuba initiative formalizes what has been true for many years: Cuba is in FIU’s DNA,” said FIU President Mark B. Rosenberg. “Almost one million Cubans call Miami home with Cuban immigrants making up one-third of Miami-Dade County’s population. There is no location outside of Cuba with a greater connection to Cuban and Cuban-American people than Miami and no university with greater expertise in the study of the island nation than FIU. This new center will be accessible to our students, the larger South Florida community, and visitors from around the world.”

The academic pillar of CasaCuba will be the [Cuban Research Institute](#) (CRI), in the Steven J. Green School of International & Public Affairs, the nation’s premier center for academic research and public programs on Cuban and Cuban-American issues. CRI offers

a certificate in Cuban and Cuban-American Studies and more than 70 courses focused on the island and its diaspora.

“Communities that shape their futures most successfully know where they come from,” said Alberto Ibarguen, president of the John S. and James L. Knight Foundation, which contributed \$200,000 to launch the project. “CasaCuba will be a place to engage deeply with Cuban culture, so Cuban-Americans and everyone else can borrow the best of it for our American home.”

FIU also has significant resources related to Cuban art, history and music, including [the Darlene M. and Jorge M. Pérez Art Collection at FIU](#), which documents the historical trajectory of Cuban art since the late 1800s, and the most extensive publicly available collection of Cuban music, the [Diaz Ayala Cuban and Latin American Popular Music Collection](#) with more than 100,000 items.

In addition to CRI and the Diaz Ayala music collection, CasaCuba will house oral history recordings, searchable genealogy records, exhibitions, meeting spaces, classrooms and other Cuban collections.

The idea for CasaCuba began at an FIU Foundation board meeting last year, during which board members discussed the extent of FIU’s Cuba-related resources. Things evolved and a small group formed an advisory board and recruited others, eager to advance the initiative that grew into CasaCuba. CasaCuba advisory board members represent business; fashion; entertainment and the arts; communications; and legal and public affairs. The full board met for the first time on March 24, 2016 and elected a chair and vice chair.

The board members are:

- Agustin Arellano, Sr., chair of construction firm NV2A Group, board chair
- Ray Rodriguez, former president and chief operating officer of Univision Communications, vice chair
- Cesar Alvarez, senior chairman of Greenberg Traurig and member of the FIU Board of Trustees
- Nestor Carbonell, Sr., former international public affairs and business leader at PepsiCo
- Alfonso Fanjul, Jr., chairman and chief executive officer at Florida Crystals Corporation and Fanjul Corp.
- George Feldenkreis, executive chairman of the board of Perry Ellis International
- Andy García, award-winning Cuban-American actor and director
- Alberto L. Ibarguen, president, chief executive officer and a trustee of the John S. and James L. Knight Foundation
- Jorge Mas, chairman of the board, MasTec
- Lily Prellezo, author
- Claudia Puig, senior vice president/eastern regional manager of Univision Communications and chair of the FIU Board of Trustees
- Mark B. Rosenberg, president of Florida International University
- Eduardo M. Sardiña, former president and chief executive officer of Bacardi U.S.A.
- José J. Valdés-Fauli, private investor and former banker

Over the past year, quarterly meetings have been held and the board developed the vision for CasaCuba. In keeping with FIU's unique position as the epicenter of the Cuban community, the mission of CasaCuba is "to create the world's premier research, education, and cultural center designed to preserve and promote the history and contributions of the Cuban diaspora."

"CasaCuba's mission is close to my heart," said Agustin Arellano, Sr., the advisory board's chair. "We want to inspire and educate in an atmosphere that promotes freedom and goodwill."

In May, the CasaCuba initiative received initial seed funding from the Knight Foundation to hire an executive director for the center. Among other early priorities, the executive director will refine, develop and implement the strategy of the center. In addition, the executive director will work directly with other community organizations focused on Cuba.

Established in 1950, the Knight Foundation, which has the goal of fostering "informed and engaged communities," has previously supported several FIU projects. They include FIU Miami Urban Future Initiative, a joint project of FIU's College of Communication, Architecture + The Arts and the Creative Class Group at Mana Wynwood, as well as a grant to The Wolfsonian–FIU to support programs that provide greater public access to the museum's collection of art and design.

"Thanks to the Knight Foundation, CasaCuba can move ahead with its mission to educate and engage the Cuban community," Arellano said.

For more information on CasaCuba, please email casacuba@fiu.edu.

KNIGHT FOUNDATION CONTRIBUTES \$2 MILLION TO FIU'S CASACUBA

December 6, 2018 [Donor](#), [Faculty](#), [FIU Foundation News](#), [Inspiration and Impact](#), [Program](#) [No Comments](#)



The John S. and James L. Knight Foundation followed up its seed funding of FIU's [CasaCuba](#) – an initiative to harness the University's Cuban cultural and scholarly resources – by announcing a \$2 million grant on Monday.

“We are honored that the Knight Foundation continues to support FIU in making our dream of CasaCuba a reality,” said FIU President Mark B. Rosenberg. “With this support, we can

begin planning for a global center that will foster understanding of Cuban affairs and culture, while showcasing FIU's scholarship and collections related to Cuban art, history, music, and many other disciplines."

Last year, CasaCuba received initial funding from Knight Foundation to hire an executive director and launch operations. Working in collaboration with CasaCuba's Board of Advisors, FIU has set a \$50 million fundraising goal to build and operate a 50,000-square-foot home for CasaCuba on FIU's MMC campus. The new support is part of a [\\$37 million investment](#) that Knight Foundation made on Monday to further strengthen Miami's arts and cultural ecosystem, bringing its total funding of the sector to \$165 million since 2005. FIU's CasaCuba was one of 22 organizations that received support.

"There is no one Miami. This is a region that has been shaped by many people and cultures including its deep ties to the Cuban diaspora. CasaCuba's work will open a window into the diverse community that has shaped our city and our country in many ways, helping to connect us to place and to each other," said Alberto Ibargüen, president of Knight Foundation.

For many years, FIU has been one of the nation's leading universities for the study of Cuba and the preservation of the Cuban heritage. CasaCuba will leverage FIU's numerous Cuban

resources, including the largest nucleus of faculty specialized in Cuba, through initiatives spanning the areas of education, research, discussion, and the arts. The center also will serve as a meeting place for conferences, exhibitions and performances.

“CasaCuba is envisioned as the most consequential, global think tank focused on Cuba and the Cuban people,” said María Carla Chicuéñ, executive director of CasaCuba. “We are indebted to the Knight Foundation for its exceptional partnership as we build this unprecedented gathering space for the South Florida community and beyond.”

Agustín R. Arellano, Sr. and his family donate \$1 million to FIU's CasaCuba

Posted by Jennifer Lacayo 11/01/2018 at 3:55 pm

[Tweet](#)



Local construction business leader and member of the FIU Foundation Board of Directors Agustín R. Arellano, Sr. and his family have donated \$1 million to **CasaCuba**.

"Cuba is close to the hearts of so many of us at our FIU and in this community. This is why we have long dreamed of building a home to showcase our wealth of Cuba-related research and resources," said FIU President Mark B. Rosenberg. "Agustín Arellano is a longtime supporter of FIU. He has always dared to dream with us. Because of his belief in us, CasaCuba is going to be a reality."

The gift will count towards a \$50 million fundraising goal for the design, construction and operational endowment of a 50,000-square-foot facility for CasaCuba on FIU's campus. The facility will harness the university's academic assets to build a leading center that will promote global understanding on Cuban affairs and culture.

"I hope our gift will help provide a place where everyone can learn about and appreciate the unique, multi-layered Cuban culture and history," said Arellano. "I'm looking forward to seeing this project develop into a true home for Cubans and a resource for our community and beyond."

Arellano has been involved in the initiative from its inception back in 2015, when the FIU Foundation Board of Directors began to discuss the extent of FIU's Cuba-related resources with President Rosenberg. As the idea evolved, a small group of Cuban-American community leaders formed an advisory board with Arellano as chairman. The group then recruited others and formed a full board with prominent members representing business, entertainment and the arts, communication, and legal and public affairs.

CasaCuba will leverage FIU's significant collections related to Cuban art, history and music, as well as the **Cuban Research Institute** in the **Steven J. Green School of International & Public Affairs**, one of the nation's leading centers for academic research and public programs on Cuban and Cuban-American issues. Initiatives currently being developed for CasaCuba include a dinner series that celebrates the diverse roots of Cuban culture and cuisine, and a heritage festival that will help the community preserve personal objects related to the Cuban experience.

Last year, the initiative received seed funding from The John S. and James L. Knight Foundation and Ray Rodríguez, vice-chairman of the CasaCuba Board of Advisors. This funding enabled FIU to appoint María Carla Chicuén as executive director of CasaCuba. Chicuén will lead efforts to raise funds for the design and construction of the facility, advance community initiatives, and refine and implement the strategy of the center.

"We are immensely grateful to the Arellano family and inspired by their extraordinary commitment to CasaCuba," Chicuén said. "This generous gift ensures that FIU is well on its way to build a unique, iconic space for Cuban culture and affairs to engage the community, and visitors from around the world, through education, research, discussion and the arts."

Arellano is a co-founder and the Chairman of NV2A Group, a commercial building construction and civil infrastructure company. Arellano, a Texas A&M University graduate, previously served as the president of OHL-Arellano Construction Company from its establishment in 1974 through December 2013.

Arellano currently resides in Miami, Florida. He and his wife, Teté, have three children and 11 grandchildren.

Tags: **CasaCuba** **Knight Foundation**

Miami Herald

OP-ED

CasaCuba: Think tank to focus on Cuban heritage

BY MARÍA CARLA CHICUÉN

NOVEMBER 22, 2018 03:08 AM, UPDATED NOVEMBER 22, 2018 04:14 AM



Architectural rendering of CasaCuba at FIU

Florida International University has always been an epicenter of the Cuban heritage in our community. Since our opening day in 1972, FIU has welcomed one of the greatest concentrations of students and faculty of Cuban origin in the country, and gained international recognition in the field of Cuban studies.

Today, the Cuban spirit continues to thrive at the university. FIU is proud to offer more than 70 courses related to Cuba across more than 20 disciplines, spanning the humanities and social sciences, the natural sciences, law, architecture and medicine.

Indeed, FIU draws upon the expertise of the largest nucleus of specialists on Cuba of any university in the United States — over 50 faculty members representing most academic disciplines.

Since 1991, moreover, the Cuban Research Institute at FIU has stood at the forefront of interdisciplinary teaching, research and public programming focused on Cuba and its diaspora. Through the generosity of numerous donors, the FIU library and museums have accumulated important Cuban collections ranging from Cuban genealogy materials to memorabilia, art and music.

The FIU Library, for example, is home to the renowned Díaz Ayala Cuban and Latin American Popular Music Collection, the most extensive publicly available collection of Cuban music in the United States.

The Enrique Hurtado de Mendoza Collection also holds thousands of unpublished family genealogies and manuscripts, now available in digital format worldwide. At the Patricia & Phillip Frost Art Museum at FIU, the Darlene M. and Jorge M. Pérez Collection features works by many of the best-known masters of Cuban art. All of these contributions have helped position FIU as a major resource on Cuban art, music, history and family genealogy.

In 2015, under the leadership of President Mark B. Rosenberg, FIU envisioned a dedicated space to harness these outstanding resources and all scholarly and cultural activity related to Cuba. Agustín Arellano, Sr. — now Chairman of the CasaCuba Board of Advisors — was the first to join the president in this vision.

Together, they recruited a group of prominent community members to form a board and fuel the creation of a center, right on FIU's campus, that would preserve the Cuban heritage, celebrate the contributions of Cubans from around the world, and gather top scholars for the study of Cuba. A place where our children, and their children, will learn about the history of our island and our cultural traditions. A hub of resources for the community to advance our education and professions. A meeting place for conferences,

exhibitions, and artistic performances. The most consequential, global think tank focused on Cuba and the Cuban people.

That vision is CasaCuba.

We are so energized by the progress we have made already. FIU has granted CasaCuba a choice piece of land for an iconic center, right at the entrance of our main campus, on 107th Avenue. We have also begun our fundraising campaign to finance the design and construction of the facility. The John S. and James L. Knight Foundation and Ray Rodríguez, Vice-Chairman of the CasaCuba Board of Advisors, provided seed funding, and the Arellano Family recently honored us with a gift of 1 million dollars.

Even before our facility is built, CasaCuba will launch programs across the areas of education, research, public discussion, and the arts.

We are also planning a festival to help the community preserve and understand the historical value of personal objects related to the Cuban experience. Through future initiatives, we hope to reach and connect Cuban diasporas from around the world and engage not just Cubans, but everyone with a passion or interest in Cuba. The magnitude of our dream to build CasaCuba can only be matched by our conviction in our capacity to achieve it.

No other university can claim FIU's expertise in Cuba scholarship, or FIU's commitment to preserving the Cuban heritage. Yet, to make our dream a reality, we need your help.

The door of CasaCuba is open. Please join us and share your ideas to shape our programming and the scope of our facility. Contribute your talent and time through participation in one of our board committees. Donate through our website, casacuba.fiu.edu, or get in touch with us through casacuba@fiu.edu if you have an interest in making a major, legacy gift towards our fundraising campaign.

I hope that today you will consider becoming a founding member of CasaCuba, and helping FIU build an inspiring and inclusive second home for the Cuban community and beyond.

María Carla Chicuéen is the Executive Director of FIU's CasaCuba.

CasaCuba partners with Books & Books to promote modern Cuban literature through book club

Posted by [Jennifer Lacayo](#) 01/18/2019 at 4:00 pm



CasaCuba has partnered with Books & Books on a contemporary Cuban literature book club aimed at celebrating the new generation of renowned Cuban writers.

“CasaCuba’s inaugural partnership with Books & Books as we launch Círculo de Literatura Cubana Contemporánea is very special because it creates a devoted space to disseminate the excellence and tradition of modern Cuban literature in our local community,” said CasaCuba’s Executive Director María Carla Chicuén. “Perhaps more importantly, we hope that this exciting initiative nurtures lasting bonds among the participants, in an environment distinguished by intellectual reflection, friendly conversation and appreciation for Cuban arts.”

Through the Círculo de Literatura Cubana Contemporánea, part of the CasaCuba at Books & Books initiative, readers will be invited to meet on the last Tuesday of every month to discuss books by writers who represent the contemporary Cuban literary tradition. The club’s inaugural book list will be unveiled during a celebratory event at Books & Books in Coral Gables that will formally launch the initiative on Tuesday, Jan. 29, 2019. At the event, there will be special presentations including a reading by author and FIU alumnus Richard Blanco and an opportunity for participants to interact with other authors.

“This project is very close to my heart and I’m thrilled that CasaCuba is collaborating with us to launch a reading circle that will showcase the literature of my country of origin,” said Cristina

Nosti, director of events and marking at Books & Books. "As a Cuban-American, I have often found myself searching for a group such as this one where I can read the work of contemporary Cuban writers alongside others, and with the guidance of a moderator who can illumine the work and spark a truly great conversation."

In the past few months, CasaCuba and Books & Books have sought the advice of experts on Cuban literature, including academics, writers and publishers, which include Director of the FIU Cuban Research Institute Jorge Duany, author and FIU alumna Ana Menendez, editor Fabio Murrieta and professors Eliana Rivero and Iraida López. Together, they curated a list of books, which will be expanded in the months and years to come following recommendations from experts and the general audience. At each book club meeting, a reader will be invited to lead an informal discussion on the book of the month, in English or Spanish, with the goal of fostering a deeper understanding of Cuban history, culture and identity.

CasaCuba, a new initiative at FIU, was created to build a leading intellectual and cultural center that will foster global understanding of Cuban affairs and culture through education, research, discussion and the arts. CasaCuba will seek to inspire a strong sense of identity and cultural pride within the Cuban community, creating a space for the experiences of Cubans from around the world.

For more information, please call 305-348-6631 or email casacuba@fiu.edu.

To RSVP, visit contemporarycuban.eventbrite.com.

Tags: **CasaCuba** **College of Arts Sciences & Education** **English** **School of Environment Arts and Society (SEAS)**

CasaCuba receives \$750,000 from the National Endowment for the Humanities

Posted by [Alyse Mier](#) 04/08/2019 at 10:21 am

[Tweet](#)

The National Endowment for the Humanities (NEH) announced that CasaCuba has received a \$750,000 matching grant, which encourages additional private support. The funding will support the architectural design phase of the state-of-the-art center that will host lectures, academic conferences, community events, and digital and physical exhibitions intended to further the study and public understanding of the Cuban heritage.

“This extraordinary award from NEH is a testament not only to CasaCuba’s inspiring vision and progress to date, but to FIU’s long history as an epicenter of Cuban studies and culture,” said María Carla Chicué, executive director of CasaCuba. “I am grateful to NEH for recognizing CasaCuba’s potential as a prominent intellectual and cultural institution, and hope that this gift will inspire many others to support us philanthropically.”

This funding cycle marks the second round of grant awards made under NEH’s Infrastructure and Capacity Building Challenge Grants program, which seeks to leverage federal funds against private investment to help create and sustain the nation’s humanities infrastructure.

“We could not be more proud and honored that CasaCuba has been selected by the National Endowment for the Humanities for such a monumental grant,” said Ray Rodríguez, vice chairman of the **CasaCuba Board of Advisors**. “This grant, along with the grant from the Knight Foundation and those from other community leaders, is building tremendous momentum. These very prestigious organizations have recognized what CasaCuba will mean to all who have an interest in Cubans’ past, present and future.”



In 2015, FIU announced plans to build CasaCuba as the leading venue outside of Cuba for the creation and dissemination of knowledge about Cuba and the celebration of Cuban culture. As a gathering place for researchers, students, the South Florida community and visitors from around the world, CasaCuba will offer a welcoming home away from home to learn about Cuba and the Cuban diaspora, and a think tank that provides a forum for exploration and discussion of Cuban affairs, producing impactful analysis to guide policymakers and business leaders. As a cultural institution, CasaCuba will celebrate artistic expression in all its forms, recognizing talent and achievement and inspiring creativity in the Cuban community and beyond.

CasaCuba has launched a campaign to secure funding for the design, construction and operational endowment of its planned building. Major gifts to date include \$2.2 million from the James S. and John L. Knight Foundation and \$1 million from local business leader, chairman of the CasaCuba Board of Advisors, and FIU Foundation Board of Directors member Agustín R. Arellano, Sr. and his family.

“This recognition could not have come at a better time, as we launch our fundraising campaign,” said Arellano, Sr. “This prestigious grant from NEH shows that the top agencies in the country believe in and are backing us in building CasaCuba.”

FIU’s **Next Horizon campaign** is raising funds to secure the match for this grant and make the vision for the facility a reality. To learn more about CasaCuba’s history, leadership and current activities, [click here](#).

These are the members of CasaCuba’s Board of Advisors:

- Agustín R. Arellano, Sr. – chair of construction firm NV2A Group, board chairman
- Ray Rodríguez – former president and chief operating officer of Univision Communications, board vice chair

- César Álvarez – senior chairman of Greenberg Traurig and member of the FIU Board of Trustees
- Néstor Carbonell, Sr. – former international public affairs and business leader at PepsiCo
- Alfonso Fanjul, Jr. – chairman and chief executive officer of Florida Crystals Corporation and Fanjul Corporation
- George Feldenkreis – executive chairman of the board of Perry Ellis International
- Andy García – actor and director
- Alberto Ibargüen – president, chief executive officer and a trustee of the John S. and James L. Knight Foundation
- Jorge Mas – chairman of the board of MasTec
- Lily Prellezo – author
- Claudia Puig – senior vice president/eastern regional manager of Univision Communications and chair of the FIU Board of Trustees
- Mark B. Rosenberg – president of Florida International University
- Eduardo M. Sardiña – former president and chief executive officer of Bacardi U.S.A.
- José J. Valdés-Fauli – private investor and former banker

Tags: [CasaCuba](#) [Next Horizon](#)

**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Facilities Committee**

April 18, 2019

Subject: Biscayne Bay Campus Aquatic Center Repair and Renovation

Proposed Committee Action:

Recommend to the Florida International University Board of Trustees (the BOT) approval of up to \$2,000,000 in structural repairs to the Aquatic Center at the Biscayne Bay Campus (BBC) utilizing unexpended Activity and Service (A&S) fee funds and recommend a request to the Florida Board of Governors (BOG) authorizing reimbursement of (A&S) fee funds expended for Aquatic Center repairs from the Capital Improvement Trust Fund (CITF) fees allocation and a reduction of the same amount in CITF fees previously approved for the Graham University Center expansion.

Background Information

The Aquatic Center in Wellness and Recreation at BBC provides both the recreational and National Collegiate Athletic Association (NCAA) competition needs as the home to the five-time Conference USA Championship FIU Swimming and Diving team. The Aquatic Center also serves almost 250,000 students and members of the community each year. The Aquatic Center is a premier aquatic training facility within the State of Florida and the east coast of the United States. University and club teams from across the country consider the FIU Aquatic Center at BBC their home winter training facility. Operating costs of the Aquatic Center are paid by A&S Fee funds and fees paid by non-students.

The Aquatic Center is approximately 35 years old, with the last renovation occurring in 2009. Recently, a comprehensive structural and safety review identified over \$1,600,000 in needed repairs to correct structural deficiencies, water intrusion issues, and critical deferred maintenance issues. FIU has received a Guaranteed Maximum Price proposal from Thornton Construction Company, one of FIU's continuing services contractors acquired through a competitive selection process. Additional funding authorization of approximately \$400,000 is requested beyond the preliminary cost projection due to unforeseen conditions that may be present as the project gets underway. In order to have the Aquatic Center ready for the first 2019-20 swim meet on September 26, 2019, the project needs to begin as quickly as possible based upon the projected six-month repair period.

FIU has consulted with (BOG) staff on the project and the source of funding to undertake the repairs. The temporary utilization of unexpended A&S fee funds and subsequent reimbursement by CITF fees requires BOG authorization; BOG approval is required for all CITF projects. Upon approval by the BOT, it is anticipated that the BOG will consider the request at its June 13, 2019 meeting.

BOG Regulation 7.003(16), Fees, Fines, and Penalties, provides, in relevant part, that no project proposed by a university which is to be funded by the Capital Improvement fee shall be submitted to the Board of Governors for approval without prior consultation with the student government association of that university. In accordance with BOG Regulation, FIU has consulted with the FIU Student Government Association on the utilization of CITF funds to complete the Aquatic Center repairs.

Supporting Documentation: FIU Facilities Construction Services Preliminary Cost Projection
Thornton Construction Company Proposal and Guaranteed Maximum Price Breakdown

Facilitator/Presenter: Kenneth A. Jessell

PRELIMINARY COST PROJECTION

Draft

PROJECT: POOL REPAIR
PROJECT NUMBER: 180321

February 22, 2019

PRELIMINARY DRAFT

ITEM	Description	Unit	Quantity	Unit Cost	Total
1	GMP	LS	1	\$1,394,004.00	\$1,394,004.00
1	ROOFING	LS	1	\$0.00	\$0.00
2	DOORS AND FRAMES	EA	1	\$0.00	\$0.00
3	DOOR HARDWARE	EA	1	\$0.00	\$0.00
4	DRYWALL PARTITION	SF	1	\$0.00	\$0.00
5	MASONRY WALL	SF	1	\$0.00	\$0.00
6	ACOUSTICAL CEILING	SF	1	\$0.00	\$0.00
7	FLOOR FINISH / WALL BASE	SF	1	\$0.00	\$0.00
8	PAINTING	SF	1	\$0.00	\$0.00
9	HVAC	EA	1	\$0.00	\$0.00
10	HVAC CONTROL SYSTEMS	EA	1	\$0.00	\$0.00
11	FUME HOODS	EA	1	\$0.00	\$0.00
12	BASIC ELECTRICAL REQUIREMENTS	EA	1	\$0.00	\$0.00
13	LIGHTING	EA	1	\$0.00	\$0.00
14	ELECTRICAL SUBPANEL	EA	1	\$0.00	\$0.00
15	PLUMBING	EA	1	\$0.00	\$0.00
16	SITE PREPARATION AND DEMOLITION	SF	1	\$0.00	\$0.00
17	TOTAL CONSTRUCTION COMPONENTS				\$1,394,004.00
18	PROFESSIONAL FEES	EA	1	\$60,480.00	\$60,480.00
19	FIRE MARSHALL	EA	1	\$0.00	\$0.00
20	STRUCTURAL ENGINEER	EA	1	\$7,500.00	\$7,500.00
21	GEOTECHNICAL TESTS	EA	1	\$0.00	\$0.00
22	MOLD TESTING / ABATEMENT	EA	1	\$0.00	\$0.00
23	UTILITIES LOCATION (GPR)	EA	1	\$0.00	\$0.00
24	HVAC SYSTEM TESTS	EA	1	\$0.00	\$0.00
25	CONCRETE TESTING	EA	1	\$0.00	\$0.00
26	PLAN REVIEW	EA	1	\$0.00	\$0.00
27	BUILDING INSPECTOR	EA	1	\$0.00	\$0.00
28	STORM WATER (DEP) PERMIT/IMPACT/ENVIRONMENTAL FEES	EA	1	\$0.00	\$0.00
29	FURNITURE AND EQUIPMENT	EA	1	\$0.00	\$0.00
30	TELECOMMUNICATIONS WIRING AND EQUIPMENT	EA	1	\$0.00	\$0.00
31	FUME HOODS CERTIFICATION	EA	1	\$0.00	\$0.00
32	SECURITY CAMERAS	EA	1	\$0.00	\$0.00
33	AUDIO VISUAL EQUIPMENT	EA	1	\$0.00	\$0.00
34	KEY CONTROL	EA	1	\$0.00	\$0.00
35	FACILITIES OPERATIONS	EA	1	\$0.00	\$0.00
36	EXTERIOR SIGNAGE	EA	1	\$0.00	\$0.00
37	INTERIOR SIGNAGE	EA	1	\$0.00	\$0.00
				CONTINGENCY (5%)	\$73,099
				CSR (5%)	\$76,754
				TOTAL PROJECT COST	\$1,611,837.36



February 25th, 2019

FLORIDA INTERNATIONAL UNIVERSITY
Facilities Management/Planning & Development
Campus Support Complex
Miami, Florida 33199

RE: FIU Biscayne Bay Center Aquatic Pool Repairs

FM #18-0321
Thornton Project # 18044
Guaranteed Maximum Price (GMP) Proposal

Dear Mr Honoriu Filomon,

A handwritten signature in blue ink, appearing to read 'Honoriu Filomon'.

We are pleased to submit a Guaranteed Maximum Price (GMP) for the above referenced project. The GMP price of **\$1,394,004.00 (One Million Three Hundred Ninety Four Thousand, & Four Dollars)** includes the construction as detailed in the Construction Documents issued by Alleguez Architecture, Inc dated 1/17/2019, respectively with the following clarifications and qualifications attached:

- 1) Proposed Schedule:
 - a. NTP (TBD)
 - b. Procurement of materials starts 2 weeks after receipt of NTP
 - c. Long lead time of (12) weeks including shop drawings, fabrication & delivery of railings, doors & hardware, (2-4 weeks) for Light Fixtures
- 2) Permit fees and permits are by FIU
- 3) All work to be performed during normal business hours.
- 4) Any pre-existing code violations, building standard deficiencies and/or any pre-existing conditions will be brought to the Owner's attention. The GMP excludes all costs associated with the aforementioned items and their corrective work if required.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Floyd Smiley'.

Thornton Construction Company Inc.
Floyd Smiley
Senior Estimator

RE: FIU Biscayne Bay Campus Aquatic Center Pool Repairs

FM #18-0321

Thornton Project # 18018

Guaranteed Maximum Price (GMP) Proposal

March 7th, 2019

Clarifications & Assumptions

1. Materials testing cost not included, by owner.
2. Power & Utility usage during construction will be from connection to existing building's infrastructure.
3. Phone and data connection for field office will be from existing building's infrastructure.
4. Project duration is based on a 26 weeks schedule.
5. Pool liner and Filter Pit work per vendor is scheduled after August 7th.
6. HVAC work scope is limited to removal & capping of rusted damaged exhaust ductwork shown.
7. No work included in GMP for Main Pool Deck.
8. We have included an allowance of \$15,000 for shoring of overhead slab if required during restoration work. If cannot be determined at this time extent of shoring requirements.
9. Concrete restoration repair quantities are limited to Repair Schedule shown on S100. We have included an additional 25% quantity increase allowance to cover additional discovered repairs. Any unforeseen repairs will be priced per the below unit cost;

Item	Description	Unit	Unit Price
3	Mobilization Fees.		\$ 11,600
4	Shoring Documents (Calculation and Drawing) signed		\$ 5,500
5	Horizontal Concrete Repair	SF	\$ 90.00
6	Vertical and overhead concrete repair	SF	\$ 125.00
8	Slab on Grade Repair (at column repairs)	SF	\$ 115.00
7	Concrete Crack Repair (gravity feed)	LF	\$ 15.00
8	Concrete crack repair (epoxy injection)	LF	\$ 38.00
9	Route and Seal Cracks	LF	\$ 5.50



THORNTON CONSTRUCTION RESIDENTIAL,

10. No restoration or structural repair work included for the main pool deck. PC-013 regarding this issue about deck cracks is still open and will be addressed later.
11. Doors and frames included as galvanized materials. Frames will include bitumen coating.
12. We have included trade allowances within the bid tabulation for reference.



GMP Breakdown

Project:	FIU Biscayne Bay Campus Aquatic Center Pool Repairs	Project Number:	18044
Location:	3000 NE 151 Street, Miami FL 33181	Drawing Phase & Date:	GMP/Permit Set dated 1/17/19
Owner:	Florida International University	Estimate Date:	2/28/2019
Architect:	Alleguez Architecture, Inc	Prepared By:	Thornton Construction Co., Inc.

CSI	Description	Qty	Unit	Subtotal	Subcontractors
1	General Conditions				
	General Conditions Breakdown	1	Bkdn	\$201,072	
2	Site Construction				
	Demolition	1	LS	incl'd	Structural Preservation Systems, Inc
	Landscaping	1	LS	No Scope	Scope removed by 2/14/19 meeting
	Irrigation Repair Allowance	1	LS	\$5,000	
	Fence & Gate Modifications	1	LS	\$27,260	Chopper's Construction
3	Concrete Restoration & Waterproofing				
	Concrete Restoration	1	LS	\$437,534	Structural Preservation Systems, Inc
	Waterproofing	1	LS	incl'd	Structural Preservation Systems, Inc
	Shoring Allowance	1	LS	\$15,000	
5	Misc Metals				
	Railings, misc metals	1	LS	\$43,755	Remior Industries
6	Finish Carpentry				
	Door installation, misc scopes	1	LS	\$12,500	Thornton Construction
7	Roofing				
	Re-roofing	1	LS	\$18,830	G7 Holding, Inc
8	Doors & Windows				
	Doors, Frames & Hardware	1	LS	\$7,299	Quality Engineered Products
9	Finishes				
	Paint	1	LS	\$4,863	Done by Dunne
13	Pool Liner & Equipment				
	Pool Liner & Equipment	1	LS	\$286,715	Oliver's Pool & Equipment
	Collector Tanks Waterproofing & Diamond Brite Finish	1	LS	\$30,974	Oliver's Pool & Equipment



GMP Breakdown

Project:	FIU Biscayne Bay Campus Aquatic Center Pool Repairs	Project Number:	18044
Location:	3000 NE 151 Street, Miami FL 33181	Drawing Phase & Date:	GMP/Permit Set dated 1/17/19
Owner:	Florida International University	Estimate Date:	2/28/2019
Architect:	Alleguez Architecture, Inc	Prepared By:	Thornton Construction Co., Inc.

CSI	Description	Qty	Unit	Subtotal	Subcontractors
15	Plumbing				
	Plumbing demo, drains & piping	1	LS	\$57,200	Caballero Plumbing
15	HVAC				
	HVAC Demo & Modifications	1	LS	\$4,800	Coltec Engineering
16	Electrical				
	Electrical Modifications	1	LS	\$39,470	Super America Electric
SUBTOTAL				\$1,192,271	
	Owner Contingency	5%		\$59,614	
SUBTOTAL				\$1,251,884	
	GC Fees	8.00%		\$100,151	
	Builders Risk	1.00%		\$12,519	
	General Liability	1.25%		\$15,649	
SUBTOTAL				\$1,380,202	
	P&P Bond	1.00%		\$13,802	
TOTAL COST				\$1,394,004	

BID ALTERNATES

Provide Stainless Steel Type 304 for guardrails & handrails, in lieu of powder coated alum	\$	147,350
Provide (2) FIU Logos (5' tall x the Ratio Wide)	\$	6,000
Provide PVC piping in lieu of Cast Iron	\$	(5,400)



General Conditions Breakdown

Project:	FIU Owa Ehan Building - Labs & Stockroom Renovation	Project Number:	18018
Location:	11200 SW 8th Street, Miami FL 33199	Drawing Phase & Date:	100% CD dated 2/9/2019
Owner:	Florida International University	Estimate Date:	2/28/2019
Architect:	MCHary Associates	Prepared By:	Thornton Construction Co., Inc.

SUMMARY	TOTAL COST
Subtotal for Staff in General Conditions	\$165,197
Subtotal Miscellaneous General Conditions	\$35,875
TOTAL FOR ALL GENERAL CONDITIONS	\$201,072

Construction Duration	180	Days	25.71	Weeks
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DESCRIPTION - PROJECT STAFF	%	WKS	UNIT PRICE	TOTAL COST
Project Management				
Project Executive	0%	26	\$5,215	\$0
Project Manager-1	46.89%	26	\$3,761	\$45,857
Assistant Project Manager-1	0%	26	\$2,205	\$0
Project Coordinator	0%	26	\$962	\$0
Field Supervision				
Project Superintendent-1	100%	26	\$3,761	\$96,711
Assistant Superintendent	0%	26	\$2,267	\$0
QA/QC Manager	0%	26	\$1,697	\$0
Punchlist	0%	26	\$1,697	\$0
General Labor - Daily cleaning and safety	100%	26	\$880	\$22,829
SUBTOTAL FOR STAFF OF GENERAL CONDITIONS				\$165,197

DESCRIPTION - MISCELLANEOUS ITEMS	UNIT	QTY	UNIT PRICE	TOTAL COST
Temporary Electric	MTH	0	\$300	will use existing facilities
Temporary Toilets	MTH	0	\$360	will use existing facilities
Temporary Water	MTH	0	\$150	will use existing facilities
Temporary Phone	MTH	6	\$100	\$600
Field Office Delivery, Set-up and Removal	EA	2	\$750	\$1,500
Field Office/Trailer	MTH	6.00	\$950	\$5,700
Field Office Furniture	EA	1	\$800	\$800
Storage Shed	MTH	6.00	\$300	\$1,800
Field Office Appliances	LS	0	\$1,500	\$0
Telephone System Set-up	EA	0	\$2,500	\$0
Final Cleaning	SQFT	5,000	\$0.50	\$2,500
Dumpsters	MTH	12	\$500	\$6,000
Construction Fence	LF	200	\$9	\$1,800
Barricades / Temporary Signage	EA	25	\$35	\$875
Photographs	MTH	6.0	\$200	\$1,200
Office Supplies	MTH	6.0	\$200	\$1,200
Computers/Printers	EA	0	\$1,900	\$0
Safety Inspections	EA	7	\$475	\$3,325
Print / reprographic services	EA	15	\$65	\$975
Parking Permit	EA	3	\$100	\$300
Miscellaneous Tools & Materials	LS	1	\$1,000	\$1,000
Temporary Protection	LS	1	\$3,000	\$3,000
Non-invasive Testing (GPR)	LS	1	\$800	\$800
Final Punchlist	MTH	1	\$2,500	\$2,500
TOTAL MISCELLANEOUS GENERAL CONDITIONS				\$35,875



Bid Tabulation Sheet

Project: FIU Biscayne Bay Campus Aquatic Center Pool Repairs	Project Number: 18044
Location: 3000 NE 151 Street, Miami FL 33181	Drawing Phase & Date: GMP/Permit Set dated 1/17/19
Owner: Florida International University	Estimate Date: 2/28/2019
Architect: Alleguez Architecture, Inc	Prepared By: Thornton Construction Co., Inc.

Trade: Fence Gates				FIRM 1	FIRM 2	FIRM 3
GENERAL SCOPE OVERVIEW				Royal Fence & Equipment Corp Carolina 305-477-7191	Carlson Fence Eric 305-593-8590	Chopper's Construction Jose 305-886-4728
		Qty	Unit			
BASE BID				\$ 26,800	\$ 34,500	\$ 24,760
DOCUMENTS						
	GMP/Permit Set dated 1/17/19			y	y	y
	Specification Manual -MEP only					
SCOPE:						
	Include all labor, material and equipment to perform demolition work scope described in plans, specifications, and scope of work included but not limited to the following:			y	y	y
	Scope of work including but not limited to the following:			y	y	y
	Modify existing chain link fence and provide new chainlink gates where indicated			y	y	y
		3	ea	y	y	y
	Gate 4'-6" x 6'-0" (pr)					
	Provide panic hardware with 24" wide flat plate x length of gate, & self closers. See spec below			tbd	y	y
		6	ea			
	Locinox Samson 2 - Gate Closers			tbd count	y	y
		6	ea			
	New 9'-0" x 6'-0" rolling gate at north side of main pool deck. Rolling gate will be installed west of existing double gate			y	y	y
		1	ea			
	Allowance if concrete slab need			\$ 2,500	\$ 2,500	\$ 2,500
	General Requirements					
	Shop Drawings			y	y	no bid
GRAND TOTAL				\$ 29,300	\$ 37,000	\$ 27,260
Voluntary Bid Alternate Provide alternate manufacturer LCN 1460 Overhead Closer in lieu of specified Locinox					\$ (13,305)	



Bid Tabulation Sheet

Project: FIU Biscayne Bay Campus Aquatics Center Pool Repairs	Project Number: 16044
Location: 3000 NE 151 Street, Miami FL 33181	Drawing Phase & Date: GMP/Permit Set dated 1/17/19
Owner: Florida International University	Estimate Date: 2/28/2019
Architect: Altez Architecture, Inc	Prepared By: Thornton Construction Co., Inc.

Trade: Concrete Restoration & Waterproofing				FIRM 1	FIRM 2	FIRM 3
GENERAL SCOPE OVERVIEW				Structural Preservation Systems, LLC Andres 954-984-9555	NorthStar Contractors Hugo 954-979-7185	EZ Caulking & Waterproofing, Inc Ed 954-427-9942
BASE BID		Qty	Unit	\$ -	\$ 616,912	\$ 329,663
DOCUMENTS						
	GMP/Permit Set dated 1/17/19			y	y	y
	Specification Manual -MEP only			y	y	y
	Site Visit Attendance to review existing conditions			y	y	y
SCOPE:						
	Include all labor, material and equipment to perform concrete restoration & waterproofing work scope described in plans, specifications, and scope of work included but not limited to the following:			y	y	y
	Scope of work including but not limited to the following:					
	Concrete Restoration			\$ 114,620	y	\$ 246,656
	Demolition note D-10, removal of decorative concrete overlay down to structural deck in preparation of new waterproofing system, planter pits, & railings			y	y	y
	Removal of all spaulding concrete and related material in preparation of restoration scope			y	y	y
	Include work shown at planters - poly rigid board, 4" thick reinforced concrete topping slab, grout fills, & waterproof system			y	y	y
	Include all restoration scope per structural drawings. In addition to conditions observed in the prebid / site visit held 2/11/2019. Photos of the areas requiring repairs are uploaded to the plans room for review			y	y	y
	Repair quantities where provided in the structural drawings, however the engineer noted additional areas need field observation to obtain full extent of the repair scope.			y	y	y
	All restoration materials to be per the plan specifications. Bidders were requested by FIU to provide Bid Alternates for other available repair products with same or greater qualities, and competitive cost than specified to meet the requirements			y	y	y
	Include shoring cost and engineering during overhead and column restorative work (no exceptions)			n-inc'd engineering cost only \$5,000	y	y
	Route & Seal cracks					
	Horizontal, Vertical & Overhead Repairs					
	Waterproofing			\$ 303,290	y	y
	Include all waterproofing & caulking scope described in plans and plan specifications			y	y	y
	Use products specified in base bid, and provide bid alternates for equals			y	y	y
	Planter waterproofing			using Carlisle Miraseal 20yr	tbid product	using Tremco 20yr manufacturer, 5 yr contractor guarantee
	Deck waterproofing			using Carlisle Miraseal 20yr	tbid product	Tremco
	Pool Filter Pit waterproofing			using Sika 7600 VG	using Sika	n-tbd
	Remove & reinstall existing diving boards & pool ladders per notes N-12 & N-13 for new waterproof scope			y	tbid	y
	OTHER WORK SCOPES					
Demo	Demolition per plans			n	y	y
Metals	Furnish and install new metal guardrail			n	see scope tab	y
Doors	Furnish & install new doors, frames, & hardware				see scope tab	n
Roofing	Provide re-roofing at 2 roof areas per plans plus gutter & leader replacement			no by others	see scope tab	no by others

	Ronosys pool liner system				no by others	see scope tab	no by others
	Paint				no by others	see scope tab	
	General Requirements						
	Temp protection of area during work				y	y	y
	Work Hours				normal	normal	normal
	ADDITIONAL 25% CONCRETE RESTORATION REPAIR QUANTITIES ALLOWANCE FROM ENGINEER'S REPAIR SCHEDULE ON S100						
Item #5	Horizontal Concrete Repair	12.5	sqft	\$ 90.00	\$ 1,125	\$ 1,350	\$ 1,125
Item #6	Vertical and Overhead Concrete Repair	105.25	sqft	\$ 125.00	\$ 13,156	\$ 11,578	\$ 12,104
Item #7	Concrete crack Repair (gravity feed)	24	lf	\$ 15.00	\$ 360	\$ 840	\$ 456
Item #8	Concrete crack Repair (epoxy injection)	50	lf	\$ 38.00	\$ 1,900	\$ 2,250	\$ 2,000
Item #9	Route and Seal Cracks	58.75	lf	\$ 5.50	\$ 323	\$ 1,469	\$ 235
Item #10	Slab on Grade Repair (at column repairs)	24	sqft	\$ 115.00	\$ 2,760	\$ 2,280	\$ 2,160
	GRAND TOTAL				\$ 437,534	\$ 636,678	\$ 594,599



Bid Tabulation Sheet

Project: FIU Biscayne Bay Campus Aquatic Center Pool Repairs	Project Number: 18044
Location: 3000 NE 151 Street, Miami FL 33181	Drawing Phase & Date: GMP/Permit Set dated 1/17/19
Owner: Florida International University	Estimate Date: 2/28/2019
Architect: Alleguez Architecture, Inc	Prepared By: Thornton Construction Co., Inc.

Trade	Metals	Qty	Unit	FIRM 1 Remior Industries Roly 305-883-8722	FIRM 2 NorthStar Contractors Hugo 954-979-7185	FIRM 3 Skyline Steel David 954-968-1912	FIRM 4 EZ Caulking & Waterproofing, Inc Ed 954-427-9942	
GENERAL SCOPE OVERVIEW								
BASE BID				\$ 43,755	\$ 162,025	\$ 55,612	\$ 54,996	
DOCUMENTS								
GMP/Permit Set dated 1/17/19								
Specification Manual -MEP only								
SCOPE:								
Include all labor, material and equipment to perform work scope described in plans, specifications, and scope of work included but not limited to the following;				y	y	y	y	
New guardrail per plans and details on A302				y	y	y	y	
Guardrail shall be 1-1/2" diameter schedule 40 aluminum with top rail x 42" tall				421	lf	y	y	
Posts shall be cored into existing substrate and install with non-shrink non metallic grout Hard-Rok or approved equivalent, per detail 3/A302				y	y	y	y	
New handrail sections per detail 1/A302, at stairs where indicated				82	lf	y	y	
finish				y	y	y	y	
Review plan notes on A302				y	y	y	y	
Pool Filter Pit. Refer to section B & C/A301, & Plan view A101. Include removal of the old platform including framing, and replace with new. Refer to plan room photo of existing platform & framing. Provide shop drawings for approval				42	sqft	y	n	\$ 8,100 \$ 7,500
General Requirements								
Shop drawings, signed and sealed				y	y		y	
GRAND TOTAL				\$ 43,755	\$ 162,025	\$ 63,712	\$ 62,496	
BID ALTERNATE								
Provide Stainless Steel Type 304 for guardrails & handrails, in lieu of powder coated aluminum material				\$ 147,350		175914 pending		



Bid Tabulation Sheet

Project: FIU Biscayne Bay Campus Aquatic Center Pool Repairs
 Location: 3000 NE 151 Street, Miami FL 33181
 Owner: Florida International University
 Architect: Alleguez Architecture, Inc

Project Number: 18044
 Drawing Phase & Date: GMP/Permit Set dated 1/17/19
 Estimate Date: 2/28/2019
 Prepared By: Thornton Construction Co., Inc.

Trade				FIRM 1	FIRM 2
Finish Carpentry				El Leon Const Alex 754-368-8449	Thornton Construction
				\$ 14,800	\$ 12,500
CARPENTRY					
HOLLOW METAL					
Single	1	EA		y	y
Pairs	2	PR		y	y
HARDWARE					
Nonlabel Single Door	5	EA		y	y
Nonlabel Pair	2	PR		y	y
Misc items removal and reinstallation per notes	40	hrs		y	y
FIRE EXTINGUISHERS / CABS (Temp for Const)	1	EA		y	y
SIGNAGE - temp during construction	10	EA		y	y
SUBTOTAL					
TAXES & INSURANCE					
TOTALS FOR CARPENTRY				\$ 14,800	\$ 12,500



Bid Tabulation Sheet

Project: FIU Biscayne Bay Campus Aquatic Center Pool Repairs **Project Number:** 18044
Location: 3000 NE 151 Street, Miami FL 33181 **Drawing Phase & Date:** GMP/Permit Set dated 1/17/19
Owner: Florida International University **Estimate Date:** 2/28/2019
Architect: Alleguez Architecture, Inc **Prepared By:** Thornton Construction Co., Inc.

Trade		Roofing		FIRM 1	FIRM 2	FIRM 3	FIRM 4
GENERAL SCOPE OVERVIEW				Grace Roofing Enterprises Phil 954-733-7332	G7 Roofing Division Ivan (904) 513-9494	Southern Coast Enterprises, Inc Frank 954-426-3312	NorthStar Contractors Hugo 954-979-7165
				Qty	Unit		
BASE BID				\$ 34,590	\$ 18,830	\$ 28,758	\$ 32,072
DOCUMENTS							
	GMP/Permit Set dated 1/17/19						
	Specification Manual -MEP only						
SCOPE:							
	Include all labor, material and equipment to perform work scope described in plans, specifications, and scope of work included but not limited to the following;			y	y	y	y
	Reroof existing Equipment Room & Restroom planter deck. Refer to plan details			y	y	y	y
	New SS gutters and downspouts where indicated			y	y	y	y
	New flashing per details			y	y	y	y
	Basis of design for roof system: Soprema or approved equivalent			y	y	y	y
	General Requirements						
	Dumpster for roof demo debris material			y	y	y	y
	Temp roof if during reroof process						
	Warranty on Material			20yr NDL	20yr NDL	y	y
GRAND TOTAL				\$ 34,590	\$ 18,830	\$ 28,758	\$ 32,072



Bid Tabulation Sheet

Project: FIU Biscayne Bay Campus Aquatic Center Pool Repairs	Project Number: 19044
Location: 3000 NE 151 Street, Miami FL 33181	Drawing Phase & Date: GMP/Permit Set dated 1/17/19
Owner: Florida International University	Estimate Date: 2/28/2019
Architect: Alleguez Architecture, Inc	Prepared By: Thornton Construction Co., Inc.

Trade		Doors, Frames & Hardware		FIRM 1	FIRM 2	FIRM 3	FIRM 4
GENERAL SCOPE OVERVIEW				Next Door Lisa 954-772-6666	Quality Engineered Products Andrew 813-885-1693	Acacia Supply Angelo 954-821-9139	Raymond Building Supply Rich 954-428-0422
		Qty	Unit				
BASE BID				\$ 10,300	\$ 7,299	no bid	no bid
DOCUMENTS							
	GMP/Permit Set dated 1/17/19			y	y	no bid	no bid
	Specification Manual -MEP only			y	y	no bid	no bid
SCOPE:							
	Include all labor, material and equipment to perform work scope described in plans, specifications, and scope of work included but not limited to the following:			y	y	no bid	no bid
Frames							
	HM frames 3o 7o			y	y	no bid	no bid
	HM frames 3o 7o (pr)			y	y	no bid	no bid
	HM frames 4o 7o (pr)			y	y	no bid	no bid
Doors							
	Galvanized Steel 3o 7o - Flush			y	y	no bid	no bid
	Galvanized Steel 3o 7o (pr) - Full Louvered			y	y	no bid	no bid
	Galvanized Steel 4o 7o (pr) - Full Louvered			y	y	no bid	no bid
Hardware							
	H01			y	y	no bid	no bid
	H02			y	y	no bid	no bid
	H03			y	y	no bid	no bid
General Requirements							
	HM frames shall be galvanized material			y	y	no bid	no bid
	Door shall be 14GA galvanized material			y	y	no bid	no bid
	Basis of design for HM doors - Steelcraft H 14 Series			tbd	product by Quality Engineered Products	no bid	no bid
GRAND TOTAL				\$ 10,300	\$ 7,299	no bid	no bid

THORNTON
Bid Tabulation Sheet

Project: FIU Biscayne Bay Campus Aquatic Center Pool Repairs	Project Number: 18044
Location: 3000 NE 151 Street, Miami FL 33181	Drawing Phase & Date: GMP/Permit Set dated 1/17/19
Owner: Florida International University	Estimate Date: 2/28/2019
Architect: Alleguez Architecture, Inc	Prepared By: Thornton Construction Co., Inc.

Trade	Paint				FIRM 1	FIRM 2	FIRM 3
GENERAL SCOPE OVERVIEW					Done by Dunne, Inc Jeff 954-495-0192	EZ Caulking & Waterproofing, Inc Ed 954-427-9942	NorthStar Contractors Hugo 954-979-7185
		Qty	Unit				
BASE BID					\$ 4,863	\$ 23,375	\$ 8,850
DOCUMENTS							
					y	y	y
				GMP/Permit Set dated 1/17/19			
				Specification Manual -MEP only	y	y	y
SCOPE:							
				Include all labor, material and equipment to perform work scope described in plans, specifications, and scope of work included but not limited to the following:	y	y	y
				Provide new exterior paint finish where indicated	y	y	y
				Paint doors & frames	y	y	y
				Paint color schedule per marks EP-1, EP-2, & EP-3	y	y	y
				Manufacturer Basis of design: Sherwin Williams	y	y	y
				Refer to paint notes on A201 for additional details	y	y	y
ADDITIONAL SCOPE							
				Concrete Finish at Deck	by waterproofer	incl'd	by waterproofer, see waterproof tab
				General Requirements			
GRAND TOTAL					\$ 4,863	\$ 23,375	\$ 8,850



Bid Tabulation Sheet

Project: FIU Biscayne Bay Campus Aquatic Center Pool Repairs	Project Number: 18044
Location: 3000 NE 151 Street, Miami FL 33181	Drawing Phase & Date: GMP/Permit Set dated 1/17/19
Owner: Florida International University	Estimate Date: 2/28/2019
Architect: Alleguez Architecture, Inc	Prepared By: Thornton Construction Co., Inc.

Trade	Pool Liner	Qty	Unit		
GENERAL SCOPE OVERVIEW				FIRM 1 Oliver's Pool Humberto 305-310-3396	
BASE BID					\$ -
DOCUMENTS					
	Bid Set drawings 100% CD dated 2/8/2019				Y
	Specification Manual -MEP only				Y
SCOPE:					
	Include all labor, material and equipment to perform work scope described in plans, specifications, and scope of work included but not limited to the following:				Y
	Provide new RenoSys PVC membrane System at the Dive Pool & Main Lap Pool				Y
	Dive Pool			\$	88,995
	Main Lap Pool			\$	197,720
	Installation of system includes the following				Y
	- broom clean pool surface				Y
	- coat interior of pool with sanitizing agent				Y
	- apply RenoFelt adhesive				Y
	- apply RenoFelt 11 membrane				Y
	- install 60 mil RenoSys PVC membrane by hot air welding				Y
	- termination at top of pool wall below gutter				Y
	- include 8 long & 22 short lanes				Y
	- terminate all penetrations with compression flanges				Y
	- complete additional perimeter caulking, detail work, & finish work to make a complete watertight installation				Y
	Warranty Period - 10yr on Membrane & all welds				Y
	Other installation items - 1yr warranty				Y
	COLLECTOR TANKS RESTORATION			\$	30,974
	Collector Tanks - 19' x 8' x 6'	2	ea		Y
	Repair includes the following:				Y
	- drain tanks and removal mer-made filters & reinstallation				Y
	- pressure washing				Y
	- chlorine rise for mildew & algae build-up removal				Y
	- grind loose areas, protrusions & uneven surface				Y
	- sawcutting of shrinkage cracking, filling of all using Sika Flex or Acrylic modified cement				Y
	- coat tanks with Flexcrete waterproofing				Y
	- apply Diamond Brite pool surfacing				Y
	- replace underground gutter system from pool to collector tanks				Y
	General Requirements				Y
	Normal work hours				Y
	Work expects a April start				
GRAND TOTAL:				\$	317,689
BID ALTERNATE					
	Provide (2) FIU Logos (5' tall x the Ratio Wide)			\$	6,000

THORNTON
Bid Tabulation Sheet

Project: FIU Biscayne Bay Campus Aquatic Center Pool Repairs Project Number: 18044
 Location: 3000 NE 151 Street, Miami FL 33181 Drawing Phase & Date: GMP/Permit Set dated 1/17/19
 Owner: Florida International University Estimate Date: 2/28/2019
 Architect: Alleguez Architecture, Inc Prepared By: Thornton Construction Co., Inc.

Trade		Plumbing		FIRM 1	FIRM 2	FIRM 3	FIRM 4
GENERAL SCOPE OVERVIEW				Florida Latin Plumbing William 786-515-3177	Manny & Lou Plumbing Manny 305-666-7511	Richlin Plumbing Rich 305-258-0870	Caballero Plumbing Luis 305-629-9500
		Qty	Unit				
BASE BID				no bid	\$ 67,395	\$ 83,620	\$ 50,200
DOCUMENTS							
	Bid Set drawings 100% CD dated 2/8/2019			no bid			
	Specification Manual -MEP only			no bid			
SCOPE:							
	Include all labor, material and equipment to perform work scope described in plans, specifications, and scope of work included but not limited to the following:			no bid	y	y	y
	Plumbing demolition shall include the following: removal, capping of existing lines indicated			no bid	y	y	y
	Cutting & infill per capping			no bid	y	y	\$ 2,000
	Include video investigation of existing gravity lines with area of work per notes E & F on PD101			no bid	2000	tbd	\$ 2,000
	Provide new plumbing drain and piping per layout on P102			no bid	y	y	y
	Provide new bi-level planter drain where indicated			no bid	y	y	y
	Provide new Hose Bibs indicated			no bid	y	y	y
	Copper water piping			no bid	y	tbd	y
	Cast iron drain piping			no bid	y	tbd	y
	General Requirements						
	Core drill penetration for new work			no bid	3000	tbd	\$ 3,000
	Normal work hours			no bid	y	y	y
	Caulking at pipe penetrations			no bid			
	Grout fill at penetrations			no bid			
GRAND TOTAL				No Bid	\$ 72,395	\$ 83,620	\$ 57,200
BID ALTERNATE							
Provide PVC piping in lieu of Cast Iron							\$ (5,400)

THORNTON
Bid Tabulation Sheet

Project: FIU Biscayne Bay Campus Aquatic Center Pool Repairs	Project Number: 18044
Location: 3000 NE 151 Street, Miami FL 33181	Drawing Phase & Date: GMP/Permit Set dated 1/17/19
Owner: Florida International University	Estimate Date: 2/28/2019
Architect: Alleguez Architecture, Inc	Prepared By: Thornton Construction Co., Inc.

Trade		Qty	Unit	
HVAC				
GENERAL SCOPE OVERVIEW				FIRM 1 Coltec Engineering Lorenzo 305-256-0046
BASE BID				\$ 4,800
DOCUMENTS				
	Bid Set drawings 100% CD dated 2/8/2019			y
	Specification Manual -MEP only			y
SCOPE:				
	Include all labor, material and equipment to perform work scope described in plans, specifications, and scope of work included but not limited to the following:			y
	Hvac scope includes but not limited to the following:			
	HVAC demolition, cut & cap existing exhaust ducts shown			y
	General Requirements			
	Test & Balance			
	Normal work hours			
GRAND TOTAL				\$ 4,800

THORNTON
Bid Tabulation Sheet

Project:	FIU Biscayne Bay Campus Aquatic Center Pool Repairs	Project Number:	18044
Location:	3000 NE 151 Street, Miami FL 33181	Drawing Phase & Date:	GMP/Permit Set dated 1/17/19
Owner:	Florida International University	Estimate Date:	2/28/2019
Architect:	Alleguez Architecture, Inc	Prepared By:	Thornton Construction Co., Inc.

Trade		Electric		FIRM 1	FIRM 2	FIRM 3
GENERAL SCOPE OVERVIEW				Access Builders Roberto 305-666-6604	Superior Electrical Contractors Carlos 305-477-6328	Super America Electric Sergio 305-234-5432
		Qty	Unit			
BASE BID				\$ 39,000	no bid	\$ 30,470
DOCUMENTS						
	Bid Set drawings 100% CD dated 2/8/2019			y	no bid	y
	Specification Manual -MEP only			y	no bid	y
SCOPE:						
	Include all labor, material and equipment to perform work scope described in plans, specifications, and scope of work included but not limited to the following:			y	no bid	y
	Electric scope includes but is not limited to the following:			y	no bid	y
	Electrical demolition			y	no bid	y
	Furnish and installation of new light fixtures per E104			y	no bid	y
	Temp power connection for field trailer			\$ 2,500	no bid	\$ 2,500
	New switches			y	no bid	y
	New conduits shall be schedule 80 PVC			y-tbd	no bid	y
	Include allowance for repair of rusted & damaged conduits and boxes. \$6,500			y	no bid	\$ 6,500
	Include cost for removal and reinstallation of pool lights for pool liner installation process			n/a - by pool vendor	n/a - by pool vendor	n/a - by pool vendor
	General Requirements					
	Coredrill penetrations			y	no bid	y
	Normal work hours			y	no bid	y
GRAND TOTAL				\$ 41,500	no bid	\$ 39,470

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THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Facilities Committee
April 18, 2019

AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2018

- 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, 2018 on March 27, 2019.
- **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, 2018, 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, Inc.
 - 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 Research 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 \$1.47 billion, an increase of \$56.6 million or 4 percent over fiscal year 2016-17.**

Primarily Due to changes in:

Net Capital Asset Additions	\$ 35.1 M
Increase in Cash and Investments	\$ 27.4 M
Net Construction in Progress Additions	\$ 14.9 M
Increase in Works of Art	\$.7 M
Change in Accumulated Depreciation	(\$42.2) M
Due from State – Construction	\$ 12.7 M
Increase in Accounts Receivable / Loans	\$ 7.2 M
Due from Component Units	\$.4 M
Other Assets	\$.4 M
Total	\$ 56.6 M

- **Total Liabilities of \$793.9 M, an increase of \$204.0 M or 34 percent over 2016-17.**

Primarily Due to:

Net Pension Liability Increase	\$22.5 M
Other Post Employment Retirement Benefits Increase	\$189.2 M
Decrease in Payables	(\$ 1.7) M
Increase in Compensated Absences	\$ 2.4 M
Decrease in Installment Purchases	(\$.5) M
Decrease in Bonds Payable	(\$ 7.5) M
Decrease in Unearned Revenue	(\$.2) M
Decrease in Due to State/FIU	(\$.1) M
Decrease in Other Liabilities	(\$.1) M
Total	\$204.0 M

- **Total Net Position of \$750.6 M, a decrease of \$176.7 or 19 percent.** The net position reflects the change in total assets, \$56.6M, less the change in total liabilities, (\$204.0), plus the increase in deferred outflows of resources related to pensions, \$18.3M, less the decrease in deferred inflows of resources related to pensions, (\$47.6 M).

Highlights of Revenues and Expenses

- **Operating Revenues of \$521.3 M, an increase of \$1.8 M or .3 percent over 2016-17.**

Primarily Due to:

Net Tuition and Fees	(\$16.5) M
Auxiliary Sales and Service	\$ 2.6 M
Other Revenue	\$ 2.0 M
Grants and Contracts	\$ 13.7 M
Total	\$ 1.8 M

- **Operating Expenses \$1.0 B, an increase of \$48.4 M or 5 percent over 2016-17.**

Primarily Due to:

Employee Compensation and Benefits	\$ 21.8 M
Scholarships, Fellowships and Waivers	\$ 16.6 M
Depreciation Expense	(\$.6) M
Services and Supplies	\$ 10.0 M
Utilities and Communications	\$.5 M
Self Insured Claims and Expenses	\$.1 M
Total	\$ 48.4 M

- **Net Non-operating Revenues of \$483.5 M, an increase of \$63.2 M or 15 percent over 2016-17.**

Primarily Due to:

Non Grants, Contracts and Gifts	\$ 2.7 M
State Non-Capital Appropriations	\$16.6 M
Investment Income, Net	\$ 3.0 M
Other Non-Operating Revenues	\$.5 M
Federal and State Student Financial Aid	\$ 40.4 M
Total	\$ 63.2 M

- **Other Changes in Net Position from Capital Appropriations and Capital Grants and Contracts of \$40.3 M, an increase of \$20.6 M or 105 percent over 2016-17.**

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FLORIDA INTERNATIONAL UNIVERSITY

For the Fiscal Year Ended
June 30, 2018



Sherrill F. Norman, CPA
Auditor General

Board of Trustees and President

During the 2017-18 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 through 1-5-18 ^a	Natasha Lowell
Cesar L. Alvarez J.D.	Justo L. Pozo
Dr. Jose J. Armas M.D.	Marc D. Sarnoff
Leonard Boord	Krista M. Schmidt through 5-14-18 ^b
Dean C. Colson	Jose L. Sirven from 5-15-18 ^b
Gerald C. Grant Jr.	Rogelio Tovar from 1-6-18
	Dr. Kathleen L. Wilson ^c

^a Member's term expired on 1-5-18. Vice Chair position was vacant through 6-30-18.

^b Student Body President.

^c 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 Kirenia Nieto, CPA, and the audit was supervised by Hector J. Quevedo, CPA.

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

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FLAuditor.gov

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State of Florida Auditor General

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FLORIDA INTERNATIONAL UNIVERSITY
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SUMMARY

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, 2018. 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

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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, 2018, 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, 2018, 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.

Emphasis of Matter

As discussed in Note 2. to the financial statements, the University implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which is a change in accounting principle that addresses accounting and financial reporting for other postemployment benefits. This affects the comparability of amounts reported for the 2017-18 fiscal year with amounts reported for the 2016-17 fiscal year. Our opinion is not modified with respect to this matter.

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 the University's Proportionate Share of the Total Other Postemployment Benefits Liability**, **Schedule of the University's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan**, **Schedule of University Contributions – Florida Retirement System Pension Plan**, **Schedule of the University's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan**, **Schedule of University Contributions – Health Insurance Subsidy Pension Plan**, and **Notes to Required Supplementary Information**, 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 our report dated March 22, 2019, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 22, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis (MD&A) provides an overview of the financial position and activities of the University for the fiscal year ended June 30, 2018, 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, 2018, and June 30, 2017.

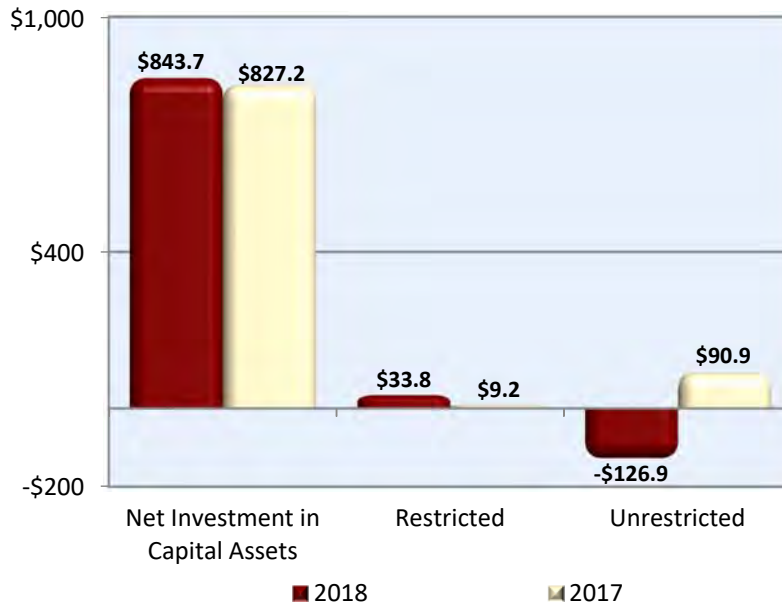
FINANCIAL HIGHLIGHTS

The University's assets and deferred outflows of resources totaled \$1.6 billion at June 30, 2018. This balance reflects an increase of \$75 million, or 4.9 percent, as compared to the 2016-17 fiscal year, resulting from an increase in combined cash and cash equivalents and investments of \$27.4 million, a net increase in receivables of \$20.3 million, a net increase in capital assets of \$8.6 million, an increase in other current assets of \$0.4 million, and an increase in deferred outflows of resources of \$18.3 million. Liabilities and deferred inflows of resources also increased by \$251.6 million, or 42.5 percent, totaling \$843 million at June 30, 2018, resulting from increases in current liabilities of \$0.7 million, noncurrent liabilities of \$203.3 million and deferred inflows of resources of \$47.6 million. As a result, the University's net position decreased by \$176.7 million, resulting in a year-end balance of \$750.6 million. The increases in deferred outflows, inflows of resources, and noncurrent liabilities, and the decrease in net position were principally due to pension-related activity as required to be reported by Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and the adoption of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The initial adoption of GASB Statement No. 75 also resulted in an adjustment to beginning net position of \$207.2 million.

The University's operating revenues totaled \$521.3 million for the 2017-18 fiscal year, representing a \$1.8 million, or 0.3 percent increase compared to the 2016-17 fiscal year. Major components of operating revenues are student tuition and fees, auxiliary enterprise revenues, and Federal grants and contracts. The overall increase in operating revenue is mainly due to increases in Federal grants and contracts revenue of \$13.8 million, and auxiliary enterprise revenue of \$2.6 million. These increases were offset by a decrease in net student tuition and fees revenue of \$16.5 million. Operating expenses totaled \$1 billion for the 2017-18 fiscal year, representing an increase of \$48.4 million, or 5 percent, as compared to the 2016-17 fiscal year due mainly to increases in compensation and employee benefits of \$21.7 million, scholarships, fellowships, and waivers of \$16.6 million, and services and supplies of \$10.2 million.

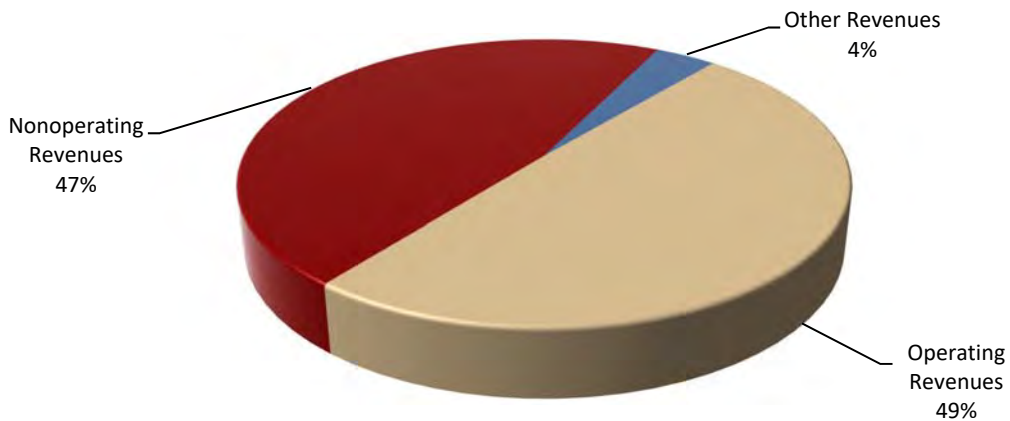
Net position represents the residual interest in the University's assets and deferred outflows of resources after deducting liabilities and deferred inflows of resources. The University's comparative total net position by category for the fiscal years ended June 30, 2018, and June 30, 2017, is shown in the following graph:

**Net Position
(In Millions)**



The following chart provides a graphical presentation of University revenues by category for the 2017-18 fiscal year:

**Total Revenues
2017-18 Fiscal Year**



OVERVIEW OF FINANCIAL STATEMENTS

Pursuant to 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 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)

	<u>2018</u>	<u>2017</u>
Assets		
Current Assets	\$ 454.3	\$ 407.5
Capital Assets, Net	995.8	987.2
Other Noncurrent Assets	18.2	17.0
Total Assets	<u>1,468.3</u>	<u>1,411.7</u>
Deferred Outflows of Resources	<u>125.3</u>	<u>107.0</u>
Liabilities		
Current Liabilities	70.3	69.6
Noncurrent Liabilities	723.6	520.3
Total Liabilities	<u>793.9</u>	<u>589.9</u>
Deferred Inflows of Resources	<u>49.1</u>	<u>1.5</u>
Net Position		
Net Investment in Capital Assets	843.7	827.2
Restricted	33.8	9.2
Unrestricted	<u>(126.9)</u>	<u>90.9</u>
Total Net Position	<u>\$ 750.6</u>	<u>\$ 927.3</u>

Total assets as of June 30, 2018, increased by \$56.6 million, or 4 percent. This increase is mainly due to an increase in combined cash and cash equivalents and investments of \$27.4 million primarily driven by the reinvestment of realized gains of \$25.1 million on the sale of investments. Also contributing to the increase in total assets is an increase in receivables of \$20.3 million consisting of \$12.7 million due from the State for new capital appropriations for construction projects, and \$7.6 million from students, grants and contracts, and component units, along with a net increase in capital assets of \$8.6 million. Deferred outflows of resources increased \$18.3 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 and other postemployment benefits payable (OPEB). Total liabilities as of June 30, 2018, increased by \$204 million, or 34.6 percent. This increase is primarily due to an increase of \$189.2 million and \$22.5 million for the University's proportionate share of OPEB and FRS net pension liabilities, respectively. Similarly, there was an increase in deferred inflows of resources by \$47.6 million also resulting from pension and OPEB related activity.

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 2017-18 and 2016-17 fiscal years:

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

(In Millions)

	2017-18	2016-17
Operating Revenues	\$ 521.3	\$ 519.5
Less, Operating Expenses	1,014.5	966.1
Operating Loss	(493.2)	(446.6)
Net Nonoperating Revenues	483.5	420.2
Loss Before Other Revenues	(9.7)	(26.4)
Other Revenues	40.2	19.7
Net Increase (Decrease) In Net Position	30.5	(6.7)
Net Position, Beginning of Year	927.3	934.0
Adjustment to Beginning Net Position (1)	(207.2)	-
Net Position, Beginning of Year, as Restated	720.1	934.0
Net Position, End of Year	\$ 750.6	\$ 927.3

(1) As discussed in Notes 2. and 3. to the financial statements, the University's beginning net position was decreased in conjunction with the implementation of GASB Statement No. 75.

Operating Revenues

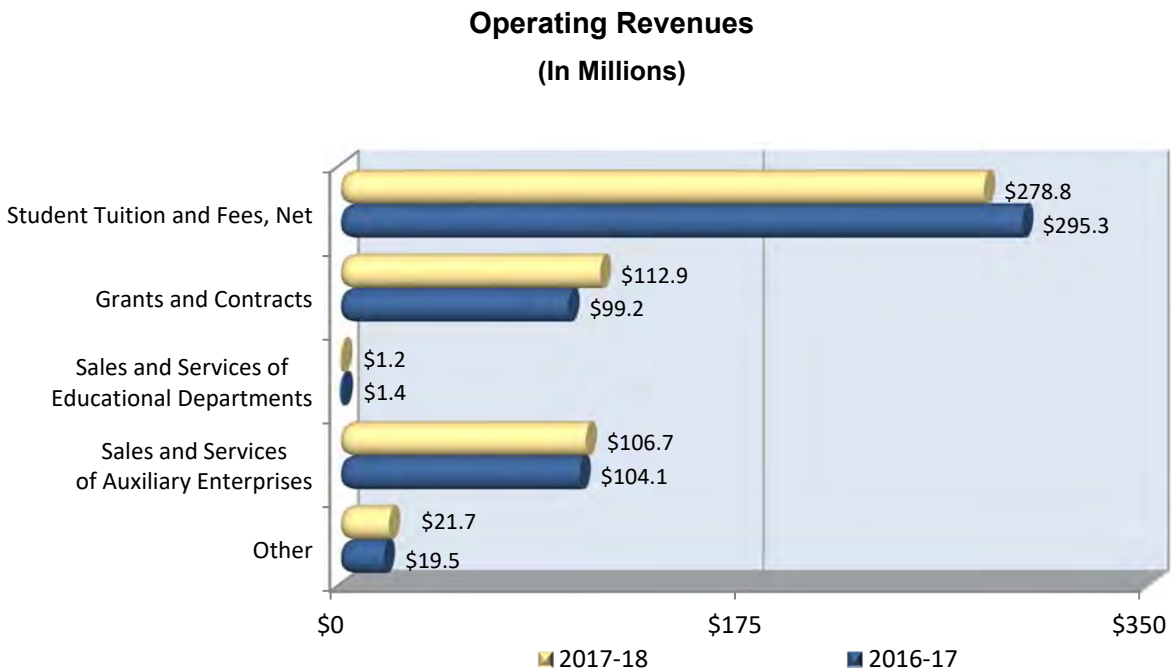
GASB Statement No. 35 categorizes revenues as either operating or nonoperating. Operating revenues generally result from exchange transactions where each of the parties to the transaction either gives or receives something of equal or similar value.

The following summarizes the operating revenues by source that were used to fund operating activities for the 2017-18 and 2016-17 fiscal years:

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

	<u>2017-18</u>	<u>2016-17</u>
Student Tuition and Fees, Net	\$ 278.8	\$ 295.3
Grants and Contracts	112.9	99.2
Sales and Services of Educational Departments	1.2	1.4
Sales and Services of Auxiliary Enterprises	106.7	104.1
Other	21.7	19.5
Total Operating Revenues	\$ 521.3	\$ 519.5

The following chart presents the University's operating revenues for the 2017-18 and 2016-17 fiscal years:



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

- Net student tuition and fees revenue decreased \$16.5 million or 5.6 percent. The decrease was the result of an increase in student tuition and fees of \$12.8 million due to increases in undergraduate student enrollment, tuition differential revenue and out of state student tuition, offset by an increase in scholarship allowance of \$29.3 million. The increase in scholarship allowance was driven by financial aid funding provided by the State of Florida Student Assistance

Grants (FSAG) and Bright Futures Scholarships. In addition, as a result of changes in Pell regulations, Pell Grant amounts offered increased from 100 percent to 150 percent of scheduled awards for an academic year.

- Grants and contracts overall revenue increased \$13.7 million. This resulted primarily from increased revenue earned from federal grants including \$3.4 million from new subcontract with Angola Cables S.A., \$2.4 million from TIGER grant for bridge construction project expenses, \$2 million from HIV/AIDS and Adolescent Brain Cognitive development research, and \$1.2 million from subcontract with TI Sparkle Americas Inc.
- Sales and Services of Auxiliary Enterprises revenue increased \$2.6 million, primarily due to an increase of \$2.3 million from cost plus program revenue.

Operating Expenses

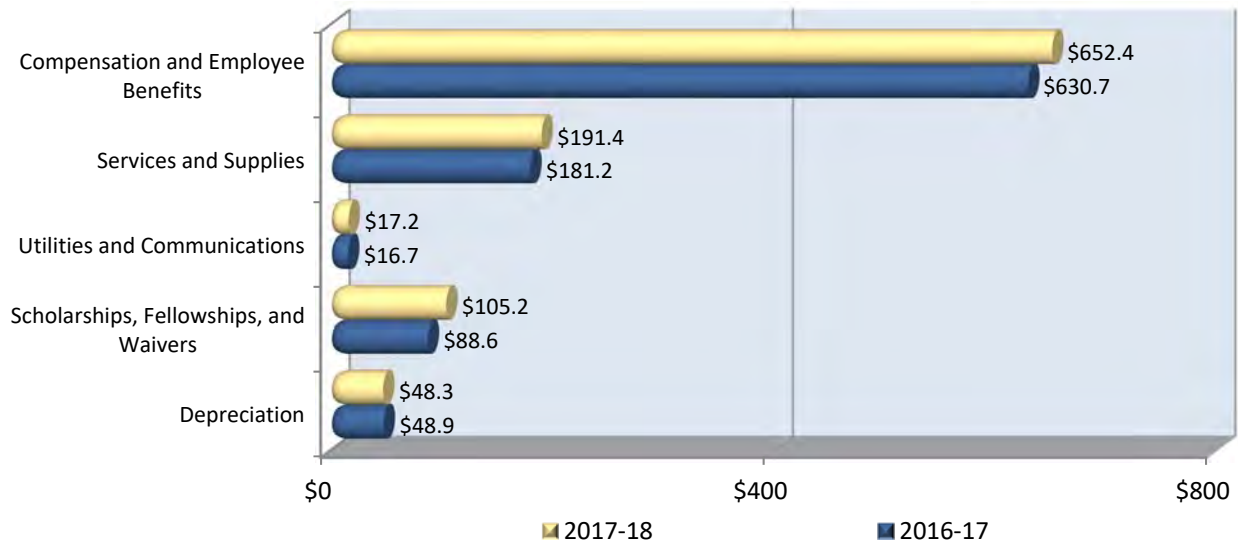
Expenses are categorized as operating or nonoperating. The majority of the University's expenses are operating expenses as defined by GASB Statement No. 35. GASB gives financial reporting entities the choice of reporting operating expenses in the functional or natural classifications. The University 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 2017-18 and 2016-17 fiscal years:

Operating Expenses For the Fiscal Years		
(In Millions)		
	2017-18	2016-17
Compensation and Employee Benefits	\$ 652.4	\$ 630.7
Services and Supplies	191.4	181.2
Utilities and Communications	17.2	16.7
Scholarships, Fellowships, and Waivers	105.2	88.6
Depreciation	48.3	48.9
Total Operating Expenses	\$ 1,014.5	\$ 966.1

The following chart presents the University's operating expenses for the 2017-18 and 2016-17 fiscal years:

Operating Expenses (In Millions)



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

- Compensation and employee benefits increased \$21.7 million, or 3.4 percent. This was primarily due to an increase in the number of employees combined with a 2 percent across the board salary increase and a 0.5 percent merit increase for eligible employees. Additionally, there were increases of \$3.2 million in pension expenses and \$3.2 million in employee health insurance costs.
- Services and supplies expenses increased \$10.2 million, or 5.6 percent. The increase was primarily the result of increases in contractual services of \$7.1 million, due to higher than expected costs incurred on Federal research projects and FEMA submission preparation. In addition, the University incurred additional expenses related to repairs of damages caused by Hurricane Irma, and the relocation of Athletics teams during and after the Hurricane.
- Scholarships, fellowships, and waivers expenses increased by \$16.6 million, or 18.7 percent. The increase was primarily due to additional funding of \$21.6 million and \$20.1 million in Pell Grant program and FSAG and Bright Futures programs, respectively. These increases were offset by \$29.3 million in incremental expenses that were classified to the scholarship allowance.

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 2017-18 and 2016-17 fiscal years:

**Nonoperating Revenues (Expenses)
For the Fiscal Years
(In Millions)**

	2017-18	2016-17
State Noncapital Appropriations	\$ 294.6	\$ 278.0
Federal and State Student Financial Aid	151.3	110.9
Nonoperating Donations	26.4	23.7
Investment Income	16.7	13.7
Other Nonoperating Revenues	2.0	1.7
Loss of Disposal of Capital Assets	(0.6)	(0.4)
Interest on Capital Asset-Related Debt	(6.8)	(7.2)
Other Nonoperating Expenses	(0.1)	(0.2)
Net Nonoperating Revenues	\$ 483.5	\$ 420.2

Net nonoperating revenues increased by \$63.3 million, due mainly to the following:

- State noncapital appropriations increased \$16.6 million, or 6 percent, due to increases of \$8.9 million for the Professional and Graduate Degree Program, \$7.2 million for the World Class Faculty and Scholar Program, \$2.2 million of incremental funding for the Board of Governor's performance model, \$3.6 million of incremental appropriations for risk management insurance, health insurance premiums, and retirement benefits and \$0.6 million for operational support. These increases were offset by a reduction of \$3.7 million for prior year specific legislative line items that were non-recurring as well as a decrease of recurring special appropriations of \$2.2 million.
- Federal and State student financial aid increased by \$40.4 million, or 36.4 percent, primarily driven by increased funding for Pell Grants of \$19.3 million, FSAG of \$13.1 million and Bright Future Scholarships of \$7 million.
- Nonoperating donations consisting of \$2.7 million received from the Foundation, during the 2017-18 fiscal year.
- Investment income increased by \$3 million, or 21.9 percent, mainly due to higher investment returns during the 2017-18 fiscal year.

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 for the 2017-18 and 2016-17 fiscal years:

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

	2017-18	2016-17
State Capital Appropriations	\$ 33.0	\$ 16.7
Capital Grants, Contracts, Donations, and Fees	7.2	3.0
Total	\$ 40.2	\$ 19.7

Total other revenues increased by \$20.5 million, or 104.1 percent, due to a \$16.3 million increase in State capital appropriations revenue earned for capital projects and a \$4.2 million increase 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 2017-18 and 2016-17 fiscal years:

Condensed Statement of Cash Flows For the Fiscal Years

(In Millions)

	2017-18	2016-17
Cash Provided (Used) by:		
Operating Activities	\$ (411.1)	\$ (351.5)
Noncapital Financing Activities	470.7	414.1
Capital and Related Financing Activities	(48.8)	(48.6)
Investing Activities	(11.5)	(10.4)
Net Increase (Decrease) in Cash and Cash Equivalents	(0.7)	3.6
Cash and Cash Equivalents, Beginning of Year	7.7	4.1
Cash and Cash Equivalents, End of Year	\$ 7.0	\$ 7.7

Major sources of funds came from proceeds from sales and maturities of investments (\$1.1 billion), State noncapital appropriations (\$294.6 million), net student tuition and fees (\$275 million), Federal Direct Student Loan receipts (\$261.5 million), Federal and State student financial aid (\$177.1 million), grants and contracts (\$112.3 million), sales and services of auxiliary enterprises (\$106 million), and State capital appropriations (\$19 million). Major uses of funds were for purchases of investments (\$1.2 billion), payments made to and on behalf of employees (\$616.4 million), disbursements to students for Federal Direct Student Loans (\$263.2 million), payments to suppliers (\$207.5 million), payments to and on behalf of students for scholarships and fellowships (\$105.2 million), and purchases of capital assets (\$61.2 million).

CAPITAL ASSETS, CAPITAL EXPENSES AND COMMITMENTS, AND DEBT ADMINISTRATION
--

Capital Assets

At June 30, 2018, the University had \$1.6 billion in capital assets, less accumulated depreciation of \$608.6 million, for net capital assets of \$995.8 million. Depreciation charges for the current fiscal year totaled \$48.3 million. The following table summarizes the University's capital assets, net of accumulated depreciation, at June 30:

Capital Assets, Net at June 30

(In Millions)

	2018	2017
Land	\$ 30.7	\$ 30.7
Works of Art and Historical Treasures	5.6	4.9
Construction in Progress	87.4	72.4
Buildings	788.1	790.9
Infrastructure and Other Improvements	17.4	18.9
Furniture and Equipment	41.7	40.8
Library Resources	24.0	27.3
Leasehold Improvements	0.2	0.3
Computer Software	0.7	1.0
Capital Assets, Net	\$ 995.8	\$ 987.2

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

Capital Expenses and Commitments

Major capital expenses through June 30, 2018, were incurred on the following projects: \$10.7 million for the Recreation and Wellness Center expansion, \$5.3 million for Auxiliary Construction Projects, \$4.8 million for the Satellite Chiller Plant expansion, and \$4.6 million for the Athletic Practice Fields. The University's construction commitments at June 30, 2018, are as follows:

	Amount (In Millions)
Total Committed	\$ 129.9
Completed to Date	(87.4)
Balance Committed	\$ 42.5

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

Debt Administration

As of June 30, 2018, the University had \$152.1 million in outstanding capital improvement debt payable and installment purchase payable, representing a decrease of \$7.9 million, or 4.9 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)

	2018	2017
Capital Improvement Debt	\$ 150.6	\$ 158.1
Installment Purchase Payable	1.5	1.9
Total	\$ 152.1	\$ 160.0

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 recover and grow albeit at a slower rate than previous years. General revenue collections for fiscal year 2017-18 were on target with State estimates and grew 5.5 percent over the prior year. The State forecasts general revenue will continue to grow at an average annual rate of 3.5 percent and will generate sufficient available funds to cover critical needs and other high priority expenditures through fiscal year 2019-20. State estimates indicate modest surpluses of \$52 million and \$223.4 million in fiscal years 2018-19 and 2019-20 respectively, followed by a shortfall of \$47.8 million in fiscal year 2020-21. The total financial impact to the State from Hurricane Irma has not yet been fully quantified; however, it is likely the net loss to the State will exceed losses from calendar year 2005 of \$203.3 million. The losses can be covered out of reserves, which the State estimates at \$1.48 billion and \$1.22 billion in the Budget Stabilization Fund and the General Revenue Reserve, respectively in the fiscal year 2018-19.

The Legislature continues to support Higher Education and provide funding for various programs and initiatives. During the 2018 Legislative Session, the Legislature introduced Senate Bill 4 or the "Florida Excellence in Higher Education Act of 2018" which was signed into law by the Governor. Senate Bill 4 aims to enhance State University quality and accessibility; key items include expanded student financial aid, World Class Faculty and Scholar Program to recruit and retain exemplary faculty and research scholars, State University Professional and Graduate Degree Excellence Program to enhance the quality and excellence of professional and graduate schools and degree programs, and changes to the Performance Funding Model.

The Legislature provided an additional \$20 million for the World Class Faculty Scholar Program and another \$10 million for the State University Professional and Graduate Degree Excellence Program, of which FIU received \$2.1 million and \$1.9 million, respectively. Under Senate Bill 4, the Legislature changed the graduation and access rate metrics of the Performance Based funding model and charged the State University System (SUS) with providing recommendations on, “a process to achieve a complete performance-based continuous improvement-funding model.” The Legislature provided the SUS with \$560 million in performance funds, a \$40 million increase over the prior year, which represents a State investment of \$265 million and SUS investment of base funds of \$295 million. FIU placed second among

public universities in the State with 90 points and received a total of \$73.7 million, an increase of \$15.4 million over the prior year's allocation. Additionally, FIU received \$1.2 million for retirement and risk management insurance pass-throughs, and \$9 million in special appropriations. Consistent with prior years, tuition rates at all levels remain unchanged for the 2018-19 fiscal year.

The Governor, Legislature, and Florida Board of Governors continue to emphasize affordability and accountability to ensure a positive return on the tax dollars invested in the SUS. As an anchor institution in the community, FIU is committed to providing students with a relevant education, which will prepare them to make significant contributions to the development of the community in South Florida and the State at large.

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, 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, 2018

	University	Component Units
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 6,687,948	\$ 23,618,866
Investments	357,752,454	273,402,841
Accounts Receivable, Net	31,789,033	65,312,469
Loans and Notes Receivable, Net	448,094	-
Due from State	52,854,951	-
Due from Component Units/University	3,871,264	298,105
Inventories	426,138	-
Other Current Assets	427,883	1,734,318
Total Current Assets	454,257,765	364,366,599
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	314,639	-
Restricted Investments	8,263,076	2,716,694
Loans and Notes Receivable, Net	1,495,776	-
Depreciable Capital Assets, Net	872,102,556	16,279,829
Nondepreciable Capital Assets	123,675,822	1,428,350
Due from Component Units/University	8,239,864	-
Other Noncurrent Assets	-	18,148,491
Total Noncurrent Assets	1,014,091,733	38,573,364
Total Assets	1,468,349,498	402,939,963
DEFERRED OUTFLOWS OF RESOURCES		
Other Postemployment Benefits	5,991,113	-
Pensions	119,280,962	-
Accumulated Decrease in Fair Value of Hedging		
Derivatives	-	1,254,826
Deferred Amount on Debt Refundings	-	221,504
Total Deferred Outflows of Resources	125,272,075	1,476,330
LIABILITIES		
Current Liabilities:		
Accounts Payable	27,062,217	2,167,636
Construction Contracts Payable	2,611,054	-
Salary and Wages Payable	13,471,553	-
Deposits Payable	3,719,290	-
Due to State	144,127	-
Due to Component Units/University	157,460	3,691,018
Unearned Revenue	6,317,012	1,192,249
Other Current Liabilities	381,671	191,741
Long-Term Liabilities - Current Portion:		
Bonds Payable	-	1,325,000
Capital Improvement Debt Payable	7,829,422	-
Notes Payable	-	865,000
Installment Purchase Payable	483,565	-
Compensated Absences Payable	3,694,967	-
Liability for Self-Insured Claims	97,467	-
Other Postemployment Benefits Payable	2,964,000	-
Net Pension Liability	1,406,387	-
Total Current Liabilities	70,340,192	9,432,644

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

June 30, 2018

	University	Component Units
LIABILITIES (Continued)		
Noncurrent Liabilities:		
Bonds Payable	-	27,265,000
Capital Improvement Debt Payable	142,752,056	-
Notes Payable	-	2,897,228
Installment Purchase Payable	985,448	-
Compensated Absences Payable	43,664,260	-
Due to Component Units/Universty	-	8,239,864
Unearned Revenues	36,334,903	155,000
Liability for Self-Insured Claims	101,497	-
Other Postemployment Benefits Payable	274,370,000	-
Net Pension Liability	223,128,124	-
Other Long-Term Liabilities	2,250,717	9,086,317
Total Noncurrent Liabilities	723,587,005	47,643,409
Total Liabilities	793,927,197	57,076,053
DEFERRED INFLOWS OF RESOURCES		
Other Postemployment Benefits	39,272,825	-
Pensions	9,852,335	-
Total Deferred Inflows of Resources	49,125,160	-
NET POSITION		
Net Investment in Capital Assets	843,727,887	13,348,894
Restricted for Nonexpendable:		
Endowment	-	217,434,299
Restricted for Expendable:		
Debt Service	2,860,232	-
Loans	702,755	-
Capital Projects	20,112,458	-
Other	10,056,501	109,058,945
Unrestricted	(126,890,617)	7,498,102
TOTAL NET POSITION	\$ 750,569,216	\$ 347,340,240

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 Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2018

	University	Component Units
REVENUES		
Operating Revenues:		
Student Tuition and Fees, Net of Scholarship Allowances of \$165,856,295	\$ 278,847,841	\$ -
Federal Grants and Contracts	86,374,912	-
State and Local Grants and Contracts	8,926,858	-
Nongovernmental Grants and Contracts	17,586,950	-
Sales and Services of Educational Departments	1,198,182	-
Sales and Services of Auxiliary Enterprises (\$31,053,449 Pledged for Housing Facility Capital Improvement Debt and \$15,698,898 Pledged for the Parking Facility Capital Improvement Debt)	106,670,183	-
Sales and Services of Component Units	-	9,277,000
Gifts and Donations	-	27,362,527
Interest on Loans and Notes Receivable	62,829	-
Other Operating Revenues	21,598,748	9,159,674
Total Operating Revenues	521,266,503	45,799,201
EXPENSES		
Operating Expenses:		
Compensation and Employee Benefits	652,444,684	-
Services and Supplies	191,321,182	35,929,181
Utilities and Communications	17,180,857	221,324
Scholarships, Fellowships, and Waivers	105,216,564	-
Depreciation	48,336,811	769,651
Other Operating Expenses	-	12,916,257
Total Operating Expenses	1,014,500,098	49,836,413
Operating Loss	(493,233,595)	(4,037,212)
NONOPERATING REVENUES (EXPENSES)		
State Noncapital Appropriations	294,595,900	-
Federal and State Student Financial Aid	151,326,876	-
Noncapital Grants, Contracts, and Gifts	26,379,957	-
Investment Income	16,675,564	19,947,525
Other Nonoperating Revenues	2,021,027	-
Loss on Disposal of Capital Assets	(595,300)	-
Interest on Capital Asset-Related Debt	(6,840,289)	(1,510,824)
Other Nonoperating Expenses	(99,500)	-
Net Nonoperating Revenues	483,464,235	18,436,701
Income (Loss) Before Other Revenues and Expenses	(9,769,360)	14,399,489
State Capital Appropriations	33,049,878	-
Capital Grants, Contracts, Donations, and Fees	7,202,632	-
Other Expenses	-	(1,746,722)
Increase in Net Position	30,483,150	12,652,767
Net Position, Beginning of Year	927,300,388	334,687,473
Adjustment to Beginning Net Position	(207,214,322)	-
Net Position, Beginning of Year, as Restated	720,086,066	334,687,473
Net Position, End of Year	\$ 750,569,216	\$ 347,340,240

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 Cash Flows

For the Fiscal Year Ended June 30, 2018

	University
CASH FLOWS FROM OPERATING ACTIVITIES	
Student Tuition and Fees, Net	\$ 275,047,973
Grants and Contracts	112,278,857
Sales and Services of Educational Departments	1,198,182
Sales and Services of Auxiliary Enterprises	106,040,229
Interest on Loans and Notes Receivable	63,004
Payments to Employees	(616,443,855)
Payments to Suppliers for Goods and Services	(207,479,388)
Payments to Students for Scholarships and Fellowships	(105,216,564)
Payments on Self-Insured Claims	(24,834)
Loans Issued to Students	(4,197,270)
Collection on Loans to Students	4,384,242
Other Operating Receipts	23,264,316
Net Cash Used by Operating Activities	(411,085,108)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Noncapital Appropriations	294,595,900
Federal and State Student Financial Aid	177,067,877
Federal Direct Loan Program Receipts	261,468,001
Federal Direct Loan Program Disbursements	(263,239,719)
Operating Subsidies and Transfers	327,991
Net Change in Funds Held for Others	132,100
Other Nonoperating Receipts	710,636
Other Nonoperating Disbursements	(314,316)
Net Cash Provided by Noncapital Financing Activities	470,748,470
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
State Capital Appropriations	18,995,876
Capital Grants, Contracts, Donations and Fees	6,914,112
Other Receipts for Capital Projects	1,310,392
Capital Subsidies and Transfers	(49,988)
Purchase or Construction of Capital Assets	(61,187,890)
Principal Paid on Capital Debt	(7,672,561)
Interest Paid on Capital Debt	(7,139,711)
Net Cash Used by Capital and Related Financing Activities	(48,829,770)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	1,120,616,983
Purchases of Investments	(1,162,494,864)
Investment Income	30,322,698
Net Cash Used by Investing Activities	(11,555,183)
Net Decrease in Cash and Cash Equivalents	(721,591)
Cash and Cash Equivalents, Beginning of Year	7,724,178
Cash and Cash Equivalents, End of Year	\$ 7,002,587

FLORIDA INTERNATIONAL UNIVERSITY
A Component Unit of the State of Florida
Statement of Cash Flows (Continued)
For the Fiscal Year Ended June 30, 2018

	<u>University</u>
RECONCILIATION OF OPERATING LOSS	
TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	\$ (493,233,595)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation Expense	48,336,811
Changes in Assets, Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources:	
Receivables, Net	(5,302,310)
Inventories	(44,856)
Other Assets	(390,821)
Accounts Payable	1,226,926
Salaries and Wages Payable	(213,858)
Deposits Payable	1,178,191
Compensated Absences Payable	2,425,871
Unearned Revenue	1,118,743
Liability for Self-Insured Claims	24,972
Other Postemployment Benefits Payable	(20,497,000)
Net Pension Liability	22,453,378
Deferred Outflows of Resources Related to Other Postemployment Benefits	(3,475,435)
Deferred Inflows of Resources Related to Other Postemployment Benefits	39,272,825
Deferred Outflows of Resources Related to Pensions	(12,331,281)
Deferred Inflows of Resources Related to Pensions	8,366,331
	<u>\$ (411,085,108)</u>
NET CASH USED BY OPERATING ACTIVITIES	

**SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND
CAPITAL FINANCING ACTIVITIES**

Unrealized loss on investments were recognized as a reduction 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.	\$ (13,797,448)
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.	\$ (595,300)
Donation 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.	\$ 279,271

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

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

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

Criteria for defining the reporting entity are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. These criteria were used to evaluate potential component units for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the primary government's financial statements to be misleading. Based on the application of these criteria, the University is a component unit of the State of Florida, and its financial balances and activities are reported in the State's 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 in achieving excellence by providing supplemental resources from private gifts and bequests and valuable education support services and are governed by separate boards. Florida 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 \$151,986 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, 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 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). 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, using a ratio of total aid to aid not considered third-party aid.

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

Cash and Cash Equivalents. Cash and cash equivalents consist of cash on hand and cash in demand accounts. University cash deposits are held in banks qualified as public depositories under Florida law. All such deposits are insured by 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 concentrations 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, 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, and \$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
- 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 \$6,956,868. 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 \$40,150. 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 \$337,119. 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 purchase payable, compensated absences payable, other postemployment benefits payable, unearned revenues, liability for self-insurance claims, net pension liabilities, 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. 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. Reporting Change

The University implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which replaces GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended. This statement addresses accounting and financial reporting for postemployment benefits other than pensions (OPEB) provided to employees of state and local government employers; establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses; requires governments to report a liability, deferred outflows of resources, deferred inflows of resources, and expenses on the face of the financial statement for the OPEB they provide; and requires more extensive note disclosures and supplementary information about a government’s OPEB liability.

3. Adjustment to Beginning Net Position

The beginning net position of the University was decreased by \$207,214,322 due to implementation of GASB Statement No. 75. The University’s total OPEB liability reported at June 30, 2017, increased by \$209,730,000 to \$297,831,000 as of July 1, 2017, due to the transition in the valuation methods under GASB Statement No. 45 to GASB Statement No. 75. The adjustment to beginning net position includes \$2,515,678 for the establishment of beginning deferred outflows of resources.

4. Deficit Net Position in Individual Funds

The University reported an unrestricted net position which included a deficit in the current funds – unrestricted as shown below.

<u>Fund</u>	<u>Net Position</u>
Current Funds - Unrestricted	\$ (349,319,681)
Auxiliary Funds	<u>222,429,064</u>
Total	<u>\$ (126,890,617)</u>

As shown in the following schedule, this deficit can be attributed primarily to the full recognition of long-term liabilities (i.e., compensated absences payable, OPEB payable, and net pension liabilities) in the current unrestricted funds that are expected to be paid over time and financed by future appropriations:

	<u>Amount</u>
Total Unrestricted Net Position Before Recognition of Long-Term Liabilities, Deferred Outflow of Resources, and Deferred Inflows of Resources	\$ 346,190,206
Amount expected to be Financed in Future Years:	
Compensated Absences	\$ 47,359,227
Other Post Employment Benefits Payable and Related Deferred Outflows of Resources, and Deferred Inflows of Resources	310,615,712
Net Pension Liability and Related Deferred Outflows of Resources, and Deferred Inflows of Resources	<u>115,105,884</u>
Total Amount Expected to be Financed in Future Years	<u>(473,080,823)</u>
Total Unrestricted Net Position	<u><u>\$ (126,890,617)</u></u>

5. 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 valued using a matrix pricing model and represent significant other observable inputs, and Level 3 inputs are significant unobservable inputs. The University's investment in money market funds are reported at amortized cost of \$117,379,504 according to GASB Statement No. 72.

The University's investments at June 30, 2018, are reported as follows:

	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)
Investments by fair value level				
External Investment Pool:				
State Treasury Special Purpose Investment Account	\$ 11,059,555	\$ -	\$ -	\$ 11,059,555
SBA Debt Service Accounts	2,563,076	2,563,076	-	-
Mutual Funds				
Equities	22,968,968	8,743,181	14,225,787	-
Fixed Income and Bond Mutual Funds	143,481,767	39,900,433	91,487,847	12,093,487
Commodities	12,063,458	-	12,063,458	-
Other Investments	6,307,545	-	-	6,307,545
Total investments by fair value level	\$ 198,444,369	\$ 51,206,690	\$ 117,777,092	\$ 29,460,587
Investments measured at the net asset value (NAV)				
Limited Partnerships	33,011,143			
Equities	17,180,514			
Total investments measured at NAV	50,191,657			
Total investments measured at fair value	\$ 248,636,026			

The valuation method for investments measured at the net asset value (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	\$ 33,011,143	\$ -	Quarterly/Annually	90 Days
Equities	17,180,514	6,926,880	Illiquid	N/A
Total investments measured at the NAV	\$ 50,191,657			

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 two 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 \$11,059,555 at June 30, 2018, 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 State Treasury SPIA investment pool carried a credit rating of A+f by Standard & Poor's, had an effective duration of 3 years, and fair value factor of 0.9872 at June 30, 2018. 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 \$2,563,076 at June 30, 2018, 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, 2018, are as follows:

University Debt Investment Maturities

<u>Type of Investment</u>	<u>Fair Market Value</u>	<u>Investment Maturities (In Years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
Short Term Bond Fund	\$ 10,230,526	\$ 2,169,166	\$ 8,061,360	\$ -	\$ -
Bond Index Fund	29,669,908	301,468	12,611,672	11,759,135	4,997,633
TIPS Index Fund	37,297,269	7,459	14,191,611	16,388,420	6,709,779
Core Fixed Income	29,432,139	1,697,041	9,719,613	12,910,559	5,104,926
Credit Fixed Income	24,758,439	3,903,215	4,964,742	8,822,275	7,068,207
Secured Bank Loans	12,093,486	24,187	2,503,351	9,541,761	24,187
Total	\$ 143,481,767	\$ 8,102,536	\$ 52,052,349	\$ 59,422,150	\$ 23,904,732

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2018, the securities held in the fixed income and bond mutual funds had credit quality ratings by a nationally-recognized agency (i.e., Standard & Poor's or Moody's), as follows:

University Debt Investment Credit Quality Ratings

<u>Type of Investment</u>	<u>Fair Value</u>	<u>AAA / Aaa</u>	<u>AA / Aa</u>	<u>A</u>	<u>BBB / Baa to Not Rated</u>
Short Term Bond Fund	\$ 10,230,526	\$ 3,938,982	\$ 859,333	\$ 2,148,332	\$ 3,283,879
Bond Index Fund	29,669,908	20,879,955	1,028,924	3,498,343	4,262,686
TIPS Index Fund	37,297,269	37,297,269	-	-	-
Core Fixed Income	29,432,139	19,342,646	405,106	2,765,290	6,919,097
Credit Fixed Income	24,758,439	2,479,657	1,300,796	6,777,830	14,200,156
Secured Bank Loans	12,093,486	-	-	-	12,093,486
Total	\$ 143,481,767	\$ 83,938,509	\$ 3,594,159	\$ 15,189,795	\$ 40,759,304

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, 2018, are reported at fair value as follows:

	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)
Investments by fair value level				
Domestic Equities	\$ 6,670,014	\$ 6,670,014	\$ -	\$ -
Global Equities	25,104,065	25,104,065	-	-
Fixed Income	35,540,842	35,540,842	-	-
Real Assets	7,439,797	7,439,797	-	-
Total investments by fair value level	\$ 74,754,718	\$ 74,754,718	\$ -	\$ -
Investments measured at the net asset value (NAV)				
Domestic Equities	36,836,095			
Global Equities	55,557,878			
Fixed Income	3,141,112			
Real Assets	3,873,846			
Hedge Funds	58,576,215			
Private Investments	40,000,230			
Total investments measured at NAV	197,985,376			
Total investments measured at fair value	\$ 272,740,094			

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

<u>Investments Measured at the NAV</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if Currently Eligible)</u>	<u>Redemption Notice Period</u>
Equities:				
Domestic Equities	\$ 36,836,095	\$ -	Monthly/Quarterly	5 - 45 Days
Global Equities	46,410,356	-	Monthly/Quarterly	6 - 60 Days
Emerging Markets	9,147,522	-	Monthly	7 - 30 Days
Fixed Income:				
Domestic Fixed Income	3,139,912	-	Daily	2 Days
Global Bonds	1,200	-	Monthly	10 Days
Real Assets:				
Natural Resource Equities	3,873,846	-	Monthly	30 Days
Hedge Funds:				
Fund of Funds	30,200	-	Quarterly	90 Days
Long/Short Equity	34,525,093	-	Quarterly - Every 3 Years	30 - 180 Days
Event Driven/Open Mandate	16,147,072	-	Quarterly - Annually	30 - 90 Days
Global Macro	7,873,850	-	Monthly	3 - 14 Days
Private Investments:				
Private Equity	22,454,969	14,358,081	Illiquid	N/A
Venture Capital	17,545,261	2,494,428	Illiquid	N/A
Total Investments Measured at the NAV	\$ 197,985,376	\$ 16,852,509		

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, 2018, the Finance Corporation money market mutual fund investments were rated AAAM by Standards & 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, 2018, approximately \$287,000,000 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 \$3,379,441 at June 30, 2018. 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, 2018, 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, 2018, is 26 days while the WAL is 83 days.

6. 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, 2018, the University reported the following amounts as accounts receivable:

<u>Description</u>	<u>Amount</u>
Student Tuition and Fees	\$ 20,171,341
Contracts and Grants	11,039,179
Other	578,513
Total Accounts Receivable, Net	<u>\$ 31,789,033</u>

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 \$8,797,052 and \$1,533,598, respectively, at June 30, 2018.

7. Due From State

The amount due from State consists of \$20,119,096 of Public Education Capital Outlay, \$10,034,416 of Capital Improvement Fee Trust Fund and \$22,701,439 of General Revenues allocations for construction of University facilities.

8. Due From and To Component Units/University

The University's financial statements are reported for the fiscal year ended June 30, 2018. One component unit is not presented (see Note 1.). Additionally, component units' due from and 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.

9. Capital Assets

Capital assets activity for the fiscal year ended June 30, 2018, 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	\$ 30,689,426	\$ -	\$ -	\$ 30,689,426
Works of Art and Historical Treasures	4,903,238	706,236	9,000	5,600,474
Construction in Progress	72,441,734	40,443,995	25,499,807	87,385,922
Total Nondepreciable Capital Assets	\$ 108,034,398	\$ 41,150,231	\$ 25,508,807	\$ 123,675,822
Depreciable Capital Assets:				
Buildings	\$ 1,147,966,551	\$ 25,499,807	\$ 255,080	\$ 1,173,211,278
Infrastructure and Other Improvements	35,474,503	-	-	35,474,503
Furniture and Equipment	140,715,414	11,729,720	6,339,873	146,105,261
Library Resources	117,133,008	4,536,381	91,121	121,578,268
Leasehold Improvements	752,567	-	-	752,567
Computer Software	3,508,736	52,833	17,249	3,544,320
Total Depreciable Capital Assets	1,445,550,779	41,818,741	6,703,323	1,480,666,197
Less, Accumulated Depreciation:				
Buildings	357,100,376	28,160,530	100,265	385,160,641
Infrastructure and Other Improvements	16,567,432	1,505,941	-	18,073,373
Furniture and Equipment	99,895,945	10,428,330	5,910,574	104,413,701
Library Resources	89,837,311	7,832,559	91,122	97,578,748
Leasehold Improvements	450,428	65,921	-	516,349
Computer Software	2,492,361	343,530	15,062	2,820,829
Total Accumulated Depreciation	566,343,853	48,336,811	6,117,023	608,563,641
Total Depreciable Capital Assets, Net	\$ 879,206,926	\$ (6,518,070)	\$ 586,300	\$ 872,102,556

10. Unearned Revenue

Unearned revenue at June 30, 2018, includes contracts and grant payments received in advance, nonrefundable admission fees, prepaid stadium rental income received from the Finance Corporation, research services center fees, deferred rent, conference center fees, land use fees, and athletic revenues

received prior to fiscal year-end related to subsequent accounting periods. As of June 30, 2018, the University reported the following amounts as unearned revenue:

<u>Description</u>	<u>Amount</u>
Contracts and Grants	\$ 3,015,120
Admission Fees	1,502,790
Stadium Rental Income	1,304,083
Research Service Center Fees	159,121
Deferred Rent	146,382
Conference Center Fees	122,267
Land Use Fees	52,381
Athletic Revenues	14,868
Total Unearned Revenue	\$ 6,317,012

11. Long-Term Liabilities

Long-term liabilities of the University at June 30, 2018, 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-insured claims, net pension liability, and other long-term liabilities. Long-term liabilities activity for the fiscal year ended June 30, 2018, is shown in the following table:

<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	\$ 158,075,900	\$ -	\$ 7,494,422	\$ 150,581,478	\$ 7,829,422
Installment Purchase Payable	1,946,574	-	477,561	1,469,013	483,565
Compensated Absences Payable	44,933,356	5,518,021	3,092,150	47,359,227	3,694,967
Other Postemployment Benefits Payable (1)	297,831,000	26,809,000	47,306,000	277,334,000	2,964,000
Unearned Revenue	36,044,103	1,900,000	1,609,200	36,334,903	-
Liability for Self-Insured Claims	173,992	49,389	24,417	198,964	97,467
Net Pension Liability	202,081,133	139,255,396	116,802,018	224,534,511	1,406,387
Other Long-Term Liabilities	2,384,877	-	134,160	2,250,717	-
Total Long-Term Liabilities	\$ 743,470,935	\$ 173,531,806	\$ 176,939,928	\$ 740,062,813	\$ 16,475,808

(1) OPEB Beginning balance adjusted for adoption of GASB Statement No. 75, as described in Note 3.

Capital Improvement Debt Payable. The University had the following capital improvement debt payable outstanding at June 30, 2018:

Capital Improvement Debt Type and Series	Amount of Original Debt	Amount Outstanding (1)	Interest Rates (Percent)	Maturity Date To
Student Housing Debt:				
2011A Student Apartments Refunding	\$ 22,210,000	\$ 13,479,308	3.00 - 5.00	2025
2012A Student Apartments	53,655,000	48,604,141	3.00 - 4.25	2041
2015A Student Apartments Refunding	29,105,000	24,926,481	3.00 - 5.00	2034
Total Student Housing Debt	104,970,000	87,009,930		
Parking Garage Debt:				
2009B Parking Garage	28,915,000	25,920,000	5.40 - 6.875	2039
2013A Parking Garage	48,365,000	37,651,548	3.00 - 5.25	2043
Total Parking Garage Debt	77,280,000	63,571,548		
Total Capital Improvement Debt	\$ 182,250,000	\$ 150,581,478		

(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 \$182,250,000 in 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 an 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 \$229,451,016, and principal and interest paid for the current year totaled \$14,312,585. During the 2017-18 fiscal year, housing rental income totaled \$31,053,449, and parking fees totaled \$15,698,898, comprised of traffic and parking fees totaling \$4,752,998, and assessed transportation fees totaling \$10,945,900.

Annual requirements to amortize all capital improvement debt outstanding as of June 30, 2018, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	6,535,000	5,459,217	11,994,217
2024-2028	33,890,000	23,148,415	57,038,415
2029-2033	30,170,000	16,187,444	46,357,444
2034-2038	28,470,000	8,970,725	37,440,725
2039-2043	19,025,000	2,246,087	21,271,087
Subtotal	148,395,000	81,056,016	229,451,016
Net Premiums and Losses on Bond Refundings	2,186,478	-	2,186,478
Total	\$ 150,581,478	\$ 81,056,016	\$ 231,637,494

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 agreement and the present value of the minimum payments as of June 30, 2018, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2019	\$ 499,686
2020	499,686
2021	499,686
Total Minimum Payments	1,499,058
Less, Amount Representing Interest	30,045
Present Value of Minimum Payments	\$ 1,469,013

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, 2018, the estimated liability for compensated absences, which includes the University's share of the Florida Retirement System and FICA contributions, totaled \$47,359,227. The current portion of the compensated absences liability, \$3,694,967, 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. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for certain postemployment healthcare benefits administered by the State Group Health Insurance Program.

General Information about the OPEB Plan

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

Benefits Provided. The OPEB Plan provides healthcare benefits for retirees and their dependents. The OPEB Plan only provides an implicit subsidy as described above.

Proportionate Share of the Total OPEB Liability

The University's proportionate share of the total OPEB liability of \$277,334,000 was measured as of June 30, 2017, and was determined by an actuarial valuation as of that date. At June 30, 2017, the University's proportionate share, determined by its proportion of total benefit payments made, was 2.57 percent, which was an increase of 0.05 from its proportionate share measured as of June 30, 2016.

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

Inflation	2.6 percent
Salary increases	3.25 percent, average, including inflation
Discount rate	3.58 percent
Healthcare cost trend rates	
PPO Plan	7.8 percent for 2018, decreasing to an ultimate rate of 3.8 percent for 2076 and later years
HMO Plan	5.2 percent for 2018, decreasing to an ultimate rate of 3.8 percent for 2076 and later years
Retirees' share of benefit-related costs	100 percent of projected health insurance premiums for retirees

The discount rate was based on the Bond Buyer General Obligation 20-year Municipal Bond Index.

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

The demographic actuarial assumptions for retirement, disability incidence, and withdrawal used in the June 30, 2017, valuation were based on the 2014 Experience Study prepared by Milliman on September 8, 2014. Updated Assumptions for the FRS July 1, 2016, Actuarial Valuation were approved by the 2016 FRS Actuarial Assumptions Conference.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2017, valuation were based on a review of recent plan experience done concurrently with the June 30, 2017, valuation.

The following changes have been made since the prior valuation:

- The census data reflects changes in status for the 24-month period since July 1, 2015.
- The annual per capita claim costs have been updated to reflect current age-adjusted premiums.
- The premium rates have been updated to use the rates effective for 2017.
- Healthcare inflation rates have been updated to reflect the recent healthcare trend rate surveys, blended with the long-term rates from the Getzen model published by the Society of Actuaries. Additionally, the updated trend rates reflect the information from the Report on the Financial Outlook for the fiscal years ending June 30, 2017, through June 30, 2023, as adopted August 3, 2017, by the Self-Insurance Estimated Conference.
- The active mortality rates have been updated to use rates mandated by Chapter 2015-157, Laws of Florida for pension plans. This law mandates the use of the assumption in either of the two most recent FRS valuations. The rates are those outlined in the Milliman's July 1, 2016, FRS valuation report.
- The discount rate as of the measurement date for GASB Statement No. 75 purposes is 3.58 percent. The prior GASB Statement No. 45 valuation used 4.00 percent. The GASB Statement No. 75 discount rate is based on the 20-year municipal bond rate as of June 29, 2017.

Sensitivity of the University's Proportionate Share of the Total OPEB Liability to Changes in the Discount Rate. The following table presents the University's proportionate share of the total OPEB liability, as well as what the University's proportionate share of the total OPEB liability would be if it were calculated using

a discount rate that is 1 percentage point lower (2.58 percent) or 1 percentage point higher (4.58 percent) than the current rate:

	<u>1% Decrease (2.58%)</u>	<u>Current Discount Rate (3.58%)</u>	<u>1% Increase (4.58%)</u>
University's proportionate share of the total OPEB liability	\$348,240,000	\$277,334,000	\$223,715,000

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

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
University's proportionate share of the total OPEB liability	\$218,192,000	\$277,334,000	\$359,015,000

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

For the fiscal year ended June 30, 2018, the University recognized OPEB expense of \$18,264,390. At June 30, 2018, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change of assumptions or other inputs	\$ -	\$ 39,272,825
Changes in proportion and differences between University benefit payments and proportionate share of benefit payments	3,027,113	-
Transactions subsequent to the measurement date	2,964,000	-
Total	<u>\$ 5,991,113</u>	<u>\$ 39,272,825</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$2,964,000 resulting from benefits payments and administration expense subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability and included in OPEB expense in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2019	\$ (5,177,955)
2020	(5,177,955)
2021	(5,177,955)
2022	(5,177,955)
2023	(5,177,955)
Thereafter	(10,355,937)
Total	<u><u>\$(36,245,712)</u></u>

Unearned Revenue. Long-term unearned revenue at June 30, 2018, 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, a National Institute of Health grant, land use fees, and other unearned revenues received prior fiscal year-end related to subsequent accounting periods. As of June 30, 2018, the University reported the following amounts as long-term unearned revenue:

<u>Description</u>	<u>Amount</u>
Stadium Rental Income	\$ 18,148,491
State Capital Appropriations	10,000,000
National Institute of Health Grant	5,700,000
Land Use Fees	1,908,807
Other Unearned Revenue	577,605
Total Unearned Revenue	<u><u>\$ 36,334,903</u></u>

Net Pension Liability. As a participating employer in the FRS, the University recognizes its proportionate share of the collective net pension liabilities of the FRS cost-sharing multiple-employer defined benefit plans. As of June 30, 2018, the University's proportionate share of the net pension liabilities totaled \$224,534,511. Note 14. 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.

12. 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 18.). 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, 2018, the outstanding principal balance due under this note payable was \$3.8 million. For the year ended June 30, 2018, total interest incurred and paid was \$126,130.

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. 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, 2018, are shown in the following table:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2019	\$ 865,000
2020	910,000
2021	960,000
2022	1,075,000
Total	\$ 3,810,000

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 in June 2036.

Estimated principal and interest payments for the life of the amounts due to the University based on the balances as of June 30, 2018, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	375,202	126,685	501,887
2024-2028	2,069,966	515,763	2,585,729
2029-2033	2,422,636	94,991	2,517,627
2034-2036	1,466,439	55,826	1,522,265
Total	\$ 7,715,614	\$ 1,370,238	\$ 9,085,852

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, 2018, was \$28,590,000.

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 \$2,716,694 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, the 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 13.) 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, 2018, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,645,000	996,845	2,641,845
2024-2028	9,520,000	3,834,954	13,354,954
2029-2032	11,570,000	1,454,692	13,024,692
Total	\$ 28,590,000	\$ 10,936,824	\$ 39,526,824

13. 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, 2018, the Finance Corporation interest rate swap agreement has a derivative liability of \$2,683,290 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, 2018.

As of June 30, 2018, the fair value of the Series 2007A ineffective interest rate swap agreement was \$1,428,464, 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 \$1,428,464 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 \$1,254,826.

Credit Risk. As of June 30, 2018, 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, A- by Standard & Poor's and BBB+ by Fitch ratings at June 30, 2018.

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, 2018, 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:

Fiscal Year Ending June 30	Variable-Rate Bond		Interest Rate Swap, Net	Total
	Principal	Interest		
2019	\$ 950,000	\$ 672,021	\$ 333,250	\$ 1,955,271
2020	995,000	639,826	319,907	1,954,733
2021	1,040,000	606,107	300,563	1,946,670
2022	1,090,000	570,862	283,086	1,943,948
2023	1,135,000	533,923	264,768	1,933,691
2024-2028	6,500,000	2,056,052	1,022,934	9,578,986
2029-2033	8,120,000	849,939	331,976	9,301,915
Total	\$ 19,830,000	\$ 5,928,730	\$ 2,856,484	\$ 28,615,214

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

14. Retirement Plans – Defined Benefit Pension Plans

General Information about the Florida Retirement System (FRS).

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

Essentially all regular employees of the University are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing multiple-employer defined benefit plans and other nonintegrated programs. 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).

The University's FRS and HIS pension expense totaled \$38,895,741 for the fiscal year ended June 30, 2018.

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

The DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS-participating employer. An employee may participate in DROP for a period not to exceed 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:

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

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

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2017-18 fiscal year were:

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (1)</u>
FRS, Regular	3.00	7.92
FRS, Senior Management Service	3.00	22.71
FRS, Special Risk	3.00	23.27
Deferred Retirement Option Program (applicable to members from all of the above classes)	0.00	13.26
FRS, Reemployed Retiree	(2)	(2)

(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 \$17,686,866 for the fiscal year ended June 30, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2018, the University reported a liability of \$172,260,097 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The University's proportionate share of the net pension

liability was based on the University's 2016-17 fiscal year contributions relative to the total 2016-17 fiscal year contributions of all participating members. At June 30, 2017, the University's proportionate share was 0.582366480 percent, which was an increase of 0.00476259 from its proportionate share measured as of June 30, 2016.

For the year ended June 30, 2018, the University recognized pension expense of \$34,031,150. 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	\$ 15,809,332	\$ 954,232
Change of assumptions	57,891,554	-
Net difference between projected and actual earnings on FRS Plan investments	-	4,269,036
Changes in proportion and differences between University contributions and proportionate share of contributions	14,139,356	-
University FRS contributions subsequent to the measurement date	17,686,866	-
Total	\$ 105,527,108	\$ 5,223,268

The deferred outflows of resources totaling \$17,686,866, 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, 2019. 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>
2019	\$ 14,278,226
2020	29,096,928
2021	19,172,451
2022	4,041,200
2023	11,683,152
Thereafter	4,345,017
Total	\$ 82,616,974

Actuarial Assumptions. The total pension liability in the July 1, 2017, 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	7.10 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, 2017, 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%	1.8%
Fixed Income	18%	4.5%	4.4%	4.2%
Global Equity	53%	7.8%	6.6%	17.0%
Real Estate (Property)	10%	6.6%	5.9%	12.8%
Private Equity	6%	11.5%	7.8%	30.0%
Strategic Investments	12%	6.1%	5.6%	9.7%
Total	<u>100%</u>			
Assumed inflation - Mean			2.6%	1.9%

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

Discount Rate. The discount rate used to measure the total pension liability was 7.10 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate used in the 2017 valuation was updated from 7.60 percent to 7.10 percent.

Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 7.10 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 (6.10 percent) or 1 percentage point higher (8.10 percent) than the current rate:

	<u>1% Decrease (6.10%)</u>	<u>Current Discount Rate (7.10%)</u>	<u>1% Increase (8.10%)</u>
University's proportionate share of the net pension liability	\$311,780,372	\$172,260,097	\$56,426,304

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, 2018, 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, 2018, 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 \$2,720,447 for the fiscal year ended June 30, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2018, the University reported a liability of \$52,274,414 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 1 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, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016, and update procedures were used to determine liabilities as of July 1, 2017. The University's proportionate share of the net pension liability was based on the University's 2016-17 fiscal year contributions relative to the total 2016-17 fiscal year contributions of all participating members. At June 30, 2017, the University's proportionate share was 0.488890375 percent, which was an increase of 0.006370452 from its proportionate share measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the University recognized pension expense of \$4,864,591. 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	\$ -	\$ 108,844
Change of assumptions	7,347,985	4,520,223
Net difference between projected and actual earnings on HIS Plan investments	28,990	-
Changes in proportion and differences between University HIS contributions and proportionate share of HIS contributions	3,656,432	-
University HIS contributions subsequent to the measurement date	2,720,447	-
Total	\$ 13,753,854	\$ 4,629,067

The deferred outflows of resources totaling \$2,720,447, 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, 2019. 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>
2019	\$ 1,745,163
2020	1,739,677
2021	1,737,044
2022	1,220,788
2023	526,482
Thereafter	(564,814)
Total	\$ 6,404,340

Actuarial Assumptions. The total pension liability at July 1, 2017, 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	3.58 percent

Mortality rates were based on the Generational RP-2000 with Projection 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 3.58 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 in the 2017 valuation was updated from 2.85 percent to 3.58 percent.

Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 3.58 percent, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.58 percent) or 1 percentage point higher (4.58 percent) than the current rate:

	<u>1% Decrease (2.58%)</u>	<u>Current Discount Rate (3.58%)</u>	<u>1% Increase (4.58%)</u>
University's proportionate share of the net pension liability	\$59,652,029	\$52,274,414	\$46,129,269

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.

15. Retirement Plans – Defined Contribution Pension Plans

FRS Investment Plan. The SBA administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State's 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 2017-18 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Compensation</u>
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, 2018, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the University.

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

The University's Investment Plan pension expense totaled \$3,066,817 for the fiscal year ended June 30, 2018.

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

The Program is a defined contribution plan, which provides full and immediate vesting of all contributions submitted to the participating companies on behalf of the participant. Employees in eligible positions can make an irrevocable election to participate in the Program, rather than the FRS, and purchase retirement and death benefits through contracts provided by certain insurance carriers. The employing university contributes 5.14 percent of the participant's salary to the participant's account, 3.3 percent to cover the unfunded actuarial liability of the FRS pension plan, and 0.01 percent to cover administrative costs, for a total of 8.45 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 \$20,293,279, and employee contributions totaled \$12,477,171 for the 2017-18 fiscal year.

16. Construction Commitments

The University's major construction commitments at June 30, 2018, were as follows:

<u>Project Description</u>	<u>Total Commitment</u>	<u>Completed to Date</u>	<u>Balance Committed</u>
University City Prosperity Project (1)	\$ 12,247,766	\$ 6,226,745	\$ 6,021,021
Parkview Housing Phase II	5,000,000	186	4,999,814
Housing Projects	7,103,517	3,408,699	3,694,818
Auxiliary Projects	23,291,682	19,087,566	4,204,116
Subtotal	47,642,965	28,723,196	18,919,769
Projects with Balance Committed Under \$3 Million	82,294,065	58,662,726	23,631,339
Total	\$ 129,937,030	\$ 87,385,922	\$ 42,551,108

- (1) On March 15, 2018, while under construction, the pedestrian bridge connecting the Modesto A. Maidique Campus with the City of Sweetwater suffered a total collapse, which brought construction to a halt. Per the grant agreement, the University is required to complete the project.

17. 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 18. Future minimum lease commitments for these noncancelable operating leases are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2019	\$ 6,469,576
2020	6,611,754
2021	6,695,687
2022	5,724,525
2023	2,950,979
2024-2028	8,507,846
2029-2033	5,833,946
2034	1,341,032
Total Minimum Payments Required	\$ 44,135,345

18. 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 \$1,635,027 for the year ended June 30, 2018.

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, 2018:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2019	\$ 1,418,000
2020	1,418,000
2021	1,418,000
2022	1,418,000
Total Minimum Payments Required	\$ 5,672,000

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>
2019	\$ 1,304,083
2020	1,304,083
2021	1,304,083
2022	1,304,083
2023	1,304,083
2024-2028	6,520,416
2029-2033	6,411,743
Total Minimum Payments Required	\$ 19,452,574

19. 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 ten 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 \$3.1 million during the 2017-18 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 \$0.2 million during the 2017-18 fiscal year for utilities, repairs, and maintenance expenses for buildings used by the Wolfsonian.

20. 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 2017-18 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 \$92.5 million for named windstorm and flood through February 14, 2018, and decreased to \$78 million starting February 15, 2018. For perils other than named windstorm and flood, losses in excess of \$2 million per occurrence were commercially insured up to \$225 million; 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 2016-17 and 2017-18 fiscal years are presented in the following table:

Fiscal Year Ended	Claims Liabilities Beginning of Year	Current Claims and Changes in Estimates	Claim Payments	Claims Liabilities End of Year
June 30, 2017	\$ 207,160	\$ (18,997)	\$ (14,171)	\$ 173,992
June 30, 2018	173,992	49,389	(24,417)	198,964

21. 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:

<u>Functional Classification</u>	<u>Amount</u>
Instruction	\$ 320,540,259
Research	126,770,075
Public Services	10,600,450
Academic Support	110,984,150
Student Services	66,956,909
Institutional Support	97,221,857
Operation and Maintenance of Plant	64,631,067
Scholarships, Fellowships, and Waivers	105,216,564
Depreciation	48,336,811
Auxiliary Enterprises	63,241,956
Total Operating Expenses	\$ 1,014,500,098

22. 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

	<u>Housing Facility Capital Improvement Debt</u>	<u>Parking Facility Capital Improvement Debt</u>
Assets		
Current Assets	\$ 25,969,155	\$ 9,211,667
Capital Assets, Net	125,264,911	100,772,119
Other Noncurrent Assets	12,283	3,534,519
Total Assets	151,246,349	113,518,305
Liabilities		
Current Liabilities	5,606,962	4,327,032
Noncurrent Liabilities	82,955,884	60,122,761
Total Liabilities	88,562,846	64,449,793
Net Position		
Net Investment in Capital Assets	38,238,382	37,888,638
Restricted - Expendable	12,282	3,271,454
Unrestricted	24,432,839	7,908,420
Total Net Position	\$ 62,683,503	\$ 49,068,512

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

	Housing Facility Capital Improvement Debt	Parking Facility Capital Improvement Debt
Operating Revenues	\$ 31,053,449	\$ 15,698,898
Depreciation Expense	(3,804,481)	(2,928,209)
Other Operating Expenses	(18,574,498)	(7,651,892)
Operating Income	8,674,470	5,118,797
Nonoperating Revenues (Expenses):		
Nonoperating Revenue	295,675	121,065
Interest Expense	(3,357,216)	(3,460,948)
Other Nonoperating Expense	-	(1,681)
Net Nonoperating Expenses	(3,061,541)	(3,341,564)
Income before Transfers	5,612,929	1,777,233
Net Transfers	-	557,059
Capital Grants	-	567,765
Increase in Net Position	5,612,929	2,902,057
Net Position, Beginning of Year	57,070,574	46,166,455
Net Position, End of Year	\$ 62,683,503	\$ 49,068,512

Condensed Statement of Cash Flows

	Housing Facility Capital Improvement Debt	Parking Facility Capital Improvement Debt
Net Cash Provided (Used) by:		
Operating Activities	\$ 11,419,355	\$ 8,027,616
Noncapital Financing Activities	69,033	8,657
Capital and Related Financing Activities	(12,511,552)	(7,469,619)
Investing Activities	1,152,369	352,800
Net Increase in Cash and Cash Equivalents	129,205	919,454
Cash and Cash Equivalents, Beginning of Year	1,816,646	1,347,625
Cash and Cash Equivalents, End of Year	\$ 1,945,851	\$ 2,267,079

23. 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			Total
	Florida International University Foundation, Inc.	FIU Athletics Finance Corporation	Florida International University Academic Health Center Care Network Faculty Group Practice, Inc.	
Assets:				
Current Assets	\$ 354,748,200	\$ 2,956,845	\$ 6,661,554	\$ 364,366,599
Capital Assets, Net	17,424,279	69,350	214,550	17,708,179
Other Noncurrent Assets	-	20,865,185	-	20,865,185
Total Assets	372,172,479	23,891,380	6,876,104	402,939,963
Deferred Outflows of Resources	-	1,476,330	-	1,476,330
Liabilities:				
Current Liabilities	4,548,290	1,763,105	3,121,249	9,432,644
Noncurrent Liabilities	9,455,255	30,800,531	7,387,623	47,643,409
Total Liabilities	14,003,545	32,563,636	10,508,872	57,076,053
Net Position:				
Net Investment in Capital Assets	13,064,994	69,350	214,550	13,348,894
Restricted Nonexpendable	217,434,299	-	-	217,434,299
Restricted Expendable	109,058,945	-	-	109,058,945
Unrestricted	18,610,696	(7,265,276)	(3,847,318)	7,498,102
Total Net Position	\$ 358,168,934	\$ (7,195,926)	\$ (3,632,768)	\$ 347,340,240

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

	Direct-Support Organizations			Total
	Florida International University Foundation, Inc.	FIU Athletics Finance Corporation	Florida International University Academic Health Center Care Network Faculty Group Practice, Inc.	
Operating Revenues	\$ 33,374,461	\$ 4,053,083	\$ 8,371,657	\$ 45,799,201
Depreciation Expense	(679,022)	(21,900)	(68,729)	(769,651)
Operating Expenses	(41,385,945)	(2,318,927)	(5,361,890)	(49,066,762)
Operating Income (Loss)	(8,690,506)	1,712,256	2,941,038	(4,037,212)
Net Nonoperating Revenues (Expenses):				
Investment Income	19,908,559	38,966	-	19,947,525
Interest Expense	(126,130)	(1,224,044)	(160,650)	(1,510,824)
Net Nonoperating Revenues (Expenses)	19,782,429	(1,185,078)	(160,650)	18,436,701
Other Revenues, Expenses, Gains, and Losses	-	(300,000)	(1,446,722)	(1,746,722)
Increase in Net Position	11,091,923	227,178	1,333,666	12,652,767
Net Position, Beginning of Year	347,077,011	(7,423,104)	(4,966,434)	334,687,473
Net Position, End of Year	\$ 358,168,934	\$ (7,195,926)	\$ (3,632,768)	\$ 347,340,240

OTHER REQUIRED SUPPLEMENTARY INFORMATION

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

	2017 (1)
University's proportion of the total other postemployment benefits liability	2.57%
University's proportionate share of the total other postemployment benefits liability	\$ 277,334,000
University's covered-employee payroll	\$ 388,298,438
University's proportionate share of the total other postemployment benefits liability as a percentage of its covered-employee payroll	71.42%

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

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

	2017 (1)	2016 (1)	2015 (1)	2014 (1)	2013 (1)
University's proportion of the FRS net pension liability	0.582366480%	0.577603890%	0.567528557%	0.525779099%	0.380516592%
University's proportionate share of the FRS net pension liability	\$ 172,260,097	\$ 145,845,435	\$ 73,303,925	\$ 32,080,257	\$ 65,503,841
University's covered payroll (2)	\$ 388,298,438	\$ 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	44.36%	39.34%	20.62%	9.65%	21.43%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	83.89%	84.88%	92.00%	96.09%	88.54%

(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

	2018 (1)	2017 (1)	2016 (1)	2015 (1)	2014 (1)
Contractually required FRS contribution	\$ 17,686,866	\$ 15,160,433	\$ 14,085,792	\$ 13,836,828	\$ 11,516,793
FRS contributions in relation to the contractually required contribution	<u>(17,686,866)</u>	<u>(15,160,433)</u>	<u>(14,085,792)</u>	<u>(13,836,828)</u>	<u>(11,516,793)</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's covered payroll (2)	\$ 402,854,082	\$ 388,298,438	\$ 370,763,486	\$ 355,458,891	\$ 332,597,433
FRS contributions as a percentage of covered payroll	4.39%	3.90%	3.80%	3.89%	3.46%

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

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

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

	<u>2017 (1)</u>	<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	0.488890375%	0.482519923%	0.472534740%	0.449262551%	0.417849098%
University's proportionate share of the HIS net pension liability	\$ 52,274,414	\$ 56,235,698	\$ 48,191,110	\$ 42,007,145	\$ 36,379,258
University's covered payroll (2)	\$ 168,353,927	\$ 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	31.05%	38.08%	34.40%	32.10%	30.73%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	1.64%	0.97%	0.50%	0.99%	1.78%

(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>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
Contractually required HIS contribution	\$ 2,720,447	\$ 2,587,349	\$ 2,473,222	\$ 1,806,322	\$ 1,539,022
HIS contributions in relation to the contractually required HIS contribution	<u>(2,720,447)</u>	<u>(2,587,349)</u>	<u>(2,473,222)</u>	<u>(1,806,322)</u>	<u>(1,539,022)</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's covered payroll (2)	\$ 156,730,885	\$ 168,353,927	\$ 147,667,524	\$ 140,089,301	\$ 130,882,051
HIS contributions as a percentage of covered payroll	1.74%	1.54%	1.67%	1.29%	1.18%

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

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

Changes of Assumptions. In 2018, amounts reported as changes of assumptions resulted from adjustments to active mortality rates, updates to HMO and PPO healthcare claims costs, changes in retiree contributions, change in trend rates, and a change in the discount rate of return. (Refer to Note 11. to the financial statements for further detail.)

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 7.60 percent to 7.10 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 increased from 2.85 percent to 3.58 percent.



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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, 2018, 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 22, 2019, 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 communication is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is fluid and cursive, with a large initial "S" and "N".

Sherrill F. Norman, CPA
Tallahassee, Florida
March 22, 2019