



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

**Florida International University, Modesto A. Maidique Campus
Parking Garage 5 (PG5) Market Station, Room 155**

To help prevent the spread of COVID-19, public access via <http://webcast.fiu.edu/>

**Tuesday, June 16, 2020
9:00 a.m.**

or

Upon Adjournment of Previous Meeting

Chair: Leonard Boord

Vice Chair: Roger Tovar

Members: 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. Follow-up from Previous Meeting | Leonard Boord |
| 4. Action Items | |
| FF1. Proposed 2020-21 University and DSO Operating Budgets | Kenneth A. Jessell |
| FF2. Proposed 2020-21 Fixed Capital Outlay Budget | Kenneth A. Jessell |
| FF3. Request for Approval of Florida International University's 2021-22 Fixed Capital Outlay Legislative Budget Request, Consisting of the five-year Capital Improvement Plan | Kenneth A. Jessell |
| FF4. Approval of (i) Changes to the Design of the proposed Hotel, Conference Center, and Alumni Center and Budget of the Alumni Center as previously approved by the Board of Trustees, and (ii) Changes to two of the Hotel Ground Sublease key terms requested by the Board of Trustees in the June 2, 2017 meeting | Kenneth A. Jessell
Andrew Klamon
Andre L. Teixeira |

4. Action Items *(Continued...)*

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| FF5. Approval of Contract and Construction Hardening Project of over \$2 million, Federal Emergency Management Agency, Florida Division of Emergency Management, for the protection of Primera Casa (PC) at FIU | Kenneth A. Jessell |
| FF6. Approval of Contract under \$3M #PUR-00628, vendor Aramark Management Services Limited Partnership | Kenneth A. Jessell |

5. Discussion Items *(No Action Required)*

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|--|---------------------------|
| 5.1 Financial Performance Review, Third Quarter FY 2019-20 | Kenneth A. Jessell |
| 5.2 Review of FIU Financial Statement Audit for Fiscal Year Ended June 30, 2019 | Kenneth A. Jessell |

6. Reports *(For Information Only)*

- | | |
|---|----------------------------|
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| 6.2 Business Services Report | Aime Martinez |
| 6.3 Emergency Management Status Report | Amy Aiken |
| 6.4 Facilities and Construction Update | John Cal |
| 6.5 Foundation Report | Andre L. Teixeira |
| 6.6 Safety and Environmental Compliance Report | Amy Aiken |
| 6.7 Treasury Report | Benjamin Jarrell |
| 6.8 Procurement Report | Kelly Loll |
| 6.9 CasaCuba Building Update | Maria Carla Chicuen |

7. New Business <i>(If Any)</i>	Leonard Boord
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8. Concluding Remarks and Adjournment	Leonard Boord
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FIU Board of Trustees Finance and Facilities Committee Meeting

Time: June 16, 2020 9:00 AM - 11:00 AM EDT

Location: FIU, Modesto A. Maidique Campus, Parking Garage 5 (PG5) Market Station, Room 155 --- to help prevent the spread of COVID-19, public access via <http://webcast.fiu.edu/>

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THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Facilities Committee

June 16, 2020

Subject: Approval of Minutes of Meeting held February 26, 2020

Proposed Committee Action:

Approval of Minutes of the Finance and Facilities Committee meeting held on Wednesday, February 26, 2020 at the FIU, Modesto A. Maidique Campus, Graham Center Ballrooms.

Background Information:

Committee members will review and approve the Minutes of the Finance and Facilities Committee meeting held on Wednesday, February 26, 2020 at the FIU, Modesto A. Maidique Campus, Graham Center Ballrooms.

Supporting Documentation: Minutes: Finance and Facilities Committee Meeting, February 26, 2020

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

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**FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND FACILITIES COMMITTEE
MINUTES
FEBRUARY 26, 2020**

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 9:10 am on Wednesday, February 26, 2020 at the FIU, Modesto A. Maidique Campus, Graham Center Ballrooms.

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

Trustees Gerald C. Grant, Jr., Donna J. Hrinak, T. Gene Prescott, 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.

2. Approval of Minutes

Committee Chair Boord asked that the Committee approve the Minutes of the meeting held on December 5, 2019. A motion was made and unanimously passed to approve the Minutes of the Finance and Facilities Committee meeting held on Thursday, December 5, 2019.

3. Follow-up to Item from Previous Meeting

Committee Chair Boord welcomed Founding Executive Director for CasaCuba Maria Carla Chicuen, noting that she would be addressing a request from the December 5, 2019 meeting, namely, the request for a comprehensive CasaCuba fundraising update. Ms. Chicuen explained that CasaCuba has launched the pillars campaign, a fundraising effort led by the CasaCuba Board of Advisors to help meet the facility construction timeline. She indicated that since the last report to the Committee on December 5, 2019, CasaCuba has engaged in active solicitations for multiple, major, and principle gifts. She pointed out that Bacardi USA announced a \$5M donation to the Chaplin School of Hospitality and Tourism Management and CasaCuba to create the Bacardi Center of Excellence, which includes \$500,000 to support CasaCuba programs. She described recent giving commitments, namely, that one member of the CasaCuba Board of Advisors is in the process of signing a gift agreement for \$500,000, that another board member is preparing to make an announcement of a seven figure gift, and that another donor has verbally committed to a gift between half a million to \$1M. She added that CasaCuba is also preparing to launch its first annual giving campaign and has developed new donor materials, and more specifically a new donor

sponsorship package. Ms. Chicuen commented that the advertisement for Architect/Engineer was posted on December 17, 2019 and that a review of the 15 qualification submissions is underway.

In response to Trustee Cesar L. Alvarez, Ms. Chicuen explained that the goal for the construction project is \$37.3M with a planned endowment of approximately \$15M. Trustee Roger Tovar shared his concerns regarding competing interests in terms of other University projects and the fundraising progress to-date. He pointed out that potential donors should be made aware of the sense of urgency in terms of giving. Trustee Dean C. Colson stated that while he is supportive of the project, that without a lead donor, it would be unlikely that the necessary funding for the project be secured in a timely manner. In response to Committee Chair Boord's inquiry, Senior Vice President of Administration and Chief Financial Officer Kenneth A. Jessell explained that it is the expectation that in or approximately June, the University may reach the point of entertaining a contract with the architect. Sr. VP and CFO Jessell added that the University will not move forward until such time that the Board of Trustees has reviewed and approved said contract. Trustee Marc D. Sarnoff commented on the need to identify lead donors, noting that the Board may not be inclined to expending additional resources without significant fundraising progress. In response to Trustee Natasha Lowell's inquiry, Senior Vice President of University Advancement Howard R. Lipman described interest from prominent members of the Cuban-American community, and indicated that, generally, impactful gifts are a major commitment of time and that donor cultivation requires time.

4. Action Items

FF1. Approval of Purchase Order 198394, vendor: Oracle America, Inc. and Contract/Purchase Order #PUR-02866, vendor W.W. Grainger, Inc

Sr. VP and CFO Jessell explained that in terms of the Oracle America purchase order, the term continues through 2021 and that pertaining to the W.W. Grainger, Inc. contract, the partnership is an optimal option for the University.

A motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee recommend that pursuant to the Delegations of Authority from the Florida International University Board of Trustees (the BOT) to the University President, as reflected in the Resolution on the President's Powers and Duties approved by the BOT on March 4, 2019, (i) recommend that the BOT approve the University entering into the purchase order and contract as listed and described in the agenda materials and (ii) authorize the University President or his designee to execute, on behalf of the University, the aforementioned contract.

FF2. Investment Policy Amendment

Sr. VP and CFO Jessell presented the University Investment Policy amendment for Committee review, noting that the proposed changes were approved by the University Investment Committee on February 11, 2020. He explained that certain proposed changes to the Investment Policy are based upon recommendations made by the University's Office of Internal Audit in its October 2019 audit report. He pointed out that said changes would codify the University's current practice of using a third-party custodian for the holding of University investment assets and that appropriate University staff maintain a system of internal controls documented by written operational procedures. He added that the proposed revisions also change the current long-term strategic asset

allocation for the Strategic and Reserve Pool to include allocation to an International Equity asset class that is not limited to Developed Markets.

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

FF3. Amendment to the 2019-2020 Fixed Capital Outlay and Carryforward Budgets

Sr. VP and CFO Jessell presented the amendment to the 2019-2020 Fixed Capital Outlay and Carryforward Budgets for Committee review. He explained that the request relates to the third floor of the Owa Ehan (OE) building, noting that the building has experienced a significant amount of indoor air quality issues over the course of time. He pointed out that the existing air-handling units are not sized adequately, have exceeded their life expectancy, and their performance has been degraded. He indicated that the third floor has been prone to high humidity due to failure of controls and HVAC and that this failure has resulted in increased humidity and condensation, which has directly impacted the classroom and University environment.

Sr. VP and CFO Jessell pointed out that the Board of Trustees approved the Facilities Management Project 181207, "OE 3rd Floor HVAC Upgrades" with an estimated budget amount of \$1.5M and approval to spend \$79,675 for design. He indicated that due to the complexities associated with undertaking the project in an occupied building, the University would like to begin this project at the end of April 2020 in order to achieve completion during the summer. Sr. VP explained that carryforward funding of \$1M that was budgeted for new Facilities Project Management Software, as approved by the Board of Trustees and Florida Board of Governors (BOG), will be used to fund the project. He stated that the Facilities Project Management Software has not started and will be postponed until next fiscal year.

In response to Trustee Lowell's inquiry, Sr. VP and CFO Jessell pointed out that FIU has consulted with BOG staff on the amendment to the FCO and Carryforward budgets and no additional BOG approval will be required.

A motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee recommend to the FIU Board of Trustees an amendment to the 2019-20 Florida International University Fixed Capital Outlay and Carryforward Budgets in order to complete necessary Heating, Ventilation and Air Conditioning upgrades in the Owa Ehan building.

Relating to the damage caused by the humidity and condensation issues in the OE building, Trustee Tovar urged that the related repairs be executed in an expeditious manner.

5. Discussion Item

5.1 Financial Performance Review, Second Quarter FY 2019-20

Sr. VP and CFO Jessell presented the University's Financial Performance Review for the second quarter of FY 2019-20. He explained that operating revenues are above estimates by \$12.8M and that operating expenses are above estimates by (\$4.2M) with a net favorable variance of \$8.6M. He described the primary drivers, noting that the University experienced higher private and state

sponsored research revenues, higher sponsored research administrative revenues, and higher undergraduate enrollment and larger percentage of out-of-state students. In terms of the University's operating expenses, he pointed out that \$8.2M in vacant position savings are offset by higher risk management insurance premium and higher in-unit expenses. He delineated higher operating expenses, namely sponsored research, research support, and non-research reimbursement.

In response to Trustee Alvarez's inquiry, Sr. VP and CFO Jessell explained that, in terms of University auxiliaries, favorable net variances present opportunities for program and facility investments and for the reduction and/or postponement of planned increases.

At the request of Trustee Sarnoff, Sr. VP and CFO Jessell described the unauthorized use of appropriated funds for Fixed Capital Outlay projects at the University of Central Florida. He described Education and General (E&G) revenue governing guidelines, noting that E&G funds are used for operating activities only and that ending fund balances, or carryforward, must be used for operating activities only except where expressly allowed by law. He explained that Board of Trustees approval of carryforward funds is required under Florida Statute and BOG Regulation, noting that the BOG reviews university carryforward plans. Trustee Sarnoff commented on the Board of Trustees-approved Funding Certification Form, stating that the Form certifies the appropriate use of funds. General Counsel Castillo referred the Trustees to the supplemental materials, which contained the completed Funding Certification Forms for agenda items FF1 and FF3.

6. Reports

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

7. New Business

For the next regularly scheduled Committee meeting, Committee Chair Boord requested that Vice President for Information Technology Robert Grillo provide a comprehensive analysis on the PeopleSoft module deployment and usage.

Trustee Colson reaffirmed his support of the CasaCuba project, commenting that the University's aspiration of becoming the premiere source of Cuban history and heritage can be achieved without the development of a cultural center on campus.

FF4. Approval of relocation of the Miami Beach Urban Studios

Provost and Executive Vice President Kenneth G. Furton presented, for Committee review, the new business item pertaining to the request for the relocation of the Miami Beach Urban Studios (MBUS). He described current lease terms, namely, an annual cost of \$473,076 for 16,000 square feet of space on the fourth floor of the building located at 420 Lincoln Road, Miami Beach, Florida. He explained that MBUS wishes to relocate to a new and smaller space that will connect the two storefronts, 1620 Washington Avenue and 1622 Washington Avenue. He pointed out that the new space, containing approximately 7,742 square feet, has an annual rental cost of \$394,037 and will provide more flexible space and will enhance visibility for the University, while greatly easing access

for the public. He indicated that in addition to the 60 3D printers housed in the current space, the new space will also accommodate current course offerings. He stated that the owner will provide \$100,000 in funding for build-out of the space to meet University needs.

Provost Furton introduced Dean of the FIU College of Communication, Architecture, + Arts, Brian Schriner. In response to Committee Chair Boord's inquiry, Dean Schriner explained that a relocation to the ground floor will provide opportunities for increased auxiliary revenue and includes additional square footage that is not part of the lease. Dean Schriner pointed out that with the visibility of the storefronts, the result will be a greatly enhanced public-facing and engaged experience that supports student success. In response to Trustee Sarnoff, Dean Schriner indicated that auxiliary revenues, for year one at the new space, are projected at \$30,000 and by year five, revenues are projected at approximately \$52,000. In response to Trustee Tovar's comments regarding allowing more time for the review of the request for relocation and addressing at an upcoming meeting, Trustee Lowell urged Trustees to visit MBUS. She relayed her positive experiences during multiple visits to MBUS and added that the ground-level space will further University marketing efforts given the greater exposure. University President Mark B. Rosenberg pointed out that the relocation request responds to the University's approach to a more impactful presence on Miami Beach and that given the opportunity and need to act swiftly, the item is being presented as new business. Trustee Tovar stated that he was in agreement with moving forward with the request.

A motion was made and passed that the FIU Board of Trustees Finance and Facilities Committee approve (1) the Miami Beach Urban Studio relocating to ground floor space in its current building comprised of 7,742 square feet located at 1620 Washington Avenue and 1622 Washington Avenue, Miami Beach, Florida; (2) the delegation of authority to the University President, or designee, to negotiate a Second Amendment to Lease Agreement ("Second Amendment") to that certain Lease, dated May 13, 2011, as amended, between the Florida International University Board of Trustees and 420 Lincoln Road Associates Ltd.; and (3) the delegation of authority to the University President, or designee, to execute the Second Amendment on behalf of the University and all other documents that may be necessary to effectuate the transactions contemplated in the Second Amendment.

Committee Chair Boord voted against the motion.

5.2 Update on Torrey Pines Agreement

Provost Furton provided an update on the Torrey Pines agreement, noting that on January 30, 2020 the BOG approved, pending the submission of a collaboration report between FAU and FIU, the proposal to establish Torrey Pines at FIU as a special purpose center. In terms of recent developments that occurred since the last Board of Trustees meetings, Provost Furton pointed out that the renter on the third floor of the Torrey Pines facility has vacated the space and that said renter represented \$830,000 in rental revenue. He explained that the vacancy produces a higher continuing net cost until the University acquires Torrey Pines and that an additional \$250,000, approximately, will be needed at closing.

In response to Committee Chair Boord, Vice President for Research and Economic Development Andres G. Gil indicated that it is the preference to provide the now-vacant space to FIU faculty with research grant funding, noting that indirect grant expenses can be redirected towards rent and thereby mitigate the rental revenue shortfalls. He stated that because BOG authorization is still pending, the University cannot move forward with the hiring of additional faculty for Torrey Pines. VP Gil explained that the additional \$250,000 due at closing is a transition amount to cover the seller's legal fees, vacation payouts for departing staff, and closing costs. Committee Chair Boord noted that there are changes to the terms of what was previously approved as part of the Torrey Pines acquisition, namely, the \$250,000 shortfall on closing costs and other related expenses and the \$830,000 shortfall in rental revenue projections that will be mitigated by either grants or new tenants. President Rosenberg indicated that recent developments also include the research partnership with the Cleveland Clinic, noting that the hospital will take over the lease of the adjacent VGTT building.

At the request of Committee Chair Boord, General Counsel Carlos B. Castillo read the proposed motion. A motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee recommend that the Board of Trustees affirm moving forward with the Torrey Pines transaction, notwithstanding the closing costs and revenue side developments.

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 Wednesday, February 26, 2020 at 10:30 a.m.

Trustee request:

For the next regularly scheduled Committee meeting, Committee Chair Boord requested that Vice President for Information Technology Robert Grillo provide a comprehensive analysis on the enterprise resource planning deployment and on PeopleSoft module usage.

**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

Finance and Facilities Committee

June 16, 2020

Subject: Proposed 2020-2021 University and Direct Support Organizations Operating Budget

Proposed Committee Action:

Recommend that the Florida International University Board of Trustees (the BOT) approve the FIU 2020-21 University and Direct Support Organizations (DSO) Operating Budgets, and authorize the University President to amend the budgets consistent with Legislative, Board of Governors' and BOT directives and guidelines.

Background Information:

The BOT is required to adopt an annual budget for the general operation of the University prior to submission to the Florida Board of Governors. The FY 2020-21 Proposed Operating Budget for the University is due to the Board of Governors on June 22, 2020.

The DSOs' (i.e., FIU Athletics Finance Corp., FIU Foundation, Inc., and FIU Research Foundation, Inc.) and The Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc.'s budgets are incorporated into the University's Operating Budget.

The following funding groups and budget detail are included:

- A. Educational and General (E&G) – Current Year
- B. Educational and General (E&G) – Carry Forward
- C. Auxiliary Enterprises Proposed Budget Allocation
- D. Intercollegiate Athletics Proposed Budget Allocation
- E. Activity and Service Proposed Budget Allocation
- F. Technology Fee Proposed Budget Allocation
- G. Board Approved Fees Budget Allocation
- H. Contracts and Grants Proposed Budget Allocation
- I. Student Financial Aid Proposed Budget Allocation
- J. Concessions Proposed Budget Allocation
- K. FIU Athletics Finance Corp.
- L. FIU Foundation, Inc.
- M. FIU Health Care Network
- N. FIU Self-Insurance Program
- O. FIU Research Foundation, Inc.
- P. University Support to Direct Support Organizations
- Q. University Treasury Operations

Authority for the University President to amend the budgets is necessary to accommodate changes in revenues, expenditures, and statutory budget amendments. The University President shall keep the BOT informed of the status of the operating budgets through quarterly updates and will notify the

BOT of any changes in excess of two percent (2%) made to the total approved 2020-2021 Operating Budget during the operating year.

Florida Statute 1011.40(2) provides that “each university board of trustees shall adopt an operating budget for the operation of the university as prescribed by law and rules of the Board of Governors.” The University has prepared the proposed 2020-2021 Operating Budget in accordance with the requirements set forth in Board of Governors Regulations 9.007 and 9.011.

Florida Board of Governors Regulation 9.007(1) states that each university president shall prepare an operating budget, including an Education & General (E&G) Carryforward Spending Plan, for approval by the university board of trustees in accordance with instructions, guidelines and standard formats provided by the Board of Governors.

Florida Board of Governors Regulation 9.011(4) states that operating budgets of support organizations shall be prepared at least annually, and approved by the organization’s governing board and the university board of trustees. Significant changes in planned expenditures in the approved budget must be reported to the university board of trustees as soon as practicable but no later than the deadline established by a board of trustees.

Supporting Documentation:	2020-2021 Proposed University and DSO Operating Budget Glossary
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Facilitator/Presenter:	Kenneth A. Jessell
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Florida International University
Board of Trustees Financial Summary
FY 2020-21 Budget

	Overview ¹				
	Final Budget	Forecast	Forecast vs.	Requested Budget	Requested
(In millions of dollars)	2019-20	2019-20	Final Budget	2020-21	Budget vs. Forecast
Revenue / Receipts					
University					
Educational and General (net) ²	\$ 564.6	\$ 569.2	\$ 4.6	\$ 587.0	\$ 17.8
University	513.7	518.2	4.5	535.9	17.7
College of Medicine	50.9	51.0	0.1	51.1	0.1
FIU Self-Insurance Program	0.5	0.4	(0.1)	0.4	-
Auxiliary Enterprises	238.6	224.4	(14.2)	235.1	10.7
Intercollegiate Athletics	28.5	29.0	0.5	29.4	0.4
Activities and Service	20.4	20.4	-	20.0	(0.4)
Technology Fee	10.8	11.0	0.2	10.9	(0.1)
Board Approved Fees	0.4	0.4	-	0.4	-
Contracts and Grants	150.8	188.2	37.4	202.2	14.0
Student Financial Aid	220.1	252.3	32.2	236.0	(16.3)
Concessions	0.9	0.9	-	0.7	(0.2)
Direct Support Organizations / Component Units					
FIU Athletics Finance Corp.	4.2	4.3	0.1	4.9	0.6
FIU Foundation Inc.	37.5	26.5	(11.0)	36.5	10.0
Contributions for University Support	34.4	23.5	(10.9)	33.2	9.7
Contributions and Operating Revenues	3.1	3.0	(0.1)	3.3	0.3
FIU Health Care Network	9.8	10.1	0.3	10.1	-
FIU Research Foundation Inc.	-	-	-	-	-
Interfund Adjustments ³	(11.8)	(11.7)	0.1	(14.5)	(2.8)
Total Operating Revenues	\$ 1,275.3	\$ 1,325.4	\$ 50.1	\$ 1,359.1	\$ 33.7
University (net)	11.1	10.9	(0.2)	10.1	(0.8)
Direct Support Organizations	18.6	9.1	(9.5)	15.9	6.8
Total Investment Revenues	\$ 29.7	\$ 20.0	\$ (9.7)	\$ 26.0	\$ 6.0
Student Loans ⁴	260.3	253.3	(7.0)	252.5	(0.8)
Total Revenues / Receipts	\$ 1,565.3	\$ 1,598.7	\$ 33.4	\$ 1,637.6	\$ 38.9
Expenses					
University					
Educational and General	\$ 564.6	\$ 546.7	\$ (17.9)	\$ 587.0	\$ 40.3
University	513.7	502.7	(11.0)	535.9	33.2
College of Medicine	50.9	44.0	(6.9)	51.1	7.1
FIU Self-Insurance Program	0.5	0.2	(0.3)	0.2	-
Auxiliary Enterprises	228.3	212.6	(15.7)	224.6	12.0
Intercollegiate Athletics	27.8	28.1	0.3	27.1	(1.0)
Activities and Service	20.7	17.5	(3.2)	20.1	2.6
Technology Fee	11.2	9.7	(1.5)	11.1	1.4
Board Approved Fees	0.4	0.4	-	0.4	-
Contracts and Grants	139.0	181.2	42.2	191.0	9.8
Student Financial Aid	221.2	257.9	36.7	239.2	(18.7)
Concessions	0.9	0.9	-	0.8	(0.1)
Direct Support Organizations / Component Units					
FIU Athletics Finance Corp.	2.0	2.2	0.2	2.7	0.5
FIU Foundation Inc.	39.8	32.7	(7.1)	42.2	9.5
University Program Support	30.9	26.3	(4.6)	33.5	7.2
Operating Expenses	8.9	6.4	(2.5)	8.7	2.3
FIU Health Care Network	6.0	5.9	(0.1)	6.1	0.2
FIU Research Foundation Inc.	-	-	-	-	-
Interfund Adjustments ³	(11.8)	(11.7)	0.1	(14.5)	(2.8)
Total Operating Expenses	\$ 1,250.6	\$ 1,284.3	\$ 33.7	\$ 1,338.0	\$ 53.7
Principal Payment of Debt ⁵	9.0	8.9	(0.1)	9.3	0.4
Student Loans ⁴	260.3	253.3	(7.0)	252.5	(0.8)
Total Expenses	\$ 1,519.9	\$ 1,546.5	\$ 26.6	\$ 1,599.8	\$ 53.3
Change in Net Position (incl. Investments)	\$ 45.4	\$ 52.2	\$ 6.8	\$ 37.8	\$ (14.4)
Change in Net Position (excl. Investments)	\$ 15.7	\$ 32.2	\$ 16.5	\$ 11.8	\$ (20.4)

**Florida International University
Board of Trustees Financial Summary
FY 2020-21 Budget
Overview¹**

Notes:

¹ *The financials presented above reflects the state budgeting methodology which differs from full accrual Financial Statements. The following have the most significant impact:*

- *Depreciation of Assets: For budgeting purposes, equipment purchases are fully expensed in their acquisition year, therefore depreciation is not included in the budget.*
- *Unrealized gains and losses: The investment results are recognized as revenues in the budget, however, GASB accounting principles require that it be recorded as a non-operating revenue or expense.*

² *Educational and General (E&G) revenues include State Funding and Tuition and are net of waivers, uncollectible amounts, credit card surcharge, and 30% financial aid need-based amounts per Florida statute 1009.24 (16)(a). State Appropriations include \$66.2M associated with FY 2020-21 performance funding.*

³ *Interfund transactions have been included in the individual funds to allow for individual fund performance analysis. This has resulted in higher revenues and expenses by fund. The Interfund Adjustments eliminate this double counting of revenues and expenses with the exception of interfund transactions for auxiliary services provided to other units and Direct Support Organizations which have not been eliminated.*

⁴ *Student loans represent a pass through for the university.*

⁵ *Principal payment of debt is reflected as an expense per Florida Board of Governors requirement that debt service payments be shown on a cash basis.*

Florida International University
Financial Summary
2020-21 E&G Revenue

	General Revenue	Educational Enhancement (Lottery)	Total State Funding	Student Fee (net) ¹	Total
<i>(In thousands of dollars)</i>					
<u>I. University (ex-Legislative Items: Risk Management & Financial Aid)</u>					
2019-20 Base Budget	\$ 242,228	\$ 41,215	\$ 283,443	\$ 227,534	\$ 510,978
Reduction Prior Year Non-Recurring	(2,500)	-	(2,500)	-	(2,500)
Plant Operations & Maintenance Annualization	-	-	-	-	-
2019-20 Adjusted Base Budget	\$ 239,728	\$ 41,215	\$ 280,943	\$ 227,534	\$ 508,478
2020-21 Incremental Changes					
Tuition	-	-	-	27	27
Performance Based Funding ²					
Reduction Prior Year State Investment	(30,460)	-	(30,460)	-	(30,460)
Current Year - State Investment	31,333	-	31,333	-	31,333
Transfer Base Funding to Performance	(34,880)	-	(34,880)	-	(34,880)
Current Year - Institutional Investment	34,880	-	34,880	-	34,880
New Legislative Appropriations					
FIU - Targeted STEM Initiatives	2,000	-	2,000	-	2,000
FIU - Washington Center	350	-	350	-	350
FIU - Individualized Pediatric Cancer Treatment Program	750	-	750	-	750
FIU - Institute of Economic Freedom	1,000	-	1,000	-	1,000
FIUnique	(360)	-	(360)	-	(360)
Universities of Distinction (Amount TBD)	-	-	-	-	-
FIU - Operational Support	17,000	-	17,000	-	17,000
Health Insurance Increases	2,331	353	2,684	-	2,684
Educational Enhancement Trust Fund adjustment	(5,546)	5,546	-	-	-
Total Incremental Changes	18,399	5,898	24,297	27	24,325
2020-21 Base Budget	\$ 258,127	\$ 47,113	\$ 305,240	\$ 227,562	\$ 532,802

II. University (Legislative Items: Risk Management & Financial Aid)

2019-20 Base Budget	\$ 2,699	\$ -	\$ 2,699	\$ -	\$ 2,699
Adjustment to Risk Management Insurance Base	419	-	419	-	419
2019-20 Adjusted Base Budget	\$ 3,119	\$ -	\$ 3,119	\$ -	\$ 3,119
2020-21 Base Budget	\$ 3,119	\$ -	\$ 3,119	\$ -	\$ 3,119

<u>I. & II. University</u>					
2019-20 Base Budget	\$ 244,928	\$ 41,215	\$ 286,142	\$ 227,534	\$ 513,677
Adjustments to Base Budget	(2,081)	-	(2,081)	-	(2,081)
2019-20 Adjusted Base Budget	\$ 242,847	\$ 41,215	\$ 284,062	\$ 227,534	\$ 511,596
Total Incremental Changes	18,399	5,898	24,297	27	24,325
2020-21 Base Budget	\$ 261,246	\$ 47,113	\$ 308,359	\$ 227,562	\$ 535,921

¹ Tuition revenues are net of waivers, uncollectible amounts, credit card surcharge, and 30% financial aid need-based amounts per Florida statute 1009.24 (16)(a).

² Performance based funding is the allocation to FIU of the State Investment of \$265M and \$295M Institutional Investment (reallocation of base funds). Performance funds allocations to institutions were approved by the Florida Board of Governors in the May 28, 2020 meeting.

Florida International University
Financial Summary
2020-21 E&G Revenue

	General Revenue	Educational Enhancement (Lottery)	Total State Funding	Student Fee (net) ¹	Total
<i>(In thousands of dollars)</i>					
<u>III. College of Medicine (ex-Legislative Items: Risk Management)</u>					
2019-20 Base Budget	\$ 32,554	\$ -	\$ 32,554	\$ 18,238	\$ 50,792
Deduct Prior Year Non-Recurring	-	-	-	-	-
2019-20 Adjusted Base Budget	\$ 32,554	\$ -	\$ 32,554	\$ 18,238	\$ 50,792
2020-21 Incremental Changes					
Tuition	-	-	-	-	-
Legislative Line Items					-
[None]	-	-	-	-	-
Health Insurance Increases	232	-	232	-	232
Total Incremental Changes	232	-	232	-	232
2020-21 Base Budget	\$ 32,786	\$ -	\$ 32,786	\$ 18,238	\$ 51,024

IV. College of Medicine (Legislative Items: Risk Management)

2019-20 Base Budget	\$ 66	\$ -	\$ 66	\$ -	\$ 66
Adjustment to Risk Management Base	(10)	-	(10)	-	(10)
2019-20 Adjusted Base Budget	\$ 57	\$ -	\$ 57	\$ -	\$ 57

<u>III. & IV. College of Medicine</u>					
2019-20 Base Budget	\$ 32,621	\$ -	\$ 32,621	\$ 18,238	\$ 50,859
Adjustments to Base Budget	(10)	-	(10)	-	(10)
2019-20 Adjusted Base Budget	\$ 32,611	\$ -	\$ 32,611	\$ 18,238	\$ 50,849
Total Incremental Changes	232	-	232	-	232
2020-21 Base Budget	\$ 32,843	\$ -	\$ 32,843	\$ 18,238	\$ 51,081

¹ Tuition revenues are net of waivers, uncollectible amounts, and credit card surcharge.

Florida International University
Financial Summary
E&G Summary - Current Year

	Final Budget 2019-20	Forecast 2019-20	Forecast vs. Final Budget	Requested Budget ¹ 2020-21	Requested Budget vs. Forecast
<i>(In thousands of dollars)</i>					
<u>I. University:</u>					
Revenues					
General Revenues ¹	\$ 242,428	\$ 244,207	\$ 1,779	\$ 257,506	\$ 13,299
General Revenues - Legislative Line Item	2,500	2,500	-	3,740	1,240
Educational Enhancement (Lottery) ¹	41,215	41,420	206	47,113	5,693
Total State Appropriations	286,142	288,127	1,985	308,359	20,232
Gross Tuition	285,325	289,841	4,516	285,653	(4,188)
Waivers	(37,875)	(39,135)	(1,260)	(37,932)	1,203
Financial Aid (30%)	(19,916)	(20,627)	(711)	(20,160)	468
Net Tuition ²	227,534	230,079	2,544	227,562	(2,517)
Total Revenues	\$ 513,677	\$ 518,206	\$ 4,529	\$ 535,921	\$ 17,715
Expenses					
Salaries and Benefits	372,297	363,577	(8,720)	391,347	27,771
Other Personal Services (OPS)	40,478	40,732	254	37,025	(3,707)
Other Expenses	76,207	72,704	(3,503)	80,879	8,176
Student Financial Aid	16,834	17,303	469	22,013	4,710
Operating Capital Outlay (OCO)	7,861	8,386	525	4,656	(3,730)
Total Operating Expenses	\$ 513,677	\$ 502,701	\$ (10,976)	\$ 535,921	\$ 33,220
Change in Net Position	\$ -	\$ 15,505	\$ 15,505	\$ -	\$ (15,505)
<u>II. College of Medicine:</u>					
Revenues					
General Revenues	\$ 32,621	\$ 32,746	\$ 126	\$ 32,843	\$ 97
General Revenues - Legislative Line Item	-	-	-	-	-
Total State Appropriations	32,621	32,746	126	32,843	97
Gross Tuition	18,405	18,379	(26)	18,405	26
Waivers	(167)	(94)	73	(167)	(73)
Net Tuition ²	18,238	18,284	47	18,238	(47)
Total Revenues	\$ 50,858	\$ 51,031	\$ 172	\$ 51,080	\$ 50
Expenses					
Salaries and Benefits	42,388	34,995	(7,393)	41,302	6,307
Other Personal Services (OPS)	2,059	1,901	(159)	1,853	(48)
Other Expenses	6,410	7,001	591	7,826	825
Student Financial Aid	-	-	-	99	99
Operating Capital Outlay (OCO)	-	61	61	-	(61)
Total Operating Expenses	\$ 50,858	\$ 43,958	\$ (6,900)	\$ 51,080	\$ 7,122
Change in Net Position	\$ -	\$ 7,072	\$ 7,072	\$ -	\$ (7,072)

Notes:

¹ The amounts reported as state appropriations are based on the appropriations bill approved by the Legislature (HB 5001). FY 2020-21 state appropriations for the University include an \$66.2M of performance funding, which were approved by the Florida Board of Governors at the May 28, 2020 meeting.

² Net tuition revenues are estimated gross tuition revenues net of waivers, uncollectible amounts, credit card surcharge, and 30% financial aid need-based amounts per Florida statute 1009.24 (16)(a).

Florida International University
Financial Summary
E&G Summary - Carry Forward

(In dollars)

University

Beginning E&G Carry Forward Fund Balance, July 1, 2019	\$ 90,612,131
FY 2019-20 Estimated Activity:	
Carry Forward Change in Net Position	(25,947,270)
Current Year Change in Net Position	15,505,084
Estimated Beginning E&G Carry Forward Fund Balance, July 1, 2020	\$ 80,169,945
Less: 7% Statutory Reserve Requirement	(39,184,443)
Estimated E&G Carry Forward Available Fund Balance	\$ 40,985,502

FY 2020-21 Planned Commitments

	Prior Approval by BOT	New	Total
Restricted By Appropriations	2,975,747	82,762	3,058,509
University Board of Trustee Reserve Requirement	-	7,201,422	7,201,422
Compliance, Audit, and Security			
Compliance Program Enhancements	30,000	-	30,000
Audit Program Enhancements	-	-	-
Campus Security and Safety Enhancements	-	113,832	113,832
Academic and Student Affairs			
Student Services, Enrollment, and Retention Efforts	148	29,834	29,982
Student Financial Aid	-	1,587,950	1,587,950
Faculty / Staff Instructional and Advising Support and Start-Up Funding	-	599,357	599,357
Faculty Research and Public Service Support and Start-Up Funding	232,170	4,933,434	5,165,604
Library Resources	-	353	353
Facilities, Infrastructure, and Information Technology			
Utilities	-	-	-
Information Technology (ERP, Equipment, etc.)	500,000	-	500,000
Minor Carryforward Fixed Capital Outlay Projects (Board of Governors Regulation 14.003(2))	11,454,659	1,051,866	12,506,525
Major Carryforward Fixed Capital Outlay Projects (Board of Governors Regulation 14.003(2))	4,955,130	2,250,000	7,205,130
Other UBOT Approved Operating Requirements			
Other Operating Requirements (University Board of Trustees- Approved That Support the University Mission)	1,332,482	305,243	1,637,725
Contingencies for a State of Emergency Declared by the Governor	349,112	1,000,000	1,349,112
Total	\$ 21,829,448	\$ 19,156,054	\$ 40,985,502
Estimated Available E&G Carry Forward Fund Balance, June 30, 2021			\$ -
Operating Commitments	5,419,659	15,854,187	21,273,846
Fixed Capital Outlay Commitments	16,409,789	3,301,866	19,711,655
Total Commitments	\$ 21,829,448	\$ 19,156,054	\$ 40,985,502

Florida International University
Financial Summary
E&G Summary - Carry Forward

(In dollars)

College of Medicine

Beginning E&G Carry Forward Fund Balance, July 1, 2019	\$ 12,593,168
FY 2019-20 Estimated Activity:	
Carry Forward Change in Net Position	(3,826,206)
Current Year Change in Net Position	7,072,418
Estimated Beginning E&G Carry Forward Fund Balance, July 1, 2020	\$ 15,839,380
Less: 7% Statutory Reserve Requirement	(3,595,377)
Estimated E&G Carry Forward Available Fund Balance	<u>\$ 12,244,003</u>

FY 2020-21 Planned Commitments

	Prior Approval by BOT	New	Total
Restricted By Appropriations	3,319,682	335,105	3,654,787
University Board of Trustee Reserve Requirement	-	1,500,000	1,500,000
Compliance, Audit, and Security			
Compliance Program Enhancements	-	-	-
Audit Program Enhancements	-	-	-
Campus Security and Safety Enhancements	-	-	-
Academic and Student Affairs			
Student Services, Enrollment, and Retention Efforts	-	-	-
Student Financial Aid	62,358	2,112,442	2,174,800
Faculty / Staff Instructional and Advising Support and Start-Up Funding	323,074	171,342	494,416
Faculty Research and Public Service Support and Start-Up Funding	1,253,824	1,396,176	2,650,000
Library Resources	-	-	-
Facilities, Infrastructure, and Information Technology			
Utilities	-	-	-
Information Technology (ERP, Equipment, etc.)	4,169	295,831	300,000
Minor Carryforward Fixed Capital Outlay Projects (Board of Governors Regulation 14.003(2))	-	1,470,000	1,470,000
Major Carryforward Fixed Capital Outlay Projects (Board of Governors Regulation 14.003(2))	-	-	-
Other UBOT Approved Operating Requirements			
Other Operating Requirements (University Board of Trustees- Approved That Support the University Mission)	-	-	-
Contingencies for a State of Emergency Declared by the Governor	-	-	-
Total	\$ 4,963,107	\$ 7,280,896	\$ 12,244,003
Estimated Available E&G Carry Forward Fund Balance, June 30, 2021			<u>\$ 0</u>
Operating Commitments	4,963,107	5,810,896	10,774,003
Fixed Capital Outlay Commitments	-	1,470,000	1,470,000
Total Commitments	\$ 4,963,107	\$ 7,280,896	\$ 12,244,003

Florida International University
Financial Summary
Total Auxiliary Enterprises

	Final Budget	Forecast	Forecast vs.	Requested Budget	Requested Budget
<i>(In thousands of dollars)</i>	2019-20	2019-20	Final Budget	2020-21	vs. Forecast
Operating Revenues	\$ 238,592	\$ 224,418	\$ (14,174)	\$ 235,129	\$ 10,711
Expenses					
Salaries and Benefits	91,579	89,531	(2,048)	95,752	6,221
Other Personal Services (OPS)	19,855	17,567	(2,287)	18,060	493
Other Expenses	102,794	94,748	(8,046)	99,634	4,885
Student Financial Aid	3,569	3,231	(338)	4,261	1,030
Operating Capital Outlay (OCO)	4,893	2,199	(2,695)	1,588	(611)
Debt Service Interest	5,645	5,335	(310)	5,312	(23)
Total Operating Expenses	\$ 228,335	\$ 212,611	\$ (15,724)	\$ 224,606	\$ 11,995
Net Operating Income	\$ 10,257	\$ 11,807	\$ 1,550	\$ 10,522	\$ (1,284)
Investment Revenues	2,973	2,203	(770)	784	(1,420)
Principal Payment of Debt	(7,060)	(7,060)	-	(7,390)	(330)
Operational Transfers	-	2,000	2,000	-	(2,000)
Construction Projects	(19,679)	(10,292)	9,388	(4,839)	5,453
Institutional Transfers	(292)	1,004	1,296	229	(775)
Change in Net Position	\$ (13,801)	\$ (338)	\$ 13,463	\$ (694)	\$ (356)
Net Position					
Beginning Net Position	170,816	172,409		172,071	
Change in Net Position	(13,801)	(338)		(694)	
Ending Net Position	\$ 157,015	\$ 172,071		\$ 171,377	

Total Auxiliary Enterprises includes activities under Academic Auxiliaries, Housing, Parking and Transportation, Student Health Services, and Other Auxiliaries such as commissions, rentals, interdepartmental services, marketing and sponsorship activities, and other university-wide initiatives. Budget figures represent total revenues and expenses for all Auxiliary activities, hence interdepartmental transactions have not been eliminated.

Financial Highlights

FY 2019-20 forecast revenue is \$14.2M less than plan mostly due to Housing (\$6.2M); other auxiliaries (\$5.3M); and Parking and Transportation (\$2.3M).

Housing revenue in FY 2019-20 is lower than plan due to the disruption of campus operations as a result of COVID-19 requiring reimbursements of housing fees due to dormitory closures for Spring and loss of revenues due to dormitory closures for the Summer 2020 semester. It is anticipated that the COVID-19 related housing fee reimbursements totaling \$2.7M may be covered by CARES Act institutional support funds.

In other auxiliaries, the forecasted unfavorable revenue variance is primarily driven by lower sales at the PantherTECH computer store, lower auxiliary funded construction projects resulting in less construction services reimbursement fee revenue, less shared services fee commensurate with lower expenditures across various auxiliary enterprises, and lower retail services due to the disruption of campus operations to remote learning and working environments as a result of COVID-19 in March 2020.

Unfavorable Parking and Transportation revenues in FY 2019-20 are attributable to the waiver of \$50 of the student parking transportation and access fee for the Summer 2020 semester, \$1.6M, and less than planned citation collections due to the disruption of campus operations related to COVID-19.

**Florida International University
Financial Summary
Total Auxiliary Enterprises**

Total forecast operating expenses in FY 2019-20 are \$15.7M below budget. The majority of the savings are from Academic Auxiliaries, \$6.5M; other auxiliaries, \$4.9M; Housing, \$2.0M; and Parking and Transportation, \$1.7M. Lower expenses in the Academic Auxiliaries are driven by savings across several College of Business programs and central office operations; in addition to cancelled study abroad programs, conferences, and travel as a result of the disruption of campus operations due to COVID-19. Other auxiliaries savings are mainly attributable to personnel vacancies across several areas in addition to less than planned operating capital outlay costs mostly related to Division of Information Technology projects postponed due to COVID-19. Housing and Parking and Transportation also postponed or cancelled minor projects in response to projected revenue losses as a result of COVID-19.

Construction projects in FY 2019-20 are forecast to be \$9.4M less than budget due mainly due to delays in the three-year infrastructure hardening project and certain Business Services projects.

Operating revenues for FY 2020-21 are \$10.7M higher than FY 2019-20 forecast and are mostly attributable to the anticipated return to pre-COVID-19 conditions in Housing and across Academic Auxiliaries. Housing has budgeted an average occupancy of 94.66% in expectation of physical distancing requirements. Growth in Academic Auxiliaries revenue is mainly driven by greater distance learning fee income due to growth in online programs and courses; resumption of sales of services by recharge centers and study abroad programs; material and supplies fee revenue due to additional courses being offered; and enrollment growth in existing programs in the Green School of International and Public Affairs and the College of Arts, Science, and Education. This overall growth in Academic Auxiliaries is partially offset by lower planned revenues for FIU Global First Year and declines in projected enrollment in certain programs in the College of Engineering And Computing and the College of Business.

Total operating expenses in FY 2020-21 are \$12.0M greater than FY 2019-20 forecast. The largest increase is in Academic Auxiliaries and is mainly driven by College of Business which plans to fill vacant positions, increase scholarship and advertising expenses to meet enrollment targets, and additional costs associated with a new Online Master of Accounting. Additionally, expenses are increasing in FIU Online services for graduate programs due to greater online course and program enrollment and higher study-abroad expenses in anticipation that these programs will be offered at pre-COVID-19 levels.

Housing and Parking and Transportation are also projecting an increase in total operating expenses as both return to pre-COVID-19 conditions, with the exception of in-house maintenance projects which are delayed until there is a full recovery from the impact of COVID-19.

In FY 2020-21, construction projects are \$5.5M less than FY 2019-20 forecast mainly due to Housing's hold on maintenance projects until full recovery from the impact of COVID-19 and the less than anticipated need for cash contributions in FY 2020-21 for the new student housing facility, Parkview II, due to the timing of issuance of debt. This reduction is partially offset by planned renovations across several dining locations and the Graham Center which have been postponed.

Florida International University
Financial Summary
Auxiliary Enterprises - Academic Auxiliaries

	Final Budget	Forecast	Forecast vs.	Requested Budget	Requested Budget
<i>(In thousands of dollars)</i>	2019-20	2019-20	Final Budget	2020-21	vs. Forecast
Operating Revenues	\$ 113,451	\$ 113,028	\$ (424)	\$ 116,589	\$ 3,561
Expenses					
Salaries and Benefits	51,092	50,845	(247)	53,764	2,919
Other Personal Services (OPS)	15,084	12,921	(2,163)	13,484	563
Other Expenses	48,030	44,216	(3,814)	49,436	5,220
Student Financial Aid	3,535	3,190	(345)	4,222	1,032
Operating Capital Outlay (OCO)	307	432	125	71	(361)
Debt Service Interest	18	10	(8)	11	1
Total Operating Expenses	\$ 118,066	\$ 111,614	\$ (6,452)	\$ 120,987	\$ 9,373
Net Operating Income	\$ (4,615)	\$ 1,413	\$ 6,028	\$ (4,398)	\$ (5,812)
Investment Revenues	845	660	(185)	257	(404)
Principal Payment of Debt	-	-	-	-	-
Operational Transfers	131	150	19	496	346
Construction Projects	-	(531)	(531)	-	531
Institutional Transfers	(186)	944	1,130	215	(729)
Change in Net Position	\$ (3,824)	\$ 2,637	\$ 6,461	\$ (3,431)	\$ (6,068)
Net Position					
Beginning Net Position	47,576	52,712		55,349	
Change in Net Position	(3,824)	2,637		(3,431)	
Ending Net Position	\$ 43,752	\$ 55,349		\$ 51,919	

Academic Auxiliary programs are comprised primarily of market rate and self-supporting programs, web based courses, conferences, material and supply fees, equipment use fees, recharge centers, and distance learning programs. The revenues generated serve to support the actual programs and their growth.

Financial Highlights

FY 2019-20 operating revenues are \$0.4M less than budgeted primarily due to lower enrollment in programs such as the College of Business (COB) Healthcare MBA Program and Master of Accounting due to market competition; Green School of International and Public Affairs (SIPA) Master of Arts in Global Affairs face-to-face program; the Online Prosthetics and Orthotics Engineering Track; the Nicole Wertheim College of Nursing & Health Sciences Master of Health Services Administration Hybrid program due to the program shift from the Modesto A. Maidique campus to the Biscayne Bay Campus; a tuition rate reduction in several graduate programs as per Board of Governors guidance; lower than anticipated revenues in the English Language Institute (ELI), the Aquarius Recharge Center, the Animal Care Facility, and the College of Business Executive and Professional Education Program; suspension of some lab fees and cancelation of Study Abroad Programs associated with the disruption of campus operations as a result of COVID-19.

The unfavorable variance is partially offset by greater than anticipated enrollment across programs offered by several colleges and schools including the College of Business (COB) Master of Business Administration programs and the newly redesigned Master of International Business program; College of Engineering and Computing Master of Science Online Programs in Computer Engineering and Engineering Management and dual degree programs; College of Architecture + the Arts (CARTA) Masters of Science Global Strategic Communications Online; Green School of International and Public Affairs (SIPA) Master of Arts in Global Affairs International Crime and Justice Online Track; the new Academy for International Disaster Preparedness Online Master Program; and College of Arts, Science, and Education (CASE) new online Master of Science in Higher Education Administration.

Florida International University
Financial Summary
Auxiliary Enterprises - Academic Auxiliaries

FY 2019-20 overall academic auxiliary operating expenses are under budget by \$6.5M; 35% or \$2.3M of the savings are driven by College of Business lower operating costs across multiple academic programs and central office functions. Cancellation of study abroad programs, conferences, travel expenses associated with disruption of campus operations due to COVID-19 also contributed to these savings.

Unbudgeted construction projects in FY 2019-20 represent renovations of Biology Labs, Biscayne Bay Campus classrooms, Caplin iStar Studio (CARTA), and minor construction projects in College of Business.

Operating revenues for FY 2020-21 are projected to increase by \$3.6M as compared to FY 2019-20 forecast, driven by growth in greater distance learning fee revenues tied to growth in online courses and programs, \$1.0M; increased revenues for all recharge center programs and the Center for Leadership, \$1.4M; study abroad programs cancelled in FY 2019-20 now expected to take place in FY 2020-21, \$0.8M; increase in material and supplies fee revenues due to additional courses, \$0.4M; enrollment growth in the Masters in Global Strategic Communications Online, the Master of Health Service Administration fully online partially offset with a decrease in the on-premise mode, and the new online Master of Science in Higher Education Administration. This increase is partially offset with lower revenues for FIU Global First Year, College of Engineering Online Prosthetics and Orthotics Engineering Track, and the Master of Science Online Programs in Computer Engineering and Management, and anticipated decrease of revenues in the College of Business.

The College of Business, the largest contributor to academic auxiliary revenue at 39%, anticipates a decrease of \$0.6M primarily due to a loss of tuition plus revenue and a decrease in the Master of International Business across all modalities. This is mainly offset by a growth in the Corporate Master of Business Administration and Healthcare Master of Business Administration, both online, partially offset by declining revenues from the on-premise Master of Business Administration across all programs; the Doctor of Business Administration which in its third year and is adding a new cohort; and the online versions of the Master of Accounting, Master of Finance, and the Master of Science in Logistics and Supply Chain Management that are partially offset by the decline in the face-to-face mode.

Operating expenses for FY 2020-21 are projected to increase by \$9.4M as compared to FY 2019-20 forecast.

Most of the expense increase is driven by the College of Business across several programs, \$6.3M or 66% versus forecast, attributable to the backfill of vacant positions and new hires, an increase in scholarship and advertising expenses to meet enrollment targets, and costs associated with the new Online Master of Accounting, and growth in existing Master of Finance and Master of Science in Logistics and Supply Chain Management programs.

Additionally, expenses are increasing in FIU Online services for Graduate Programs, Canvas hybrid support, and other variables cost tied to enrollment goals; in academic programs such as the Nicole Wertheim College of Nursing and Health Sciences Master of Health Services Administration, College of Medicine Physician Assistant Program and Certificate in Molecular and Biomedical Sciences, Master of Science in Hospitality Management Online Programs; expenses associated with the delivery of additional online courses and programs; and study abroad direct costs.

**Florida International University
Financial Summary
Auxiliary Enterprises - Housing**

<i>(In thousands of dollars)</i>	Final Budget 2019-20	Forecast 2019-20	Forecast vs. Final Budget	Requested Budget 2020-21	Requested Budget vs. Forecast	Preliminary Budget 2021-22
Operating Revenues	\$ 25,850	\$ 19,684	\$ (6,166)	\$ 25,874	\$ 6,190	\$ 26,511
Expenses						
Salaries and Benefits	4,631	4,557	(75)	4,846	289	4,894
Other Personal Services (OPS)	1,693	1,431	(262)	1,741	310	1,750
Other Expenses	7,008	5,366	(1,642)	6,330	964	7,108
Student Financial Aid	-	-	-	-	-	-
Operating Capital Outlay (OCO)	60	29	(31)	-	(29)	60
Debt Service Interest	3,138	3,130	(8)	2,949	(181)	2,790
Total Operating Expenses	\$ 16,531	\$ 14,513	\$ (2,018)	\$ 15,866	\$ 1,353	\$ 16,603
Net Operating Income	\$ 9,319	\$ 5,172	\$ (4,148)	\$ 10,008	\$ 4,836	\$ 9,908
Investment Revenues	591	433	(158)	158	(275)	158
Principal Payment of Debt	(4,275)	(4,275)	-	(4,470)	(195)	(4,635)
Operational Transfers	42	33	(10)	34	1	-
Construction Projects	(9,362)	(7,601)	1,761	(1,519)	6,082	(8,133)
Institutional Transfers	-	(1)	(1)	-	1	-
Change in Net Position	\$ (3,684)	\$ (6,240)	\$ (2,555)	\$ 4,211	\$ 10,450	\$ (2,702)
Net Position						
Beginning Net Position	26,616	25,843		19,604		23,814
Change in Net Position	(3,684)	(6,240)		4,211		(2,702)
Ending Net Position	\$ 22,932	\$ 19,604		\$ 23,814		\$ 21,112

The Housing Auxiliary generates revenues in the form of rental income from students seeking housing accommodations on campus and from summer conference housing.

Financial Highlights

Housing revenue in FY 2019-20 is forecasted to be \$6.2M less than plan due to the disruption of campus operations as a result of COVID-19. The lower revenues consist of reimbursements of housing fees due to dormitory closures in Spring 2020, \$2.7M, and the loss of approximately \$3.0M of revenues due to dormitory closures in Summer 2020.

Housing postponed or cancelled expenses on minor repair and renovation projects in response to the projected revenue loss, and anticipates additional cost savings from lower operating expenses due to decreased utility usage and reduced staffing needs. These actions are expected to offset projected revenue losses and result in \$2.0M savings versus FY 2019-20 budget.

Construction projects in FY 2019-20 are \$1.8M less than budget and driven by the timing of capital contributions to the future student housing facility, Parkview II, currently in the design phase. The new 677 bed dormitory is estimated to be completed and open for occupancy in Fall 2022. FIU expects Parkview II to cost approximately \$87.5M; it will be financed with the issuance of up to \$71.8M in additional dormitory revenue bonds and a cash contribution from the housing system up to \$23.0M.

Housing expects average occupancy in FY 2020-21 to be approximately 94.66% which is based on the assumption that it will be safe for students to return to campus but with provision for potential physical distancing requirements. Housing rates will remain flat as compared to FY 2019-20. As a result, FY 2020-21 operating revenues are \$6.2M higher than FY 2019-20 forecast and at the same level as originally budgeted for FY 2019-20.

FY 2020-21 operating expenses are \$1.4M higher than FY 2019-20 forecast as housing operations return to pre-COVID-19 conditions, with the exception of in-house projects which will be postponed until full recovery from the impact of COVID-19.

Construction projects in FY 2020-21, \$1.5M, represent the planned funding towards Parkview II; Housing will have contributed \$5.9M, of up to \$23.0M, by the end of FY 2020-21.

Housing continues to have enough operating revenues to cover the debt service payment and meet required debt service ratios. The net position is held in reserve as part of the bond indenture for major repairs and capital replacements.

Florida International University
Financial Summary
Auxiliary Enterprises - Student Health Services

	Final Budget	Forecast	Forecast vs.	Requested Budget	Requested Budget
<i>(In thousands of dollars)</i>	2019-20	2019-20	Final Budget	2020-21	vs. Forecast
Operating Revenues	\$ 13,251	\$ 13,240	\$ (12)	\$ 13,234	\$ (5)
Expenses					
Salaries and Benefits	9,509	8,863	(646)	9,993	1,131
Other Personal Services (OPS)	484	786	302	406	(379)
Other Expenses	3,431	3,171	(259)	2,786	(385)
Student Financial Aid	-	-	-	-	-
Operating Capital Outlay (OCO)	-	-	-	-	-
Debt Service Interest	-	-	-	-	-
Total Operating Expenses	\$ 13,424	\$ 12,820	\$ (604)	\$ 13,186	\$ 366
Net Operating Income	\$ (172)	\$ 420	\$ 592	\$ 48	\$ (371)
Investment Revenues	-	-	-	-	-
Principal Payment of Debt	-	-	-	-	-
Operational Transfers	-	-	-	-	-
Construction Projects	-	(61)	(61)	-	61
Institutional Transfers	-	-	-	-	-
Change in Net Position	\$ (172)	\$ 359	\$ 531	\$ 48	\$ (310)
Net Position					
Beginning Net Position	10,227	10,297		10,656	
Change in Net Position	(172)	359		48	
Ending Net Position	\$ 10,054	\$ 10,656		\$ 10,704	

The Student Health Services at the Modesto A. Maidique Campus (MMC) and Biscayne Bay Campus (BBC) provide health, wellness, and mental health care services to students, who fund the operations through a health fee paid each semester. Services provided at no additional cost include routine medical exams, certain screenings, medical education, and counseling and disability services. Other clinical services, such as laboratory tests, immunization and pharmacy services, are available for a nominal fee. In FY 2015-16, clinical operations of Student Health Services transitioned to the FIU Health Care Network as part of a management agreement with Student Affairs.

Financial Highlights

FY 2019-20 operating revenues are in line with budget.

Forecasted operating expenses for FY 2019-20 are lower by \$0.6M compared to budget due to vacant positions across both fee for service and clinical operations of Student Health, savings in other operating expenses related to building operations, delays in planned infrastructure and other projects, and lower than expected expenses across fee for service business lines offset by higher OPS services used to fulfill the duties of the vacant lines.

The student health fee remains unchanged in FY 2020-21 at \$93.69 per semester; revenues also remain level with prior years consistent with flat enrollment projections.

FY 2020-21 operating expenses are \$0.4M higher than FY 2019-20 forecast due to budgeting of currently vacant positions, addition of new positions, and personnel salary actions; partially offset by lower OPS, other operating expenses related to repairs and maintenance of infrastructure, planned expansion of the student health building, and other projects that are on hold until there is greater certainty as it relates to the economy and student enrollment as a result of COVID-19.

In the event of a revenue shortfall, the expense budget will be covered through a combination of the FY 2019-20 positive change in net position and reduction of non-essential expenses, such as travel and materials and supplies.

The net position is held as a reserve for major repairs, capital replacement, and for future expansion of the Student Health Services facility.

Florida International University
Financial Summary
Auxiliary Enterprises - Parking and Transportation

<i>(In thousands of dollars)</i>	Final Budget 2019-20	Forecast 2019-20	Forecast vs. Final Budget	Requested Budget 2020-21	Requested Budget vs. Forecast	Preliminary Budget 2021-22
Operating Revenues	\$ 15,472	\$ 13,146	\$ (2,326)	\$ 14,094	\$ 948	\$ 14,692
Expenses						
Salaries and Benefits	2,708	2,453	(255)	2,677	224	2,758
Other Personal Services (OPS)	786	780	(6)	852	72	877
Other Expenses	5,945	4,648	(1,298)	5,366	718	5,527
Student Financial Aid	-	-	-	-	-	-
Operating Capital Outlay (OCO)	250	401	151	80	(321)	100
Debt Service Interest	2,489	2,195	(294)	2,352	157	2,252
Total Operating Expenses	\$ 12,179	\$ 10,477	\$ (1,702)	\$ 11,327	\$ 850	\$ 11,513
Net Operating Income	\$ 3,293	\$ 2,669	\$ (624)	\$ 2,767	\$ 98	\$ 3,179
Investment Revenues	214	158	(56)	59	(98)	108
Principal Payment of Debt	(2,785)	(2,785)	-	(2,920)	(135)	(3,030)
Operational Transfers	167	40	(128)	38	(2)	-
Construction Projects	-	(46)	(46)	-	46	-
Institutional Transfers	-	-	-	-	-	-
Change in Net Position	\$ 889	\$ 35	\$ (854)	\$ (56)	\$ (91)	\$ 257
Net Position						
Beginning Net Position	9,593	8,346		8,382		8,326
Change in Net Position	889	35		(56)		257
Ending Net Position	\$ 10,482	\$ 8,382		\$ 8,326		\$ 8,583

The Parking and Transportation auxiliary operating revenues are primarily generated from parking access fees charged to students, faculty, staff, and visitors. There are currently 7 garages and 51 parking lots in operation totaling 17,573 parking spaces.

Financial Highlights

All parking fees for students, faculty, and staff, increased by 5% in FY 2019-20; revenues generated from the increase were used to make the Golden Panther Express shuttle between the Modesto A. Maidique and Biscayne Bay Campuses free to students, a request of the student body for many years. The unfavorable revenue variance in FY 2019-20 of \$2.3M is attributable to the waiver of \$50 of the student parking transportation and access fee for the Summer 2020 semester, \$1.6M, and less than planned citation collections due to the disruption of campus operations related to the COVID-19.

The Parking and Transportation department postponed or canceled minor repair and renovation projects and reduced staffing needs in response to the lower revenues, resulting in FY 2019-20 forecast expenses lower than budget by \$1.7M.

Parking fees remain unchanged for FY 2020-21. Operating revenues for FY 2020-21 are projected to increase by \$0.9M as compared to FY 2019-20 forecast, but decrease by \$1.3M as compared to FY 2019-20 budget. The absence of the parking fee waiver in the prior year is offset by conservative projections due to impacts from COVID-19. Parking and Transportation also expects decreases in the employee parking fee revenue, and lower revenue from meters, citations, and events due to decreased traffic on campus related to the expected implementation of restrictions to maintain physical distancing. Bad debt assumption increase from 1.5% to 3.0% for FY 2020-21 also contributes to the decrease in revenue.

Operating expenses for FY 2020-21 are \$0.9M higher than FY 2019-20 forecast but \$0.9M lower than FY 2019-20 budget. Staffing needs return to pre-COVID-19 levels but maintenance projects continue to be postponed in all parking garages and lots until there is full recovery from the impact of COVID-19.

Parking continues to have sufficient operating revenues to cover the debt service payment and meet required debt service ratios. The net position is held as a reserve as required by the terms in the bond indenture for major repairs and capital replacement, and for future expansion and maintenance of parking facilities.

**Florida International University
Financial Summary
Auxiliary Enterprises - Other Auxiliaries**

	Final Budget	Forecast	Forecast vs.	Requested Budget	Requested Budget
<i>(In thousands of dollars)</i>	2019-20	2019-20	Final Budget	2020-21	vs. Forecast
Operating Revenues	\$ 70,567	\$ 65,321	\$ (5,247)	\$ 65,338	\$ 17
Expenses					
Salaries and Benefits	23,638	22,814	(824)	24,472	1,658
Other Personal Services (OPS)	1,807	1,650	(157)	1,578	(72)
Other Expenses	38,380	37,347	(1,033)	35,716	(1,631)
Student Financial Aid	34	41	7	39	(2)
Operating Capital Outlay (OCO)	4,276	1,336	(2,940)	1,436	100
Debt Service Interest	-	-	-	-	-
Total Operating Expenses	\$ 68,136	\$ 63,188	\$ (4,948)	\$ 63,241	\$ 53
Net Operating Income	\$ 2,431	\$ 2,133	\$ (298)	\$ 2,097	\$ (36)
Investment Revenues	1,323	952	(371)	309	(643)
Principal Payment of Debt	-	-	-	-	-
Operational Transfers	(341)	1,777	2,119	(568)	(2,345)
Construction Projects	(10,317)	(2,053)	8,264	(3,319)	(1,266)
Institutional Transfers	(106)	60	166	14	(46)
Change in Net Position	\$ (7,010)	\$ 2,870	\$ 9,880	\$ (1,466)	\$ (4,337)
Net Position					
Beginning Net Position	76,804	75,210		78,080	
Change in Net Position	(7,010)	2,870		(1,466)	
Ending Net Position	\$ 69,794	\$ 78,080		\$ 76,614	

Other auxiliaries include activities which have the following revenue streams:

- Interdepartmental services such as publications, information technology and telecom, construction service reimbursement charges (CSR), and the auxiliary shared services fee. The shared services fee funds the pro-rata share of university-wide services indirectly benefitting auxiliary businesses such as legal, finance, human resources, police, and compliance along with funding special projects and investments.
- Commission and rental earnings from food service, bookstore and retail operations managed by the Office of Business Services.
- Other auxiliary enterprises support marketing and sponsorship activities, such as the operations of the PantherTECH computer store, South Beach Wine and Food Festival, and miscellaneous university-wide initiatives.

Financial Highlights

The FY 2019-20 forecasted unfavorable revenue variance of \$5.2M is primarily driven by lower sales at the PantherTECH computer store, (\$2.5M); lower auxiliary funded construction expenditures resulting in lower construction services reimbursement fee revenue, (\$1.5M); less than anticipated shared services fee revenue commensurate with lower expenditures across various auxiliary enterprises, (\$0.9M); lower than expected requests for network drop services and other technology services, (\$0.7M); lower revenues from retail services due to the disruption of campus operations as a result of COVID-19, (\$0.6M); and lower revenues across various other auxiliaries, (\$0.5M). The unfavorable variance is partially offset by an increase in surplus sales and rebates from Office Depot, \$0.9M; and greater sponsorship and ticket sales from the South Beach Wine and Food Festival, \$0.8M.

FY 2019-20 operating expenses are lower than budget by \$4.9M, mainly attributable to savings in personnel costs \$1.0M, savings in operating expenses \$1.0M, and lower than planned operating capital outlay \$2.9M.

Savings in personnel are due to vacancies and delays in hiring employees for the South Beach Wine and Food Festival, business and finance services, athletics, university police, and the Children's Creative Learning Center; partially offset by higher personnel costs in the Division of Information Technology and the capital campaign.

Florida International University
Financial Summary
Auxiliary Enterprises - Other Auxiliaries

Lower purchases for resale due to a decrease in sales in the computer store, and savings in the Centralized Reservation System were offset with higher than planned operational expenses due to the unexpected payment for the settlement with Florida National University, added venues at the South Beach Wine and Food Festival in addition to higher expenses due to the inclement weather; and unbudgeted expenses for the capital campaign.

Savings in operating capital outlay expenses are driven by the Division of Information Technology projects postponed due to COVID-19, \$3.2M, partially offset by higher than planned expenses for equipment for university police, \$0.3M.

Planned construction projects for FY 2019-20 relate mainly to continued renovations at the Campus Support Complex building, projects at the Biscayne Bay Wolfe University Center, renovations by Business Services across several food and retail locations, Greek House 2 (GH2) capital improvements, and continued support for the three-year emergency infrastructure hardening project including the expansion of space within Parking Garage V "Market Station" (PG-5) to provide additional hardened space for university police and emergency management operations. Transfers are less than planned due to delays in the three-year emergency infrastructure hardening project and Business Services projects; partially offset by unbudgeted projects such as the Greek House I remediation project, digital billboards at Modesto A. Maidique Campus and Biscayne Bay Campus, and higher than expected construction expenses at the Campus Support Complex building.

Projected revenues in FY 2020-21 are flat versus FY 2019-20 forecast and are not anticipated to recover to pre-COVID 19 levels of the FY 2019-20 budget. Sales at the PantherTECH store have levelled off at approximately \$11.5M; revenues from on-campus retail services are conservatively estimated due to the expected impact of restrictions to maintain physical distancing and reduced on-campus population; and less auxiliary funded construction projects resulting in lower construction services reimbursement fee revenues.

FY 2020-21 expenses are flat compared to FY 2019-20 forecast. Higher personnel expenses due to the inclusion of currently vacant positions in the South Beach Wine and Food Festival, (\$0.6M); university police, (\$0.5M); business and finance services, (\$0.3M); athletics overhead, (\$0.3M); and other vacant positions supported by the shared services fee, (\$0.9M); are offset by lower expenses due to the absence of one-time support for the capital campaign, \$2.1M, and other auxiliaries budgeting conservatively due to the uncertainty of the impact of COVID-19, \$0.5M.

In the event of a revenue shortfall, the expense budget will be adjusted by not filling vacant positions and reducing non-essential expenses such as travel and materials and supplies.

Construction projects in FY 2020-21 are related to renovations across several dining locations and Graham Center capital improvements.

**Florida International University
Financial Summary
Intercollegiate Athletics**

<i>(In thousands of dollars)</i>	Final Budget 2019-20	Forecast 2019-20	Forecast vs. Final Budget	Requested Budget 2020-21	Requested Budget vs. Forecast
Operating Revenues	\$ 28,501	\$ 28,974	\$ 472	\$ 29,370	\$ 397
<u>Expenses</u>					
Salaries and Benefits	11,404	10,777	(628)	10,565	(211)
Other Personal Services (OPS)	1,144	1,514	370	1,838	324
Other Expenses	9,668	9,931	263	8,826	(1,105)
Student Financial Aid	5,456	5,744	289	5,785	41
Operating Capital Outlay (OCO)	18	111	92	42	(68)
Debt Service Interest	152	-	(152)	-	-
Total Operating Expenses	\$ 27,843	\$ 28,077	\$ 234	\$ 27,057	\$ (1,020)
Net Operating Income	\$ 658	\$ 897	\$ 238	\$ 2,314	\$ 1,417
Investment Revenues	-	-	-	-	-
Principal Payment of Debt	-	-	-	-	-
Operational Transfers	-	-	-	-	-
Construction Projects	-	(172)	(172)	-	172
Institutional Transfers	(178)	(1,078)	(900)	(2,314)	(1,235)
Change in Net Position	\$ 480	\$ (353)	\$ (834)	\$ 0	\$ 353
<u>Net Position</u>					
Beginning Net Position	(12,502)	(12,393)		(12,746)	
BOT Approved Long Term Loan Balance	10,424	10,358		10,358	
BOT Approved Short Term Loan Balance	2,041	2,388		2,388	
Change in Net Position	480	(353)		0	
Ending Net Position	\$ 443	\$ (0)		\$ 0	

Intercollegiate Athletics is the functional area of the University responsible for team sports and their support activities. The principle revenue sources for this fund are a per credit hour and a per semester athletics fee charged to students; effective Summer 2019, students admitted to fully online programs are charged the athletics fee. The Athletics Stadium operations and its associated bonds are reflected in the FIU Athletics Finance Corp., a Direct Support Organization (DSO).

Financial Highlights

FY 2019-20 revenues are \$0.5M greater than budget primarily due to higher than anticipated game guarantee revenues, additional athletics fee revenues from higher enrollment, unbudgeted reimbursements from FEMA and bonus insurance, and higher scholarship endowments. These are partially offset by lower NCAA and conference revenues, the result of COVID-19, and lower season ticket sales from the University of Miami game.

FY 2019-20 expenses are \$0.2M greater than budget mainly due to a higher than budgeted contractual bonuses, increased temporary employee costs in support of athletics operations, higher scholarship expense which are in line with FY 2018-19, delayed reimbursement for Van Wagner ticket expenses, unbudgeted bonus insurance, additional student athlete insurance costs, and higher subscriptions and memberships costs. These are partially offset by savings from vacant positions and less travel expenses due to the impact of COVID-19. The debt service interest for FY 2019-20 will be deferred with Board of Trustees approval.

Institutional transfers in FY 2019-20 consist primarily of unbudgeted payments to the FIU Athletics Finance Corp. applied towards the stadium debt service payments, capital expenditure for the football locker room, and funding of the FIU marching band.

Florida International University
Financial Summary
Intercollegiate Athletics

In FY 2020-21, revenues are projected to increase by \$0.4M compared to FY 2019-20 forecast, mainly driven by the inclusion of Athletics fees revenue supporting Athletics Finance Corp., NCAA and Conference revenues projected to be consistent with the FY 2019-20 budget and estimated conference support for a possible bowl game. These are partially offset by a conservative projection of season ticket sales and game guarantees due to the uncertainty of the impact of COVID-19 on football games, and lower funding support from the FIU Athletics Finance Corp. surplus.

FY 2020-21 expenses will decrease by \$1.0M versus FY 2019-20 forecast due to conservative projections of game related expenses and guarantees, savings from deferred payroll and furloughed positions, and less equipment and supplies purchases. These are offset by higher team travel due to increased away games compared to FY 2019-20 and recruiting travel expenses (FY 2019-20 recruiting travel impacted by COVID-19), and additional temporary employee costs in support of athletics operations.

Institutional transfers in FY 2020-21 consist primarily of funding for the FIU marching band and university support to the FIU Athletics Finance Corp. . These are higher than FY2019-20 forecast due to the 5% Athletics fees support towards stadium debt service payments.

Athletics is requesting approval for the deferral of short and long-term debt service approved by the Board of Trustees in prior years due to the impact of COVID-19 on various revenue streams for the FY 2019-20 and FY 2020-21. Additionally, Athletics is requesting approval for an increase in the five-year bridge loan, effective June 30, 2019, by no more than \$0.5M, to cover FY 2019-20 deficit change in net positions as a result of COVID-19; this would bring the estimated total short-term loan balance to \$2.4M. The increased principal to the five-year bridge loan from unrestricted Treasury balances will be repaid with incremental athletics revenue beginning in FY 2021-22.

**Florida International University
Financial Summary
Activity and Service**

	Final Budget	Forecast	Forecast vs.	Requested Budget	Forecast vs.
<i>(In thousands of dollars)</i>	2019-20	2019-20	Final Budget	2020-21	Requested Budget
Operating Revenues	\$ 20,429	\$ 20,401	\$ (28)	\$ 20,002	\$ (399)
Expenses					
Salaries and Benefits	8,779	7,238	(1,541)	9,366	2,128
Other Personal Services (OPS)	3,655	3,392	(262)	3,353	(39)
Other Expenses	8,248	6,818	(1,429)	7,404	585
Student Financial Aid	26	27	1	8	(19)
Operating Capital Outlay (OCO)	-	-	-	-	-
Total Operating Expenses	\$ 20,707	\$ 17,476	\$ (3,231)	\$ 20,130	\$ 2,655
Net Operating Income	\$ (278)	\$ 2,925	\$ 3,203	\$ (128)	\$ (3,054)
Investment Revenues	-	-	-	-	-
Construction Projects	(244)	(106)	138	-	106
Institutional Transfers	166	129	(37)	165	35
Change in Net Position	\$ (355)	\$ 2,949	\$ 3,305	\$ 37	\$ (2,913)
Net Position					
Beginning Net Position	7,839	8,323		11,272	
Change in Net Position	(355)	2,949		37	
Ending Net Position	\$ 7,483	\$ 11,272		\$ 11,308	

The Activity and Service Fee fund is the student life component of the University which supports clubs, organizations, student centers and recreational sports for all campuses. The purpose of this activity is to provide students with the opportunity to enhance learning through co-curricular activities. The principle revenue source for this fund is a per credit hour activity and service fee charged to all students.

Financial Highlights

Forecast revenues in FY 2019-20 are slightly below plan as lower participation from student orientation and family programs resulting from the disruption of campus operations due to COVID-19, (\$0.4M), is offset by higher than anticipated activity and service fees due to higher student credit hour enrollment, \$0.3M, and higher revenues from rebates, student related fundraisers, and event ticket sales, \$0.1M.

FY 2019-20 forecasted expenses are \$3.2M lower than budget due to vacant positions and salary adjustments, \$1.5M, mainly in the recreation centers and Campus Life; lower other expenses mainly from student clubs and organizations, and student centers and buildings, \$1.0M; and savings in the last quarter due to limited spending on essential items such as utilities and basic services as a result of COVID-19, \$0.7M.

The activity and service fee remains unchanged in FY 2020-21 at \$14.45 per credit hour. The \$0.4M reduction in revenues vs. FY 2019-20 forecast is mainly due to slightly lower credit hour projections, (\$0.2M), and anticipated impact of less on-campus events such as student orientation and family programs and campus life events, (\$0.2M).

Expenses in FY 2020-21 are \$2.7M higher than FY 2019-20 forecast due to the inclusion of currently vacant positions, mainly in the student and recreation centers and Campus Life. Other expenses are \$0.6M higher than forecast in anticipation of full student programming as approved by the Student Government Association, offset by lower expenses commensurate with lower revenues from less on-campus events such as student orientation and family programs and campus life events.

In the event of a revenue shortfall, the expense budget will be covered through a combination of the FY 2019-20 positive change in net position and reductions in filling only essential vacant positions.

There are no planned construction projects in FY 2020-21.

The net position is held as a reserve to cover repairs and building maintenance at the Wolfe University Center, Graham Center and both Modesto A. Maidique Campus and Biscayne Bay Campus Wellness and Recreation Centers.

**Florida International University
Financial Summary
Technology Fee**

<i>(In thousands of dollars)</i>	Final Budget 2019-20	Forecast 2019-20	Forecast vs. Final Budget	Requested Budget 2020-21	Requested Budget vs. Forecast
Operating Revenues	\$ 10,762	\$ 11,042	\$ 280	\$ 10,856	\$ (186)
Expenses					
Salaries and Benefits	824	759	(65)	775	16
Other Personal Services (OPS)	673	443	(229)	457	14
Other Expenses	8,786	7,841	(944)	9,293	1,452
Student Financial Aid	-	-	-	-	-
Operating Capital Outlay (OCO)	917	630	(287)	593	(37)
Total Operating Expenses	\$ 11,200	\$ 9,674	\$ (1,526)	\$ 11,119	\$ 1,445
Net Operating Income	\$ (438)	\$ 1,368	\$ 1,806	\$ (263)	\$ (1,631)
Investment Revenues	-	-	-	-	-
Construction Projects	(110)	(187)	(77)	(230)	(42)
Institutional Transfers	-	12	12	-	(12)
Change in Net Position	\$ (548)	\$ 1,192	\$ 1,741	\$ (493)	\$ (1,685)
Net Position					
Beginning Net Position	3,316	4,210		5,403	
Change in Net Position	(548)	1,192		(493)	
Ending Net Position	\$ 2,769	\$ 5,403		\$ 4,910	

Technology fee revenues are 5% of resident base tuition. The fee revenues are used to enhance instructional technology resources for students and faculty. Project proposals are reviewed by the Technology Fee Committee which makes investment recommendations to the Provost for final approval. The Committee is composed of 12 members (6 students & 6 Faculty and Staff) from across the University.

Financial Highlights

Current projects include enhancements to the University Library's Learning Hub, ASK (help) Center, and Envision Laboratory; College of Arts, Science and Education media technology for instructional Chemistry laboratories, classrooms media upgrades, establishing an upper level instrumentation laboratory for Chemistry and Biochemistry; and updates to the computers in the College of Business Capital Markets Lab.

FY 2019-20 forecast revenues are above budget due to higher than anticipated student credit hour enrollment.

Operating expenditures for FY 2019-20 are \$1.5M lower than budgeted as a result of projects starting later than anticipated.

FY 2019-20 construction project expenditures reflect the cost of technology infrastructure buildout mostly associated with the Library Envision Lab and the Learning Hub.

The Technology Fee remains unchanged at 5% of resident base tuition per credit hour in FY 2020-21, however, revenues are down \$0.2M as compared to FY 2019-20 forecast due to slightly lower anticipated student credit hour enrollment.

Operating expenses in FY 2020-21 are \$1.4M greater than FY 2019-20 forecast due to more projects underway in FY 2020-21 such as the Learning Hub, Ask Center, Envision Lab, and the Law Library refresh in support of Library operations; classroom and chemistry lab upgrades for the College of Arts, Science and Education; and enhancements to the Capital Markets Computer Lab supporting the College of Business.

In the event of a revenue shortfall, commitments will be covered by delays in technology projects.

**Florida International University
Financial Summary
Board Approved Fees**

<i>(In thousands of dollars)</i>	Final Budget 2019-20	Forecast 2019-20	Forecast vs. Final Budget	Requested Budget 2020-21	Requested Budget vs. Forecast
Operating Revenues	\$ 420	\$ 421	\$ 1	\$ 420	\$ (1)
<u>Expenses</u>					
Salaries and Benefits	-	-	-	-	-
Other Personal Services (OPS)	-	-	-	-	-
Other Expenses	414	421	(6)	419	2
Student Financial Aid	-	-	-	-	-
Operating Capital Outlay (OCO)	-	-	-	-	-
Total Operating Expenses	\$ 414	\$ 421	\$ (6)	\$ 419	\$ 2
Net Operating Income	\$ 6	\$ (0)	\$ 7	\$ 1	\$ 1
Investment Revenues	-	-	-	-	-
Construction Projects	-	-	-	-	-
Institutional Transfers	-	-	-	-	-
Change in Net Position	\$ 6	\$ (0)	\$ 7	\$ 1	\$ 1
<u>Net Position</u>					
Beginning Net Position	30	1		1	
Change in Net Position	6	(0)		1	
Ending Net Position	\$ 36	\$ 1		\$ 2	

Board Approved Fees are fees specific to the University and have been approved by the Board of Governors. This fee currently consists of the Florida Bar Test Preparation Fee.

Only those students in certain programs where licensing to practice requires successful completion of an examination and where FIU provides this preparation through a third party vendor are charged the fee. Only students in the College of Law are required to pay the fee.

The purpose of the test preparation fee is to increase accessibility to test preparation courses in programs where students are expected to obtain specific preparation for a practice-based examination. By making the test preparation a required activity in the final semester of the program, the fee will be part of the cost of attendance and thus eligible for financial aid.

Financial Highlights

The College of Law assesses law students the Florida Bar test preparation fee when they reach the minimum eligibility threshold of sixty credit hours (i.e. 3L status).

FY 2019-20 revenues are forecast to be on plan. FY 2019-20 expenses (pass-through payments to third-party vendors only incurred when students register for bar prep courses after graduation) are slightly higher than budget due to payments relating to the prior fiscal year.

Revenue and expenses for FY 2020-21 are in line with FY 2019-20 forecast.

**Florida International University
Financial Summary
Contracts & Grants**

<i>(In thousands of dollars)</i>	Final Budget 2019-20	Forecast 2019-20	Forecast vs. Final Budget	Requested Budget 2020-21	Requested Budget vs. Forecast
Operating Revenues	\$ 150,769	\$ 188,170	\$ 37,400	\$ 202,185	\$ 14,016
Expenses					
Salaries and Benefits	69,459	81,256	11,797	78,173	(3,083)
Other Personal Services (OPS)	19,987	22,715	2,728	22,479	(236)
Other Expenses	46,115	74,396	28,281	88,178	13,782
Student Financial Aid	-	-	-	-	-
Operating Capital Outlay (OCO)	3,478	2,839	(639)	2,207	(632)
Debt Service Interest	-	-	-	-	-
Total Operating Expenses	\$ 139,039	\$ 181,206	\$ 42,167	\$ 191,037	\$ 9,831
Net Operating Income	\$ 11,730	\$ 6,963	\$ (4,767)	\$ 11,148	\$ 4,184
Investment Revenues	-	406	406	226	(180)
Principal Payment of Debt	(490)	(365)	125	(368)	(3)
Construction Projects	-	1,154	1,154	-	(1,154)
Third Party Transfers	-	-	-	-	-
Institutional Transfers	204	(3,277)	(3,481)	(216)	3,061
Change in Net Position	\$ 11,445	\$ 4,882	\$ (6,563)	\$ 10,791	\$ 5,909
Net Position					
Beginning Net Position	24,819	21,789		26,671	
Change in Net Position	11,445	4,882		10,791	
Ending Net Position	\$ 36,264	\$ 26,671		\$ 37,462	

Contracts and grants include sponsored research, public service and training activities, incidental non-research initiatives, and direct support organization (DSO) reimbursements.

Sponsored research revenues are derived from federal, state, local and private sources in support of the sponsored programs of the University. The use of these funds is restricted to the specific purpose for which they are awarded. Sponsored research awards are comprised of direct costs and facilities and administrative (F&A) costs. Direct costs are those costs directly related to research projects such as the salaries and benefits of researchers and supplies, while F&A costs represent the University's overhead costs, which are not directly allocable to a specific project such as administrative functions, utilities, etc.

Expenditure levels of the Office of Research and Economic Development (ORED) administration are driven by the University's direct research expenditures and the associated F&A cost recovery. F&A cost recovery derived from sponsored research projects supports the administrative costs of sponsored research and provides funding to deans, department chairs, and faculty in support of research.

Incidental non-research activities receive revenue from external sources in exchange for goods or services.

DSO Reimbursements are revenues received from the University's 501c3 Direct Support Organizations and the FIU Health Care Network, which exist solely to support the University's mission.

Financial Highlights

The federally negotiated F&A cost reimbursement rate for on-campus research is 47.5%.

The FY 2019-20 forecasted actual recovery rate is 18.14% (excluding Coronavirus Aid, Relief, and Economic Security Act (CARES Act) grants) since state and other private sponsors often reimburse for FIU overhead at a lower rate than the federally negotiated rate. The projected FY 2020-21 effective F&A return on sponsored projects is \$25.1M, which is equivalent to a blended rate of 18.09% (excluding CARES Act grants).

Florida International University
Financial Summary
Contracts & Grants

FY 2019-20 favorable forecast revenue variance of \$37.4M against FY 2019-20 plan is primarily driven by greater sponsored research revenue \$35.6M, Incidental Contractual revenue of \$1.4M, and DSO reimbursements \$0.4M. The higher sponsored research revenues are due to greater federal, state and private sponsored projects than planned across several colleges/schools, and CARES Act institutional support. Greater DSO reimbursements are driven by additional support for capital campaign expenses. Greater Incidental Contractual revenue is driven by additional Faculty Practice and international program revenue driven by the Healthcare Network (HCN) and the Herbert Wertheim College of Medicine.

FY 2019-20 expenditures are \$42.2M greater than budget due to greater spending across federal, state, and private sponsored research projects commensurate with greater sponsored research revenues \$41.5M, including an estimated \$8.0M associated with the CARES Act. DSO reimbursement spending is \$1.4M greater than budget and similarly consistent with additional support for the capital campaign. Incidental activity expenses are also above budget by \$0.3M driven by Herbert Wertheim College of Medicine programs such as the Department of Health Behavioral Health, Center for Internet Augmented Research & Assessment (CIARA), and College of Business endowed chair support, partially offset by savings realized by the Faculty Practice.

FY 2019-20 institutional transfers are forecast to have net transfers out of \$3.5M greater than budget due to additional transfers to support recharge centers such as the Aquarius Reef Base, closed due to storm damage.

FY 2020-21 revenue is expected to be \$14.0M greater than the FY 2019-20 forecast. This increase is mainly driven by greater sponsored research revenue of \$12.8M and DSO reimbursements \$3.0M, offset in part by less incidental activity revenue of \$1.7M. The greater sponsored research revenue compared to forecast is due to higher revenues in federal, state, and private sponsored projects commensurate with the growth of sponsored research across several colleges/schools, the FIU at Torrey Pines research center and CARES Act institutional support. Revenues from DSO reimbursements are greater than forecast mainly due to greater support for the capital campaign and the NeighborhoodHELP program. Lower incidental activity revenue is due to less than forecasted clinical and international program revenue compared to forecast generated by the Healthcare Network and the Herbert Wertheim College of Medicine.

FY 2020-21 expenditures are \$9.8M higher than FY 2019-20 forecast. This increase is mainly driven by greater spending in the following areas: sponsored research \$7.1M, DSO reimbursements \$2.1M, and incidental activity \$0.6M. The increase in sponsored research expenses is mainly due to CARES Act institutional support rolling over into the new fiscal year, \$6.0M, bringing total expenditures for the fiscal year to \$14M, and the planned expansion of the FIU at Torrey Pines research center. The greater DSO reimbursement expense is mainly driven by capital campaign expenses and the NeighborhoodHELP program. Greater than forecasted spending at the Center for Internet Augmented Research & Assessment (CIARA) is the main driver for incidental activity.

ORED will apply 33.0% of F&A collected to directly support research at the university, which includes areas outside of ORED that directly support research activity such as the Controller's office, Environmental Health and Safety (EH&S), Internal Audit, FIU at Torrey Pines research center, Applied Research Center (ARC), and returning F&A to Colleges, Centers, and Principal Investigators (PI's). The remaining 67% of the \$25.1M in F&A projected to be generated in FY 2020-21 will support ORED internal operations including the Innovation and Economic Development Unit.

**Florida International University
Financial Summary
Student Financial Aid**

<i>(In thousands of dollars)</i>	Final Budget 2019-20	Forecast 2019-20	Forecast vs. Final Budget	Requested Budget 2020-21	Requested Budget vs. Forecast
Operating Revenues	\$ 220,146	\$ 252,347	\$ 32,201	\$ 235,977	\$ (16,370)
Expenses					
Salaries and Benefits	2,570	2,311	(260)	2,429	119
Other Personal Services (OPS)	2,983	3,181	197	2,980	(201)
Other Expenses	265	280	15	283	3
Student Financial Aid	215,394	252,101	36,707	233,481	(18,620)
Operating Capital Outlay (OCO)	-	-	-	-	-
Total Operating Expenses	\$ 221,213	\$ 257,872	\$ 36,659	\$ 239,173	\$ (18,699)
Net Operating Income	\$ (1,067)	\$ (5,525)	\$ (4,458)	\$ (3,196)	\$ 2,329
Investment Revenues	256	218	(38)	60	(158)
Institutional Transfers	-	-	-	2,650	2,650
Change in Net Position	\$ (811)	\$ (5,307)	\$ (4,496)	\$ (486)	\$ 4,821
Net Position					
Beginning Net Position	4,718	9,794		4,487	
Change in Net Position	(811)	(5,307)		(486)	
Ending Net Position	\$ 3,907	\$ 4,487		\$ 4,001	

Student Financial Aid is the area of the University responsible for administering Financial Aid to students. It is comprised of funding from student financial aid fees (5% of base tuition and out-of-state fee), support from federal and state financial aid awards, institutional programs, as well as numerous donor-related and private scholarships.

Financial Highlights

In April 2020, FIU received a federal grant of \$19.2M from the CARES Act: Higher Education Emergency Relief Funds (HEERF) for emergency financial aid grants directly to students. These funds are expected to be fully disbursed in FY 2019-20. The discussion below excludes the impact of the \$19.2M additional revenues and expenses in FY 2019-20.

The additional increase in FY 2019-20 revenues over plan of \$13.5M is primarily due to higher institutional aid in support of undergraduate merit scholarships, \$4.1M; higher than anticipated Bright Futures disbursements, \$3.9M, as more students qualify for Academic Scholars awards which cover 100% of tuition and fees; greater Pell awards of \$3.1M, as more students qualify for need-based grants; higher Florida Student Assistance Grant (FSAG) awards, \$1.1M; more donor-related scholarships, \$0.6M; and other aid, \$0.3M. The \$17.5M increase in FY 2019-20 forecast expenses against budget is driven by the same factors as revenues.

FY 2020-21 student financial aid revenues of \$236.0M are comprised of the following sources of aid: Pell Grants, \$112.3M; institutional aid, \$49.4M; Bright Futures, \$34.3M; Florida Student Assistance Grant (FSAG), \$24.0M; donor-related scholarships, \$8.6M; federal work study, \$3.4M; and other aid, \$4.0M. Revenue projections for FY 2020-21 are \$2.8M more than FY 2019-20 forecast mainly due to an increase in non-need based institutional financial aid of \$2.5M; greater Pell Grant revenues of \$2.6M; and higher donor-related scholarships, \$0.4M. These are offset by lower institutional aid from tuition differential revenue due to lower student credit hour projections, (\$0.4M); lower FSAG awards, (\$0.4M); lower federal work study, (\$0.3M); and Treasury support for institutional aid now reflected under institutional transfers, (\$1.6M). Bright Futures Scholarship revenues remain flat versus FY 2019-20 forecast as the legislature maintained coverage at previous levels; year-round funding (Fall, Spring, and Summer) with Academic Scholars receiving 100% of tuition and fees plus an additional \$300 in Fall and Spring for book allowances and Medallion Scholars receiving 75% of tuition and fees.

FY 2020-21 expenses are slightly above FY 2019-20 forecast by \$0.5M. This is mainly due to higher institutional aid, largely undergraduate merit scholarships, \$2.1M; higher Pell awards due to more eligible students and a \$150 increase in the maximum award to \$6,345, \$1.6M; higher donor-related scholarships, \$0.7M; offset by less Bright Futures awards, (\$2.8M), due to less eligible students; and less FSAG, (\$1.1M), which reflects the absence of an additional allocation received in Spring 2020.

Florida International University
Financial Summary
Student Financial Aid

Institutional transfers of \$2.6M represent institutional aid support from Treasury formerly presented under revenues, \$1.6M, and an increase in Treasury support for the undergraduate merit scholarship program of \$1.0M.

Other Personal Services (OPS) expenses include federal work study. In order to assist departments with reducing expenditures and fully utilizing the federal allocation, the departmental match percentage remains unchanged in FY 2020-21 at 15% of the award.

Student Financial Aid includes institutional aid revenues which are derived from financial aid fees to students (net of administrative costs), 30% allocation of tuition differential fees collected by Florida statute, state appropriations, university strategic allocations, Education & General tuition allocations, and institutional transfers from Treasury. Institutional aid revenues and transfers of \$52.1M for FY 2020-21 reflect a projected increase of \$7.1M over the FY 2019-20 budget; this is mainly due to an increase in undergraduate merit-based aid for programs such as Gold and Blue Achievement Scholarships.

The projected negative Change in Net Position in FY 2020-21 of \$0.5M is mainly due to the spend down of need-based institutional financial aid balances generated by tuition differential and financial aid fees.

**Florida International University
Financial Summary
Concessions**

<i>(In thousands of dollars)</i>	Final Budget 2019-20	Forecast 2019-20	Forecast vs. Final Budget	Requested Budget 2020-21	Requested Budget vs. Forecast
Operating Revenues	\$ 866	\$ 853	\$ (13)	\$ 710	\$ (144)
<u>Expenses</u>					
Salaries and Benefits	-	-	-	-	-
Other Personal Services (OPS)	-	-	-	-	-
Other Expenses	866	919	52	791	(127)
Student Financial Aid	-	-	-	-	-
Operating Capital Outlay (OCO)	-	-	-	-	-
Total Operating Expenses	\$ 866	\$ 919	\$ 52	\$ 791	\$ (127)
Net Operating Income	\$ -	\$ (65)	\$ (65)	\$ (82)	\$ (16)
Investment Revenues	-	-	-	-	-
Institutional Transfers	-	-	-	-	-
Change in Net Position	\$ -	\$ (65)	\$ (65)	\$ (82)	\$ (16)
<u>Net Position</u>					
Beginning Net Position	1,574	1,598		1,533	
Change in Net Position	-	(65)		(82)	
Ending Net Position	\$ 1,574	\$ 1,533		\$ 1,451	

The Concessions fund contains all the commission based revenues from beverage and pouring, snack vending as well as student housing laundry machines. The beverage pouring and vending contract with Pepsi and Right Choice provides an annual amount for sponsorship in addition to commissions on product sales. Pepsi provides an annual sponsorship for exclusive pouring rights over the life of the contract. The commission and sponsorship revenues are used to support the purchase of food and refreshment items at university-wide events, faculty and staff recruitment, commencements, training, lecture series, board of trustees, student housing socials and convocation events.

Financial Highlights

The decrease of \$13K in forecast revenues for FY 2019-20 represents a decline in beverage and snack sales against projections due to the disruption of campus operations as a result of COVID-19 beginning in March 2020, (\$97K); offset by prior period laundry vending commissions owed by the service provider, \$75K; and higher laundry commissions and other prior year adjustments, \$9K.

The unfavorable forecast expense variance for FY 2019-20 against budget of \$52K is mainly due to unbudgeted expenditures to reinforce the stadium scoreboard support columns and the Art In State Buildings Program, (\$302K); offset by lower spending on various university-wide events due to the move to remote learning and work as a result of COVID-19, \$250K.

The reduction in revenue for FY 2020-21 versus FY 2019-20 forecast of \$144K reflects the absence of one-time prior year adjustments, (\$81K) and conservative projections of the demand for vending products due to the change to remote learning and physical distancing requirements as a result of COVID-19, (\$63K). The Concessions fund will continue to receive \$325K of Pepsi and \$3K of Right Choice vending sponsorship revenue in FY 2020-21.

FY 2020-21 expenses are expected to increase versus FY 2019-20 forecast by \$127K as some of the prior year savings on university events are allocated in support of a full year of university events, \$98K, and expansion of programming for the residence halls in Housing, \$29K. The total Concessions budget for FY 2020-21 is \$75K lower than the budget for FY 2019-20 in recognition of potential lower revenue streams.

**Florida International University
Financial Summary
FIU Athletics Finance Corp.**

<i>(In thousands of dollars)</i>	Final Budget 2019-20	Forecast 2019-20	Forecast vs. Final Budget	Requested Budget 2020-21	Requested Budget vs. Forecast
Total Revenues	\$ 4,179	\$ 4,292	\$ 113	\$ 4,878	\$ 586
Expenses					
Salaries and Benefits	-	-	-	-	-
Other Personal Services (OPS)	-	-	-	-	-
Other Expenses	689	953	264	1,451	498
Student Financial Aid	-	-	-	-	-
Operating Capital Outlay (OCO)	-	-	-	-	-
Net Unrealized Investment Loss					
Debt Service Interest	1,355	1,225	(131)	1,237	12
Total Operating Expenses	\$ 2,044	\$ 2,178	\$ 133	\$ 2,688	\$ 510
Net Operating Income	\$ 2,134	\$ 2,113	\$ (20)	\$ 2,190	\$ 76
Investment Revenues	-	41	41	-	(41)
Principal Payment of Debt	(1,445)	(1,445)	-	(1,505)	(60)
Operational Transfers	-	(500)	(500)	-	500
Change in Net Position	\$ 689	\$ 209	\$ (479)	\$ 685	\$ 476
Net Position					
Beginning Net Position	8,257	9,595		9,804	
Change in Net Position	689	209		685	
Total Net Position	\$ 8,946	\$ 9,804		\$ 10,489	

The FIU Athletics Finance Corp. (AFC) serves as the entity to finance and operate the FIU Football Stadium. Primary sources of revenues are transferred into the AFC from the University's Athletics Department and include beverage vending and pouring contract support, naming rights, premium suite and ticket revenues and a percentage of athletic student fees (per statute 1010.62). These revenue streams are pledged for the annual debt service associated with the stadium's construction costs.

Financial Highlights

FY 2019-20 revenue is forecasted to be \$0.1M greater than budget mainly driven by higher than anticipated football conference distributions, additional sponsorship from Pepsi, and unbudgeted revenue from Miami FC games. These are offset by lower support from FIU Foundation Inc. due to the additional football conference distributions and lower than anticipated season ticket sales.

FY 2019-20 operating expenses are higher than budget by \$0.1M mainly due to unbudgeted improvements to the stadium and Miami FC game-related expenses, offset by lower debt service interest.

FY 2019-20 operational transfers-out of \$0.5M represent an unbudgeted transfer of prior year surplus funds to the University in support of athletics operations.

Florida International University
Financial Summary
FIU Athletics Finance Corp.

FY 2020-21 revenues are projected to be \$0.6M greater than current year forecast driven by higher game guarantee revenues, additional revenue from the rental of the stadium to Miami FC, and higher support from the athletic fee. Season ticket sales and suite revenue are conservatively projected to be 25% of FY 2019-20 revenue due to the uncertainty of the impact from COVID-19.

FY 2020-21 expenses are higher than forecast by \$0.5M mainly due to additional Miami FC game-related expenses offset by lower operating expenses due to the potential impact to football games from COVID-19.

Florida International University
Financial Summary
FIU Foundation Inc.

<i>(In thousands of dollars)</i>	Final Budget 2019-20	Forecast 2019-20	Forecast vs. Final Budget	Requested Budget 2020-21	Requested Budget vs. Forecast
REVENUES:					
<u>Contributions for University Support:</u>					
Endowments	\$ 11,566	\$ 6,469	\$ (5,097)	\$ 10,229	\$ 3,760
Scholarships & Programs (Non-Endowed)	19,728	15,852	(3,877)	21,184	5,332
Building Funds	3,079	1,195	(1,884)	1,777	582
Pledged Revenue	-	-	-	-	-
Total Contributions	34,373	23,515	(10,858)	33,189	9,674
<u>Contributions and Foundation Operating Revenues:</u>					
MARC Building - Rental Income	1,701	1,890	189	1,740	(150)
Foundation Enterprise Holdings I	212	192	(20)	160	(32)
Foundation Enterprise Holdings II	7	7	-	7	-
Foundation Enterprise Holdings V	-	4	4	-	(4)
Annual Revenues and Fees	1,178	945	(233)	1,405	460
Total Foundation Operating Revenues	3,098	3,039	(59)	3,312	273
Estimated Investment Returns	18,623	9,087	(9,536)	15,913	6,827
Total Revenues	\$ 56,094	\$ 35,641	\$ (20,454)	\$ 52,414	\$ 16,773
EXPENSES:					
<u>University Program Support:</u>					
Scholarships & Programs	22,839	24,763	1,924	21,808	(2,955)
Building Funds	6,707	171	(6,536)	10,400	10,229
Operational Support	1,355	1,354	(1)	1,249	(105)
Total University Program Support	30,901	26,288	(4,613)	33,457	7,168
<u>Foundation Operating Expenses:</u>					
MARC Building	491	460	(32)	443	(17)
Foundation Enterprise Holdings I	203	199	(4)	231	33
Foundation Enterprise Holdings II	67	63	(5)	67	4
Foundation Enterprise Holdings V	1,200	471	(729)	1,012	541
Administrative Operating Expenses	6,665	5,018	(1,648)	6,665	1,647
Other Expenses	292	208	(84)	330	122
Total Foundation Operating Expenses	8,918	6,418	(2,501)	8,748	2,330
Total Operating Expenses	\$ 39,819	\$ 32,706	\$ (7,114)	\$ 42,205	\$ 9,498
Net Operating Income	\$ 16,275	\$ 2,935	\$ (13,340)	\$ 10,209	\$ 7,274

Financial Highlights

Revenues:

Contributions for University Support

The FIU Foundation Inc. collects cash contributions which provide support for the university. Cash contributions in FY 2020-21 are comprised of pledge payments on existing receivables, cash installments on expected new pledges, and outright cash gifts to the Foundation. The breakdown of the \$33.2M in expected cash contributions is as follows: 31% endowed, 64% non-endowed, and 5% for buildings.

**Florida International University
Financial Summary
FIU Foundation Inc.**

Foundation Operating Revenues

Operating revenues for the FIU Foundation Inc. consist mainly of rental income and common area maintenance for the MARC building and Foundation subsidiaries.

MARC building rental income is projected to be \$1.7M (\$25.94 per square foot) for FY 2020-21, which is approximately a 2.2% increase over prior year budget. Tenants of the MARC building include the Office of Research & Economic Development, FIU Online, University Graduate School, Office of the Treasurer, University Advancement, and Florida Power & Light. The revenue budget includes a 10% vacancy rate.

Foundation Subsidiaries represent the operating budgets of several properties acquired since 2011 which are included in the Foundation budget.

Foundation Enterprise Holdings I is a wholly-owned subsidiary of the Foundation consisting of 5,353 square feet of commercial real-estate on Washington Avenue in Miami Beach. Budgeted revenues for FY 2020-21 include rental income from three building tenants; a 50% allowance has been incorporated into the budget for the first six months due to COVID-19 impacts in addition to a vacancy rate of 10%.

Foundation Enterprise Holdings II is a single member LLC established for the acquisition of the Jewish Museum of Florida-FIU (JMOF). Budgeted revenues in FY 2020-21 of \$7K are derived from plant operations and maintenance and transfers made from the JMOF projects in the FIU Foundation to support building expenses.

Foundation Enterprise Holdings V (FEH V) is a single member LLC established for real property transferred to the FIU Foundation Inc. (sole member) gifted in October 2017 and located at 11800 N.W. 41 Street, Doral, Florida.

Investment Returns

The Foundation is forecasting a -2.0% or -\$1.5M based on fiscal year to date investments as of April 30, 2020. Investment returns for FY 2020-21 are projected at 6.0% or \$15.9M (net of fees) and assume a \$274.2M beginning market value and net cash flows into the portfolio consistent with budgeted cash receipts and expenses.

Expenses:

University Program Support

Scholarships and Programs expenses of \$21.8M for FY 2020-21 are decreasing by 5.0% over FY 2019-20 budget. Scholarships and programs in the Herbert Wertheim College of Medicine, College of Business, College of Engineering & Computing, Chaplin School of Hospitality & Tourism Management, and the College of Communication, Architecture + the Arts account for 55% of the total Scholarships and Programs expense budget.

Donated building funds are anticipated to be requested from the FIU Foundation during FY 2020-21 to cover construction, renovations and improvements to existing facilities: \$1.0M for the Chaplin School of Hospitality and Tourism Management Dining Facility, \$4.5M for the World for Tropical Botany Building (also known as the Kampong Building), \$0.4M for CasaCuba, \$0.5M for the Trish and Dan Bell Chapel, and \$4.0M for the Steven J. Green School of International & Public Affairs Phase II building.

Operational Support expenses can be paid only by the Foundation and are funded by the 2% Administrative Fee charged to the endowments; examples include certain salaries, lobbying expenses, and dues to the Florida Board of Governors Foundation.

Foundation Operating Expenses

MARC building expenses are expected to total approximately \$0.4M in FY 2020-21, which represents a 10.0% decrease relative to the current year budget. Budgeted expenses for the MARC building include utilities, repairs and maintenance, custodial services, interest on loan, insurance for the building, overhead and bank fees. It should be noted that the budget does not include the payment for the principal portion of the note payable due in FY 2020-21 of \$1.0M, which is covered by rental income.

Foundation Enterprise Holdings expenses reflect customary costs related to owning commercial real estate including management fees, replacement reserve, bank fees, repairs and maintenance, other building costs, and real estate taxes. In FY 2020-21, expenses related to the Washington Avenue Properties have been budgeted at \$0.2M, Jewish Museum of Florida-FIU at \$0.1M, and Doral Property (FEH V) at \$1.0M primarily for environmental remediation.

Notes: This budget is pending Foundation Board of Directors approval at the next scheduled meeting in early June.

**Florida International University
Financial Summary
FIU Health Care Network**

<i>(In thousands of dollars)</i>	Final Budget 2019-20	Forecast 2019-20	Forecast vs. Final Budget	Requested Budget 2020-21	Requested Budget vs. Forecast
Total Revenues	\$ 9,845	\$ 10,053	\$ 208	\$ 10,057	\$ 3
<u>Expenses</u>					
Salaries and Benefits	2,513	2,316	(197)	2,581	265
Other Personal Services (OPS)	-	-	-	-	-
Other Expenses	3,341	3,418	77	3,381	(37)
Student Financial Aid	-	-	-	-	-
Operating Capital Outlay (OCO)	-	-	-	-	-
Debt Service Interest	148	148	0	141	(7)
Total Operating Expenses	\$ 6,002	\$ 5,882	\$ (120)	\$ 6,103	\$ 221
Net Operating Income	\$ 3,843	\$ 4,171	\$ 328	\$ 3,953	\$ (217)
Institutional Transfers	(2,166)	(2,325)	(159)	(2,158)	167
Change in Net Position	\$ 1,677	\$ 1,846	\$ 169	\$ 1,795	\$ (50)
<u>Net Position</u>					
Beginning Net Position	5,679	5,378		7,224	
Change in Net Position	1,677	1,846		1,795	
Total Net Position	\$ 7,356	\$ 7,224		\$ 9,019	

The FIU Health Care Network (HCN) serves as the entity for the collection and administration of income generated from the University's clinical operations. Pursuant to Florida Board of Governors regulation 9.017 governing SUS Faculty Practices, the distribution of all faculty practice funds will be for the improvement and support of the mission of FIU.

HCN provides management and staffing (non-clinical staff only) services to support clinical operations, including Student Health Services, throughout the University. The budget reflects the management services portion provided by HCN and does not include clinical services.

Financial Highlights

FY 2019-20 forecast revenue is higher than expected by \$0.2M, mainly driven by the reclassification of common area maintenance (CAM) rental receipts now booked as revenue instead of as a current liability for future CAM expenses; additional program related fees from increased enrollment in the Office of International Affairs (OIA) programs; partially offset by lower management fees due to the termination of the Embrace agreement in January 2020 and decreased volumes from the international visiting medical student (IVMS) program due to the impact of COVID-19 on international travel.

FY 2019-20 forecast operating expenses are under budget by \$0.1M mainly due to vacant positions and hiring delays in the OIA programs and the management services organization; offset by higher purchases of medical supplies as a result of COVID-19, higher common area maintenance expenses, the additional use of temporary personnel at the clinic, and an increase in preceptor rotation volumes under the OIA programs.

Florida International University
Financial Summary
FIU Health Care Network

FY 2020-21 revenue is projected to be level with FY 2019-20 forecast. Projections for enrollment in the OIA programs are conservative due to the uncertainty of the impact of COVID-19. Additionally, a decrease in management fees from the Student Health clinic and pharmacy are offset by an increase in rental revenue from the Miami Children's Hospital and common area maintenance CPI increases.

FY 2020-21 operating expenses are \$0.2M greater than FY 2019-20 forecast driven mainly by the inclusion of currently vacant positions, benefit increases, and the cost of the scheduling system for the OIA programs.

Institutional transfers represent cash transfers, generated by HCN's positive change in net position from the OIA educational programs, to the University in support of clinical operations in the Faculty Group Practice.

**Florida International University
Financial Summary
FIU Self-Insurance Program**

<i>(In thousands of dollars)</i>	Final Budget 2019-20	Forecast 2019-20	Forecast vs. Final Budget	Requested Budget 2020-21	Requested Budget vs. Forecast
Total Revenues	\$ 500	\$ 373	\$ (127)	\$ 400	\$ 27
<u>Expenses</u>					
Salaries and Benefits		-	-	-	-
Other Personal Services (OPS)	-	-	-	-	-
Expense (Admin. & Overhead)	-	200	200	200	-
Student Financial Aid	-	-	-	-	-
Operating Capital Outlay (OCO)	-	-	-	-	-
Incurred But Not Reported	500	-	(500)	-	-
Contingent Liability Expense					
Total Operating Expenses	\$ 500	\$ 200	\$ (300)	\$ 200	\$ (1)
Net Operating Income	\$ -	\$ 173	\$ 173	\$ 200	\$ 28
Investment Earnings	-	-	-	-	-
Institutional Transfer	-	-	-	-	-
Change in Net Position	\$ -	\$ 173	\$ 173	\$ 200	\$ 28
<u>Net Position</u>					
Beginning Net Position	216	3,384		3,557	
Change in Net Position	-	173		200	
Ending Net Position	\$ 216	\$ 3,557		\$ 3,757	

The Self-Insurance Program has been established by the Florida Board of Governors regulation 10.001 to provide professional liability protection to the Florida Board of Governors, the FIU Board of Trustees, and other authorized entities and individuals. The Self-Insurance Program (SIP) entity serves to record the activities associated with the Self-Insurance Program and is subject to oversight by the SIP Council.

The SIP includes coverage for the clinical activities of the Colleges of Medicine, Nursing, and University Health Services. Revenues include funding for premium contributions, claims, and insurance premiums directly associated with the SIP. In addition, provisions are made for administrative expenses primarily for the University of Florida as the SIP administrator.

Financial Highlights

FY 2019-20 revenue is \$0.1M less than budget due to less transfers required to cover lower operating costs.

FY 2019-20 forecast operating expenses are \$0.3M less compared to budget due to lower than expected payouts, premiums, and management costs.

FY 2020-21 budgeted revenues are based on current estimates of SIP related costs as the SIP Council has not approved premiums for FY 2020-21.

FY 2020-21 operating expenses are based on current estimates since the SIP Council has not approved premiums for FY 2020-21.

**Florida International University
Financial Summary
FIU Research Foundation, Inc.**

<i>(In thousands of dollars)</i>	Final Budget 2019-20	Forecast 2019-20	Forecast vs. Final Budget	Requested Budget 2020-21	Requested Budget vs. Forecast
Total Revenues	\$ 30	\$ -	\$ (30)	\$ -	\$ -
<u>Expenses</u>					
Salaries and Benefits	-	-	-	-	-
Other Personal Services (OPS)	-	-	-	-	-
Other Expenses	7	7	-	7	-
Student Financial Aid	-	-	-	-	-
Operating Capital Outlay (OCO)	-	-	-	-	-
Debt Service Interest	-	-	-	-	-
Total Expenditures	\$ 7	\$ 7	\$ -	\$ 7	\$ -
Net Operating Income	\$ 23	\$ (7)	\$ (30)	\$ (7)	\$ -
Principal Payment of Debt	-	-	-	-	-
Unrealized Gains & Losses	-	-	-	-	-
Institutional Transfers	-	-	-	-	-
Change in Net Position	\$ 23	\$ (7)	\$ (30)	\$ (7)	\$ -
<u>Net Position</u>					
Beginning Net Position	168	129		121	
Change in Net Position	23	(7)		(7)	
Total Net Position	\$ 191	\$ 121		\$ 114	

The FIU Research Foundation serves as an agent with respect to special grants awarded to the University. These activities and the entire amount of the grant are recognized by FIU in the Sponsored Research Development Trust Fund and are not included as part of this Foundation's budget.

Financial Highlights

FY 2019-20 revenue projections included royalty income received by the university and transferred to the FIU Research Foundation to cover operating expenses related to technology and commercialization efforts on behalf of the university. The university is pending confirmation of the transfer of unrestricted royalties into the FIU Research Foundation, as such, no revenues have been projected. Additionally, the international offices in Tanzania and Burkina Faso and associated special grants have closed and as such there is no related activity flowing through the FIU Research Foundation.

FIU Research Foundation will continue to incur annual audit, accounting, and tax fees of approximately \$7,000 in order to remain an active entity. These fees will be funded with the existing net position.

Florida International University
Financial Summary
University Support to Direct Support Organizations

	Final Budget 2019-20	Forecast 2019-20	Forecast vs. Final Budget	Requested Budget 2020-21	Requested Budget vs. Forecast
University Employees providing Personal Services to DSO's, <i>FTE</i>	148.2	123.3	(24.9)	148.5	25.1
<u>Personal Services Expenses*</u>					
University Support	11,553	10,100	(1,453)	11,127	1,027
Reimbursed by DSO's	4,127	3,751	(376)	4,440	689
Total Personal Services Expenses	\$ 15,680	\$ 13,851	\$ (1,828)	\$ 15,567	\$ 1,716
Square feet of Space*	16.3	13.6	2.7	16.3	(2.8)
* (in thousands)					

Under Florida Statute 1004.28(3)(b), the University Board of Trustees (BOT) is authorized to permit the use of university property, facilities, and personal services by a university direct support organization (DSO). Additionally, the BOT must set by rule any conditions with which a DSO must comply in order to use property, facilities, and personal services of the university. The rules provide for budget and audit review and oversight by the BOT.

The schedule above reflects the anticipated use of university property, facilities, and personal resources by the DSO's. The cost of personal services provided by the university is partially reimbursed by the DSO's and includes full-time and part-time personnel.

Financial Highlights

The FY 2019-20 original budget reflects the budget approved by the Board of Trustees in December 2019. The lower than budgeted personal services expenses in FY 2019-20 in university support to DSO's is mainly due to vacant positions.

In FY 2020-21, the university plans to provide \$15.6M or 148.5 FTE of personal services, \$4.4M of which will be reimbursed by DSO's. These resources will utilize approximately 16,331 square feet of space, valued at \$414K.

Florida International University
Financial Summary
University Support to Direct Support Organizations (Continued)

FY 2020-21 - University Employees providing Personal Services to DSO's

<u>Position Title</u>	<u>FTE</u>	<u>Position Title</u>	<u>FTE</u>
Administrative		Administrative (continued)	
Alumni Relations Coordinator	3.0	Junior Account Manager	1.0
Alumni Relations Manager	1.0	Manager Administrative Svcs	1.0
Annual Giving Coordinator	1.0	Planned Giving Officer II	1.0
Annual Giving Manager	1.0	Principal Gifts Officer	1.0
Annual Giving Officer	2.0	Professional Accountant 1	1.0
Assistant Controller	1.0	Professional Accountant 2	3.0
Assistant Director of Finance	1.0	Program Director	1.0
Assoc Director Alumni Rel	1.0	Prospect Management Analyst	2.0
Assoc Director Annual Giving	1.0	Prospect Researcher	2.0
Assoc Director of Development	2.0	Senior Account Manager	1.0
Assoc. VP Adv./Alumni Affairs	4.0	Senior Development Officer	4.0
Associate Controller	1.0	Senior Editor	1.0
Asst Director Alumni Rel	2.0	Senior Project Manager	1.0
Asst Director Annual Giving	1.0	Senior University Counsel	0.3
Asst. VP Admin. Affairs	1.0	Sr Content Managing Editor	1.0
Asst. VP Advance./Alumni Aff.	2.0	Sr Coordinator Admin Services	6.0
BI Data Warehouse Arch III	1.0	Sr Dir Administrative Svcs	1.0
Business Intelligence Dev II	1.0	Sr Director of Development	2.6
Campaign Analyst	0.0	Sr. VP Advancement	1.0
Campaign Director	0.3		
College Department IT Director	1.0		
Content Strategist	1.0		
Coordinator Admin. Services	7.6		
Data Management II	2.0		
Departmental Administrator	1.0		
Development Officer	3.0		
Dir Alumni Relations Central	1.0		
Dir Alumni Relations Unit	1.0		
Dir Donor Stewardship Central	1.0		
Dir Marketing & Communications	1.0	Faculty	
Dir of Development Central	2.0	Faculty Administrator	0.2
Dir of Development CFR	2.0		
Dir of Development Unit	8.0	Staff	
Dir Program Administration	2.0	Accounting Specialist	3.0
Dir Research Prospect Mgmt	1.0	Administrative Assistant	1.0
Director Administrative Svcs	2.0	Data Management I	1.0
Director Annual Giving Central	0.0	Gift Services Specialist	3.0
Director Gift Services	1.0	Sr. Administrative Assistant	1.0
Donor Events Officer II	1.0		
Donor Stewardship Manager	1.0	Temporary Employees	
Donor Stewardship Officer I	1.0	Temporary Employees - Non Student	7.6
Donor Stewardship Officer II	3.0	Graduate & Student Assistants	10.9
Editor	1.0		
Exec Dir Development	9.0		
Executive Assistant	3.0		
Financial Analyst 1	1.0		
Financial Analyst 4	1.0		
Gift Services Manager	1.0		
Grant Proposal Writer	1.0		
IT Generalist II	1.0		

Total FY 2020-21 - University Employees providing Personal Services to DSO's, FTE

148.5

**Florida International University
Financial Summary
University Treasury Operations**

<i>(In thousands of dollars)</i>	Final Budget 2019-20	Forecast 2019-20	Forecast vs. Final Budget	Requested Budget 2020-21	Requested Budget vs. Forecast
Investment Revenues	\$ 13,987	\$ 13,535	\$ (452)	\$ 11,289	\$ (2,247)
Operating Expenses	(2,929)	(3,048)	(120)	(1,393)	1,655
Net Revenues	\$ 11,059	\$ 10,487	\$ (572)	\$ 9,896	\$ (592)
Net Operating Income	11,059	10,487	(572)	9,896	(592)
Investment Earnings Distribution	(4,800)	(4,262)	538	(1,522)	2,739
Operational Transfers	-	(2,000)	(2,000)	-	2,000
Construction Projects	(4,200)	(4,200)	-	(4,720)	(520)
Institutional Transfers	-	-	-	(2,650)	(2,650)
Change in Net Position	\$ 2,059	\$ 25	\$ (2,034)	\$ 1,004	\$ 978
Net Position					
Beginning Net Position	91,837	93,960		93,985	
Change in Net Position	2,059	25		1,004	
Total Net Position	93,896	\$ 93,985		\$ 94,989	

Treasury operations revenue consists of earnings from the University's investment portfolio. Earnings include interest income, realized gains (which are reinvested each month) and unrealized gains or losses.

Financial Highlights

Forecasted investment revenues for FY 2019-20 are expected to be \$0.5M lower than the FY 2019-20 budget due to lower average balances in the Working Capital Pool. Overall, net investment returns are projected to end the fiscal year at 3.3%, 0.2% lower than projected due to the market volatility this year.

FY 2019-20 forecasted expenses are expected to be slightly higher than budget due to a commitment to provide additional scholarships. Expenses include a \$1.6M commitment to fund undergraduate merit and housing scholarships.

Unbudgeted operational transfers out of \$2.0M in the FY 2019-20 Forecast represent institutional support for the capital campaign.

Investment earnings in FY 2020-21 are projected to be 3.0%, net of fees; a decline versus the prior year of 3.5%, and mostly due to significantly lower interest rate expectations.

FY 2020-21 expenses are \$1.7M lower than FY 2019-20 forecast mostly due to scholarship expenses that are now budgeted as institutional transfers.

Investment earnings are distributed to designated funds (restricted), including Educational and General (E&G) carry forward, Financial Aid, student, agency, and Auxiliary funds. The designated funds receive the realized Working Capital Pool return rate.

FY 2019-20 distributions are forecasted to be lower than planned due to lower projected interest rates. FY 2020-21 distributions are projected to be significantly lower than FY 2019-20 forecast due to significantly lower interest rates and lower average investment balances.

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State University System of Florida

Glossary of Budget and Finance Terms¹

Activity and Service

The Activity and Service budget consists of funds from the student Activity and Service (A&S) fee to support student government operations, student activities such as clubs and organizations, student centers, and recreational sports for all campuses.

Auxiliary Enterprises

The Auxiliary Enterprises budget consists of university business operations that are self-supporting through user fees, payments and charges; no General Revenue Support. These budgets include: Academic Auxiliary programs, Housing, Parking and Transportation, Student Health Services, and other auxiliaries such as commissions on food services and bookstore sales, rentals, and interdepartmental services. Each institution may determine whether its auxiliary services will be self-supporting on an individual or collective basis, except for athletics, which shall be a self-supporting entity.

Board Approved Fees

Board Approved Fees are fees specific to the university and have been approved by the Board of Governors (Regulation 7.003(23)). Every five years, the Board of Trustees is required to review the fee to determine if the fee has met its intended outcomes.

Current Board of Governors approved fees include:

- ✓ Green Fee – USF, NCF and UWF
- ✓ Test Preparation Fee (Law Schools) – FIU and FAMU
- ✓ Student Life & Services Fee - UNF

Bonded Projects (Capital Funding)

Generally includes housing and parking garage debt. Can be bonded through the State Division of Bond Finance or via a university DSO

Capital Improvement Trust Fund Fee (CITF) (Capital Funding)

Funded by student fees to support student related projects. Funds are collected by the university and transmitted to the State to pay for debt service. Remaining funds are returned to university after receiving legislative authorization. A portion of the fee may be used for university child care centers.

¹ More information regarding these terms may be found in Florida Statutes 1009.24 and the Board of Governors Tuition and Fee Regulations (Chapter 7)

Carryforward

The accumulated ending Education and General (E&G) fund balance. Carryforward can be used for operating activities such as, but not limited to, a contingency for unfunded enrollment growth, potential budget reductions, anticipated increases in university operations, and prior year encumbrances. Interest or investment earnings on carryforward are used for operating activities. At any time the unencumbered available balance in the E&G fund of the university board of trustees approved operating budget falls below seven (7) percent of the approved total, the president shall provide a written notification and explanation to the Board of Governors (Regulation 9.007).

Carryforward funds cannot be used for new construction.

Concessions

The Concessions fund contains all the commission-based revenues from beverage and pouring, snack vending, as well as student housing laundry machines. The commission revenues are used to support the purchase of food and refreshment items at university-wide events, faculty and staff recruitment, commencements, training, lecture series, board of trustees, student housing socials and convocation events. Funds shall not be expended for the construction or reconstruction of buildings except as provided under s. 1013.74 F.S.

Contracts and Grants

The Contracts and Grants (C&G) budget consists of funding from federal agencies, state agencies, foundations, and private sources that enables the university to conduct specific research projects or to provide specific non-research services. The C&G budget also includes direct support organization reimbursements for use of university resources.

Expenditures to support research grants include: a) direct costs such as salaries, wages, and benefits of research personnel, materials, supplies, travel, equipment, and rental of space that are directly attributed to the research project, and b) Indirect Costs such as building and equipment use and depreciation, physical plant and maintenance, hazardous waste disposal, libraries, general administration costs (legal, purchasing, accounting), janitorial services, and utilities.

Developmental Research Schools

These are a category of public schools affiliated with a state university college of education as provided by F.S. 1002.32. Currently, FSU, FAMU, UF and FAU operate DRS schools.

Direct Support Organizations; DSO's

Per Florida Statute 1004.28 (1)(a), "University direct-support organization" means an organization which is:

1. A Florida corporation not for profit incorporated under the provisions of chapter 617 and approved by the Department of State.
2. Organized and operated exclusively to receive, hold, invest, and administer property and to make expenditures to or for the benefit of a state university in Florida or for the benefit of a research and development park or research and development authority affiliated with a state university and organized under part V of chapter 159."

Similar to Auxiliary Enterprises, DSO's must be self-supporting; the key distinction is that DSO's are formally incorporated.

Education and General (E&G)

The Education and General (E&G) budget consists of State appropriated General Revenue, Educational Enhancement (Lottery) funding, and Student Tuition and Matriculation payments. Incremental funding is provided by the following primary mechanisms: Performance-based funding, tuition increases, and special legislative appropriations. State appropriated funding is no longer based on enrollments. E&G funds are used for general instruction, research, public service, plant operations and maintenance, student services, libraries, administrative support, and other enrollment-related and stand-alone operations of the university.

Faculty Practice

Faculty Practice Plans collect and distribute income from faculty billings for patient services to the UF, FSU, USF, FAU, UCF, and FIU Medical Clinics to cover the cost of medical services.

Gifts (Academic or Capital Funding)

Another source of academic or capital funding is philanthropy. Philanthropic gifts usually come with donor restrictions on the use of the funds.

Intercollegiate Athletics

The Athletics Operating budget supports the university's student athletics program. Funding is generated from student athletics fees as well as ticket sales to athletics events, game guarantees, NCAA distributions, sponsorships and private support. Intercollegiate Athletics is also supported by Title IX funding, waivers and scholarships, and a statutory tax on ticket sales to support women's sports.

Local Funds

Local funds is a term used to describe a grouping of university operating units that, prior to the devolution of the state universities from the State's central accounting system (FLAIR), were allowed to deposit operating revenues into local bank accounts as opposed to the State Treasury. These units include Student Activities, Financial Aid, Concessions, Intercollegiate Athletics, Technology Fee, Board-Approved Fees, and university Self-Insurance Plans.

Performance-Based Funding

Performance-based funding is a mechanism by which the Florida Board of Governors (BOG) allocates state appropriations to the state universities. The BOG Performance Funding Model (PFM) includes 10 metrics that evaluate institutions on a range of issues. Eight of the 10 metrics are common for all universities; one is selected by the BOG for the university and one is selected by the Board of Trustees. The Performance-based Funding Model has been in effect since fiscal year 2014-15.

Public Education Capital Outlay (PECO) (Capital Funding)

Funded by the Gross Receipts Tax, which is a 2.5 percent levy on the gross receipts of electric, gas and telecommunications as well as a portion of the Communications Services tax. This tax is devoted entirely to the Public Education Capital Outlay and Debt Service Trust fund. PECO is established in the Florida Constitution and must be used for K-20 Capital projects, including the state universities. The Legislature appropriates PECO annually. PECO distributions are administered by the Florida DOE.

Self-Insurance Programs

These are revenues received by the university from entities and individuals protected by the self-insurance program for medical schools, including the Faculty Practice Plans. These programs at UF, FSU, USF, UCF, FIU, and FAU are directed by the respective self-insurance councils and the captive insurance companies (these companies underwrite the risks of its owner and the owner's affiliates). These activities are supported by premiums charged to the insured individuals and entities (primarily medical faculty and institutions). There shall be no funds appropriated to a self-insurance program (Chapter 1004.24(3) Florida Statutes).

Special Legislative Appropriations

These are legislative appropriations tied to specific university requested or member projects. Funding is based upon the university's Legislative Budget Request and may be recurring or non-recurring.

Student Financial Aid

The Student Financial Aid budget consists of funding from student financial aid fees, support from federal and state financial aid awards, institutional programs, and private scholarships. The financial aid fee may not exceed 5 percent of the combined total of the tuition and out-of-state- fee. A minimum of 75 percent of the fee shall be used to provide student financial aid based on absolute need. Examples of other sources of student financial aid are: Federal Pell Grants, Florida Bright Futures Scholarship Program, university scholarships, Florida Student Assistance Grant, Federal Work Study, and First Generation Scholarships.

Student Loans

The Student Loans Budget is comprised of loans from federal and private sources. Federal sources include Stafford and Plus, and private sources include Sallie Mae, Discover, and the PNC Financial Services Group Inc. The university acts as an agent with respect to these funds.

Technology Fee

The Technology Fee budget consists of funding from the technology fee which is assessed at 5 percent of resident base tuition. The fee revenues are used to enhance instructional technology resources for students and faculty.

Tuition Increase Funding

The Florida Legislature establishes undergraduate tuition and authorizes the Board of Governors to establish graduate and professional tuition, as well as non-Florida resident tuition. Tuition differential beyond the base tuition for undergraduate Florida residents, up to 15 percent, is currently being implemented by each university with the exception of Florida Polytechnic University. A minimum of 30 percent of the tuition differential fee must be used to provide need-based financial aid to undergraduate students. The ability to request an increase in the Tuition differential fee beyond existing levels was eliminated effective fiscal year 2014-15 (per Chapter 1009.24(16) F.S.) with the exception of those universities designated as Preeminent by the Board of Governors (may request an increase not to exceed 6 percent per year for tuition and tuition differential fee combined). The Board of Governors approves tuition for market rate programs subject to parameters established by the Florida Legislature and Board Regulation 8.002.

University Treasury Operations

Treasury operations revenue consists of earnings from the university's investment portfolio. Earnings include interest income, realized gains and unrealized gains or losses.

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THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Facilities Committee

June 16, 2020

Subject: Proposed 2020-21 Fixed Capital Outlay Budget/Capital Improvement

Proposed Committee Action:

Recommend to The Florida International University Board of Trustees (the BOT) approval of Florida International University's 2020-21 Fixed Capital Outlay Budget and authorize the University President to amend the budget as necessary, consistent with Legislative, Florida Board of Governors' and BOT directives and guidelines.

Background Information:

Section 1013.61, Florida Statutes, requires that the BOT adopt a capital outlay budget for the ensuing year in order that the capital outlay needs of the BOT for the entire year may be well understood by the public. The capital outlay budget is part of the annual budget and shall be based upon and in harmony with the BOT's capital outlay plan. The budget shall designate the proposed capital outlay expenditures by project for 2020-21 from all fund sources, as amended.

Florida Board of Governors Regulation 1.001(6)(a) provides, in relevant part, that each board of trustees shall submit an institutional budget request, including a request for fixed capital outlay, to the Board of Governors for approval in accordance with the guidelines established by the Board of Governors.

Florida Board of Governors Regulation 14.003(1) provides that each university will prepare an annual Fixed Capital Outlay (FCO) Budget for all Fixed Capital Outlay (FCO) Projects in accordance with the instructions, guidelines, and standard formats provided by the Chancellor for those FCO Projects as defined in Board Regulation 14.001. The FCO Budget must be approved by both the university board of trustees and the Board of Governors. Such approval remains in effect for the life of the FCO Projects. The annual FCO Budget must include all FCO Projects, including previously approved projects which have not yet been completed.

The Capital Outlay Budget governs the University's capital expenditures during the year.

Supporting Documentation: 2020-21 Capital Outlay Budget Request/Capital Improvement for Florida International University

Facilitator/Presenter: Kenneth A. Jessell

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

PUBLIC EDUCATION CAPITAL OUTLAY PROJECTS (PECO)/CAPITAL IMPROVEMENT

Maintenance/Repair/Renovation and Remodeling:	\$0
Engineering Building Phase I: <i>(Total State Appropriation, \$38.9M; Total Match, \$15M)</i>	\$8,266,104
TOTAL 2020-21 CAPITAL OUTLAY BUDGET (PECO)/ CAPITAL IMPROVEMENT	\$8,266,104

CAPITAL IMPROVEMENT TRUST FUND PROJECTS (CITF)

Graham Center Expansion	\$7,002,807
TOTAL CITF	\$7,002,807

TOTAL 2020-21 CAPITAL OUTLAY BUDGET	\$15,268,911
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THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Facilities Committee

June 16, 2020

Subject: Request for Approval of Florida International University's 2021-22 Fixed Capital Outlay Legislative Budget Request, consisting of the five-year Capital Improvement Plan

Proposed Committee Action:

Recommend to The Florida International University Board of Trustees (the BOT) approval of FIU's 2021-2022 Fixed Capital Outlay Legislative Budget Request, consisting of the five- year Capital Improvement Plan (CIP) and authorize the University President to amend the Legislative Budget Request as necessary, consistent with Florida Board of Governors and BOT directives and guidelines.

Background Information:

Section 1013.64(4)(a), Florida Statutes, requires the BOT to update annually its fixed capital outlay budget request. In addition to Public Education Capital Outlay (PECO) projects, the capital request will include Capital Improvement Trust Fund (CITF) projects, projects from other state sources and projects from non-state sources including debt.

Florida Board of Governors Regulation 14.006(4)(5) states, in relevant part, that proposals for fixed capital outlay projects to be funded by Capital Improvement Fees shall be prepared by the university and submitted to the Board of Governors. Each university board of trustees will submit to the Chancellor's Office a Fixed Capital Outlay Legislative Budget Request. Such requests shall be made in accordance with the fiscal policy guidelines, formats, instructions and schedule provided by the Chancellor.

The Fixed Capital Outlay Budget Request governs the University's proposed capital expenditures during the next five years. The Fixed Capital Outlay Budget Request must be approved annually by the BOT.

Supporting Documentation: Florida Board of Governors Summary of Projects FY 2021-22
Florida Board of Governors Project Detail, Engineering Building, Phase II
Florida Board of Governors Project Detail, Graham Center Expansion (BTR 921)
FIU 2021-22 Fixed Capital Outlay Legislative Budget Letter to Mr. Tim Jones, Vice Chancellor, Finance/Administration and CFO for State University System of Florida (draft)

Facilitator/Presenter: Kenneth A. Jessell

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State University System
5-Year Capital Improvement Plan (CIP)
FY 2021-22 through 2025-26

Summary of Projects - PECO-Eligible Projects

DRAFT

University: **FLORIDA INTERNATIONAL UNIVERSITY**

Contact: Dr. Kenneth Jessell

(name)

305-348-2101

(phone)

kjessell@fiu.edu

(email)

PECO-ELIGIBLE PROJECT REQUESTS (ONLY)

Priority No.	Project Title	Projected Annual Funding				
		Year 1	Year 2	Year 3	Year 4	Year 5
1	* ENGINEERING BUILDING, Phase II - MMC (P,C)(P,C,E)	\$ 35,000,000	\$ 31,092,359			
2	REMOD. / RENOV. OF C.A.S.E. BUILDING - MMC (P,C,E)	\$ 7,150,000				
3	**HONORS COLLEGE - MMC (P,C,E)	\$ 2,325,000				
4	SCIENCE LABORATORY COMPLEX - MMC (P,C)(P,C)(P,C,E)		\$ 15,000,000	\$ 30,000,000	\$ 35,420,000	
5	**ACADEMIC HEALTH CENTER STUDY COMPLEX - MMC (P,C)(P,C,E)		\$ 6,000,000	\$ 12,000,000		
6	REMODEL./RENOV. OF DM BUILDING - MMC (P,C,E)(P,C,E)		\$ 7,000,000	\$ 6,800,000		
7	GREEN LIBRARY ADDITION FOR STUDY, HUB AND STUDENT SUCCESS SPACE- MMC (P,C)(C,E)(C,E)			\$ 16,000,000	\$ 26,000,000	\$ 32,600,000
8	SCIENCE & HUMANITIES CTR., (SCIENCE, TECH., ENG., ARTS & MATH.) - MMC (P,C)(C,E)				\$ 25,000,000	\$ 29,000,000
9	REMODEL./RENOV. OF ACADEMIC DATA CENTER - MMC (P,C,E)(P,C,E)				\$ 13,000,000	\$ 6,500,000
10	REMODEL./RENOV. OF OE BUILDING - MMC (P,C,E)(P,C,E)				\$ 10,500,000	\$ 10,500,000
Total:		\$ 44,475,000	\$ 59,092,359	\$ 64,800,000	\$ 109,920,000	\$ 78,600,000

* Amount reflects 70 percent PECO; remaining 30 percent (\$30 million) Fundraising and Research Indirect

** Amount reflects 50 percent PECO; remaining 50 percent private funding.

Academic or Other Programs to Benefit from Project	Net Assignable Square Feet (NASF)	Gross Square Feet (GSF)	Project Cost	Project Cost Per GSF	Educational Plant Survey Recommended? (Date & Rec. #)
Engineering	106,666	170,665	\$ 96,092,359	\$563	1-20-2016/3.6
All	0	0	\$ 7,150,000		1-20-2016/SR3
Honors	7,396	10,129	\$ 4,650,000	\$459	1-20-2016/3.8
Sciences	77,184	123,495	\$ 80,420,000	\$651	1-20-2016/3.5
Academic Health	39,086	62,538	\$ 36,000,000	\$576	1-20-2016/3.10
All	140,807	140,807	\$ 13,800,000	\$98	1-20-2016/2.2
All	88,000	123,200	\$ 74,600,000	\$606	1-20-2016/3.3
Sciences	50,000	80,000	\$ 54,000,000	\$675	1-20-2016/3.9
All	24,000	24,000	\$ 19,500,000	\$813	1-20-2016/2.11
All	117,306	117,306	\$ 21,000,000	\$179	1-20-2016/2.4

Summary of Projects - CITF Projects

University: **FLORIDA INTERNATIONAL UNIVERSITY**

kjessell@fiu.edu
(email)

Priority No.	Project Title	Projected Annual Funding				
		Year 1	Year 2	Year 3	Year 4	Year 5
1	GRAHAM UNIVERSITY CENTER - MMC	\$ 6,834,420	\$ 5,843,665			
2	WOLFE UNIVERSITY CENTER RENOVATIONS - BBC	\$ 3,000,000	\$ 3,000,000			
3	WELLNESS AND RECREATION FACILITIES IMPROVEMENTS - BBC	\$ 1,000,000	\$ 1,000,000			
4	WELLNESS AND RECREATION FIELD SUPPORT BUILDNG - MMC	\$ 1,140,000	\$ 360,000			
Total:		\$ 11,974,420	\$ 10,203,665	\$ -	\$ -	\$ -

Academic or Other Programs to Benefit from Project	Net Assignable Square Feet (NASF)	Gross Square Feet (GSF)	Project Cost	Project Cost Per GSF	University Approval Date
All	52,000	69,400	\$35,982,280	\$518	
All	0	0	\$ 6,000,000		
All	1,600	2,240	\$ 2,000,000	\$893	
All	2,000	2,400	\$ 1,500,000	\$625	

State University System
5-Year Capital Improvement Plan (CIP)
FY 2021-22 through 2025-26

Summary of Projects - Supplemental Funding

DRAFT

University: **FLORIDA INTERNATIONAL UNIVERSITY**

Contact: Dr. Kenneth Jessell
(name)

305-348-2101
(phone)

kjessell@fiu.edu
(email)

SUPPLEMENTAL FUNDING OF PECO AND/OR CITF PROJECTS (ONLY)

Priority No.	Project Title	Projected Annual Funding				
		Year 1	Year 2	Year 3	Year 4	Year 5
1	* ENGINEERING BUILDING, Phase II - MMC (P)(C,E)(C,E)	\$ 15,000,000	\$ 15,000,000			
3	**HONORS COLLEGE - MMC (P,C)(C,E)		\$ 2,325,000			
5	**ACADEMIC HEALTH CENTER STUDY COMPLEX - MMC (P,C)(C,E)		\$ 6,000,000	\$ 12,000,000		
Total:		\$ 15,000,000	\$ 23,325,000	\$ 12,000,000	\$ -	\$ -

Academic or Other Programs to Benefit from Project	Net Assignable Square Feet (NASF)	Gross Square Feet (GSF)	Project Cost	Project Cost Per GSF
Engineering	106,666	170,665	\$ 96,092,359	\$563
Honors	7,396	10,129	\$ 4,650,000	\$459
Academic Health	39,086	62,538	\$ 36,000,000	\$576

* Amount reflects 70 percent PECO; remaining 30 percent (\$30 million) Fundraising and Research Indirect

** Amount reflects 50 percent PECO; remaining 50 percent private funding.

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State University System
5-Year Capital Improvement Plan (CIP)
FY 2021-22 through 2025-26

Project Detail

University: **FLORIDA INTERNATIONAL UNIVERSITY**

Project Title: **1. ENGINEERING BUILDING, Phase II**

Project Address: **Modesto Maidique Campus**
11200 SW 8th Street, Miami FL. 33199

PROJECT NARRATIVE

This Phase II of new building, continues to build out classrooms, instructional and research laboratories and collaboration space for approximately 75 faculty and 1400 engineering majors as well as other students taking relevant engineering courses. The building will be designed for active learning classrooms and teaching laboratories through which FIU will continue its very successful STEM curricular reforms.

The building will be located on the Modesto A. Maidique campus to facilitate and enhance ongoing and future collaborations between the College of Engineering and Computing and the health sciences colleges of medicine, nursing, and public health. Many of the most significant breakthroughs in health sciences will increasingly be at the interface between these disciplines and engineering and computer science.

The building is needed for at least three reasons: (1) to accommodate the growth in the College of Engineering and Computing in response to the FIU 2020 Strategic Plan, the Department of Defense identified decadal growth needs in engineering disciplines, and the President's Jobs and Competitiveness Council call for an additional 10,000 engineers annually; (2) to allow FIU to fully capitalize on the available research funding and job opportunities for graduates that are occurring at the interface between engineering and health science disciplines; and (3) to allow engineering units with major national funding through NSF Engineering Research Centers and NSF Natural Hazards Engineering Research Infrastructure programs to expand at the Engineering Center.

The project budget includes costs of upgrading and extending existing central campus infrastructure to the project site. Private fundraising and research indirect funding will comprise \$30 million of \$96 million total project cost, 30% of the total budget.

In recognition of the University's commitment to sustainability practices this project will be designed and built with the goal of meeting the USGBC's LEED-NC "Silver" certification rating level at a minimum. The Project shall comply with Florida Statutes 255.251 Energy Conservation and Sustainable Buildings Act including 255.252 (3) and (4).

This project is partially included in the approved 2016-2020 Educational Plant Survey dated 1/20/2016, recommendation 12). The type and amounts of space in recommendation 3.6 of the Survey are considerably less than anticipated need and growth planned for this project. Excess space needs beyond the specific project recommendation are within total university projected space needs and will be adjusted in the 2021-2025 Survey update.

1% RESERVE ESCROW [per F.S. 1001.706 (12) c]

Building / project value:	\$ -
Basis / source of valuation:	
1st Year escrow deposit:	\$ -
Escrow funding source:	
Comments:	N/A - Previously funded project

BUILDING SPACE DESCRIPTION

Space Type (per FICM)	Net Assignable Sq. Ft. (NASF)	Net-to-Gross Conversion Factor	Gross Sq. Ft. (GSF)	Unit Cost * (per GSF)	Building Cost		
NEW CONSTRUCTION							
Classroom	17,550	1.6	28,080	385	10,804,300		
Teaching Lab	20,819	1.6	33,310	420	13,999,702		
Study	11,492	1.6	18,388	376	6,909,176		
Research Lab	18,445	1.6	29,513	494	14,582,530		
Office	36,281	1.6	58,050	390	22,646,207		
Instruct. Media	2,077	1.6	3,323	279	928,171		
	-		-		-		
Total:	106,666		170,665		69,870,086		
* Apply Unit Cost to total GSF based on Space Type							
						Remodeling Projects Only	
						NASF	NASF
						BEFORE	AFTER
REMODELING / RENOVATION							
	-		-		-	-	-
	-		-		-	-	-
Total:	-		-		-	-	-
Total New Const. & Remodel / Renovation:	106,666		170,665		69,870,086		

PROJECT COMPONENT COSTS & PROJECTIONS

	Costs Funded to Date	Projected Costs					Total
		Year 1	Year 2	Year 3	Year 4	Year 5	
Basic Construction Costs							
Building Cost (from above)		32,000,000	37,870,086				69,870,086
Environmental Impacts/Mitigation		50,000	-				50,000
Site Preparation		245,000	255,000				500,000
Landscape / Irrigation		237,500	162,500				400,000
Plaza / Walks		337,500	162,500				500,000
Roadway Improvements		337,500	162,500				500,000
Parking : spaces		250,000	200,000				450,000
Telecommunication		500,000	500,000				1,000,000
Electrical Service		232,500	67,500				300,000
Water Distribution		320,000	80,000				400,000
Sanitary Sewer System		200,000	150,000				350,000
Chilled Water System		500,000	-				500,000
Storm Water System		260,000	40,000				300,000
Energy Efficient Equipment		-	-				-
Subtotal: Basic Const. Costs		35,470,000	39,650,086				75,120,086
Other Project Costs							
Land / existing facility acquisition							
Professional Fees		3,500,000	1,672,673				5,172,673
CM Fees		500,000	251,201				751,201
Fire Marshall Fees		100,000	87,800				187,800
Inspection Services		150,000	720,000				870,000
BIM Consultant		37,560	37,560				75,120
Surveys & Tests		30,000	70,000				100,000
Permit / Impact / Environmental Fees		5,000	10,000				15,000
Artwork		-	100,000				100,000
Moveable Furnishings & Equipment		5,137,366	1,321,741				6,459,107
Project Contingency		3,070,000	1,372,549				4,442,549
Construction Service Reimbursement		2,000,074	798,749				2,798,823
Subtotal: Other Project Costs		14,530,000	6,442,273				20,972,273
Total Project Cost:		50,000,000	46,092,359				96,092,359

PROJECT FUNDING

Funding to Date			Total Project Cost (from above)	Remaining Funding Need
Source	Fiscal Year	Amount		
		-		
		-		
Total:		-	96,092,359	96,092,359

State University System
5-Year Capital Improvement Plan (CIP)
FY 2021-22 through 2025-26

Project Detail

University: **FLORIDA INTERNATIONAL UNIVERSITY**

Project Title: **2. REMOD. / RENOV. OF C.A.S.E. BUILDING**

Project Address: **Modesto Maidique Campus**
11200 SW 8th Street, Miami FL. 33199

PROJECT NARRATIVE

Recent assessment reports indicate that repair and replacement of deteriorated building enclosure components, windows, doors, and louvers are essentially needed. Replacement of deteriorating central air conditioning system is crucial in order maintain a healthy indoor environment and control energy costs. The 30-year-old 61,783 square foot Computing, Arts, Science and Education (CASE) building consists of 7 classrooms, 7 teaching labs, 61 research labs and 144 offices. Replacement of the building's emergency generator system is required so that telecommunications equipment housed in the CASE building and feeding the nearby University Police and Emergency Operation Center can be maintained during and after a hurricane.

The recommended work includes replacement of original exterior doors and windows with hurricane- resistant units that will significantly reduce air and water leakage. Waterproofing, caulking and sealing various building enclosure elements is recommended. The original 1989 roof would also be removed and replaced. Air handling and variable air volume units that serve the building are failing throughout and re-engineered replacements are needed to better regulate air-conditioning and significantly reduce energy usage, control humidity and regulate fresh air intake.

Comprehensive renovation is crucial to compliance with Florida Statute 255.251 Energy Conservation and Sustainable Building Act including Sections 255.252 (3) and (4) regarding retrofitting buildings. FIU is a signatory to the ACUP Climate Commitment with a goal of meeting a minimum rating of USGBC LEED Silver.

This project is consistent with the "2016-2020 Educational Plant Survey" dated 1/20/2016, standard recommendation SR3, and satisfies the requirement that the total cost of the project does not exceed 25% of the replacement cost of the building.

1% RESERVE ESCROW [per F.S. 1001.706 (12) c]

Building / project value:	\$ -
Basis / source of valuation:	
1st Year escrow deposit:	\$ -
Escrow funding source:	
Comments:	N/A - Previously funded project. The CASE building, FIU Building #8, formerly known as the Engineering & Computer Science building was funded for PO&M at the time it was completed in 1990.

BUILDING SPACE DESCRIPTION

Space Type (per FICM)	Net Assignable Sq. Ft. (NASF)	Net-to-Gross Conversion Factor	Gross Sq. Ft. (GSF)	Unit Cost * (per GSF)	Building Cost		
NEW CONSTRUCTION							
	-		-		-		
Total:	-		-		-		
* Apply Unit Cost to total GSF based on Space Type						Remodeling Projects Only	
REMODELING / RENOVATION						NASF BEFORE	NASF AFTER
			-		-	-	-
Exterior Windows					1,941,235		
Automatic Opening Doors			-		6,354	-	-
Built-Up Roofing			-		348,675	-	-
Central AHU - VAV System			-		2,056,681	-	-
Curtain Wall System			-		967,080	-	-
Exterior Doors			-		305,123	-	-
Emergency Generato			-		174,766	-	-
Overhead Rolling Door:			-		16,043	-	-
	-		-		-	-	-
Total:	-		-		5,815,957	-	-
Total New Const. & Remodel / Renovation:	-		-		5,815,957		

PROJECT COMPONENT COSTS & PROJECTIONS

	Costs		Projected Costs				
	Funded to Date	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Basic Construction Costs							
Building Cost (from above)		5,815,957					5,815,957
Environmental Impacts/Mitigation							
Site Preparation							
Landscape / Irrigation							
Plaza / Walks							
Roadway Improvements							
Parking : _____ spaces							
Telecommunication							
Electrical Service							
Water Distribution							
Sanitary Sewer System							
Chilled Water System							
Storm Water System							
Energy Efficient Equipment							
Subtotal: Basic Const. Costs	-	5,815,957	-				5,815,957
Other Project Costs							
Land / existing facility acquisition							
Professional Fees		468,941					468,941
CM Fees		63,562					63,562
Fire Marshall Fees		14,540					14,540
Inspection Services		100,000					100,000
BIM Consultant							
Surveys & Tests		60,000					60,000
Permit / Impact / Environmental Fees		55,000					55,000
Artwork							
Moveable Furnishings & Equipment							
Project Contingency		357,500					357,500
Construction Service Reimbursement		214,500					214,500
Subtotal: Other Project Costs		1,334,043					1,334,043
Total Project Cost:		7,150,000					7,150,000

PROJECT FUNDING

Funding to Date				
Source	Fiscal Year	Amount		
		-	Total Project Cost	Remaining Funding Need
		-	Cost	
		-	(from above)	
Total:		-	7,150,000	7,150,000

State University System
5-Year Capital Improvement Plan (CIP)
FY 2021-22 through 2025-26

Project Detail

University: **FLORIDA INTERNATIONAL UNIVERSITY**

Project Title: **3. HONORS COLLEGE**

Project Address: **Modesto Maidique Campus**
11200 SW 8th Street, Miami FL. 33199

PROJECT NARRATIVE

This project is meant both to satisfy university space needs and to facilitate the enrollment growth and programmatic development of Honors consistent with the mandate to become "the centerpiece of undergraduate educational excellence" at Florida International University.

The project, which will be 50% privately funded, is envisioned as a remodeling of space to be vacated in the Deuxieme Maison (DM) building at the Modesto Maidique Campus. Main components of the facility will include a Dean's Offices Executive Suite, a Student Services Suite, an IT Suite including specialized student computer laboratory spaces and General Support Spaces.

In recognition of the University's commitment to sustainability practices, remodeling/renovation projects will be designed and built with the goal of meeting the USGBC's LEED-NC "Silver" certification rating level at a minimum. All projects shall comply with Florida Statutes 255.251 Energy Conservation and Sustainable Buildings Act including 255.252 (3) and (4).

This project is included in the "2015-2020 Educational Plant Survey" dated 1/20/2016, recommendation 3.8.

1% RESERVE ESCROW [per F.S. 1001.706 (12) c]

Building / project value:	\$ -
Basis / source of valuation:	
1st Year escrow deposit:	\$ -
Escrow funding source:	
Comments:	N/A - Previously funded project. The DM building, FIU Building #2, was funded for PO&M at the time it was completed in 1973.

BUILDING SPACE DESCRIPTION

Space Type (per FICM)	Net Assignable Sq. Ft. (NASF)	Net-to-Gross Conversion Factor	Gross Sq. Ft. (GSF)	Unit Cost * (per GSF)	Building Cost		
NEW CONSTRUCTION							
	-		-		-		
Total:	-		-		-		
* Apply Unit Cost to total GSF based on Space Type							
REMODELING / RENOVATION							
						Remodeling Projects <u>Only</u>	
						NASF	NASF
						BEFORE	AFTER
Teaching Lab	1,155	1.5	1,733	378	655,321	-	-
Study	175	1.5	263	338	88,769		
Office	4,136	1.5	6,204	351	2,178,235		
Campus Support Services	1,930	1	1,930	319	616,394		
	-		-		-		
Total:	7,396		10,129		3,538,720	-	-
Total New Const. & Remodel / Renovation:	7,396		10,129		3,538,720		

PROJECT COMPONENT COSTS & PROJECTIONS

	Costs Funded to Date	Projected Costs					Total
		Year 1	Year 2	Year 3	Year 4	Year 5	
Basic Construction Costs							
Building Cost (from above)	3,538,720						3,538,720
Environmental Impacts/Mitigation							
Site Preparation	25,000	-					25,000
Landscape / Irrigation	10,000	-					10,000
Plaza / Walks	20,000	-					20,000
Roadway Improvements		-					
Parking : spaces		-					
Telecommunication	10,000	-					10,000
Electrical Service	10,000	-					10,000
Water Distribution	5,000	-					5,000
Sanitary Sewer System	10,000	-					10,000
Chilled Water System		-					
Storm Water System	5,000	-					5,000
Energy Efficient Equipment	-	-	-				
Subtotal: Basic Const. Costs	3,633,720						3,633,720
Other Project Costs							
Land / existing facility acquisition							
Professional Fees	300,851						300,851
CM Fees	36,337						36,337
Fire Marshall Fees	9,084						9,084
Inspection Services	20,000						20,000
BIM Consultant							
Surveys & Tests	5,000						5,000
Permit / Impact / Environmental Fees	10,000						10,000
Artwork	18,169						18,169
Moveable Furnishings & Equipment	265,262						265,262
Project Contingency	216,121						216,121
Construction Service Reimbursement	135,456						135,456
Subtotal: Other Project Costs	1,016,280						1,016,280
Total Project Cost:	4,650,000						4,650,000

PROJECT FUNDING

Funding to Date			Total Project Cost (from above)	Remaining Funding Need
Source	Fiscal Year	Amount		
		-		
		-		
		-		
Total:		-	4,650,000	4,650,000

State University System
5-Year Capital Improvement Plan (CIP)
FY 2021-22 through 2025-26

Project Detail

University: **FLORIDA INTERNATIONAL UNIVERSITY**

Project Title: **4. SCIENCE LABORATORY COMPLEX**

Project Address: **Modesto Maidique Campus**
11200 SW 8th Street, Miami FL. 33199

PROJECT NARRATIVE

To support current and expanding science programs, Florida International University needs considerable science specific classrooms, teaching laboratories and offices. Existing facilities are severely inadequate to meet University needs.

This facility will provide critically needed classrooms, laboratories and offices to address existing shortfalls and to meet educational and research needs of the University. The Science Laboratory Complex is an essential element in the FIU/State University System Strategic Plan to meet statewide professional and workforce needs in the science area.

The project budget includes extraordinary costs of upgrading and extending existing central campus infrastructure to the project site.

In recognition of the University's commitment to sustainability practices, this project will be designed and built with the goal of meeting the USGBC's LEED-NC "Silver" certification rating level at a minimum. The Project shall comply with Florida Statutes 255.251 Energy Conservation and Sustainable Buildings Act including 255.252 (3) and (4).

This project is included in the "2015-2020 Educational Plant Survey" dated 1/20/2016, recommendation 3.5.

1% RESERVE ESCROW [per F.S. 1001.706 (12) c]

Building / project value:	TBD
Basis / source of valuation:	TBD
1st Year escrow deposit:	TBD
Escrow funding source:	TBD
Comments:	TBD

BUILDING SPACE DESCRIPTION

	Space Type (per FICM)	Net Assignable Sq. Ft. (NASF)	Net-to-Gross Conversion Factor	Gross Sq. Ft. (GSF)	Unit Cost * (per GSF)	Building Cost		
NEW CONSTRUCTION								
	Classroom	7,282	<u>1.6</u>	11,650	<u>401</u>	4,677,564		
	Teaching Lab	3,883	<u>1.6</u>	6,214	<u>439</u>	2,724,987		
	Study	17,476	<u>1.6</u>	27,961	<u>392</u>	10,963,026		
	Office	19,417	<u>1.6</u>	31,068	<u>407</u>	12,646,973		
	Instruct. Media	1,942	<u>1.6</u>	3,107	<u>291</u>	905,475		
	Research Lab	27,184	<u>1.6</u>	43,495	<u>516</u>	22,425,901		
		-		-		-		
	Total:	77,184		123,495		54,343,925		
	* Apply Unit Cost to total GSF based on Space Type							Remodeling Projects Only
							NASF BEFORE	NASF AFTER
REMODELING / RENOVATION								
		-		-		-	-	-
		-		-		-	-	-
	Total:	-		-		-	-	-
	Total New Const. & Remodel / Renovation:	77,184		123,495		54,343,925		

PROJECT COMPONENT COSTS & PROJECTIONS

	Costs		Projected Costs				
	Funded to Date	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Basic Construction Costs							
Building Cost (from above)		11,000,000	24,000,000	19,343,926			54,343,926
Environmental Impacts/Mitigation							
Site Preparation			300,000				300,000
Landscape / Irrigation			500,000				500,000
Plaza / Walks			250,000				250,000
Roadway Improvements			250,000				250,000
Parking : _____ spaces			300,000				300,000
Telecommunication			450,000				450,000
Electrical Service			100,000				100,000
Water Distribution			100,000				100,000
Sanitary Sewer System			200,000				200,000
Chilled Water System			350,000				350,000
Storm Water System			100,000				100,000
Energy Efficient Equipment		-	25,000				25,000
Subtotal: Basic Const. Costs		11,000,000	26,925,000	19,343,926			57,268,926
Other Project Costs							
Land / existing facility acquisition							
Professional Fees		2,000,000	1,000,000	1,581,514			4,581,514
CM Fees		572,689		-			572,689
Fire Marshall Fees		143,172		-			143,172
Inspection Services			125,000	275,000			400,000
BIM Consultant			28,634	28,634			57,269
Surveys & Tests		50,000	50,000	175,000			275,000
Permit / Impact / Environmental Fees		40,000	40,000	-			80,000
Artwork				100,000			100,000
Moveable Furnishings & Equipment				10,881,111			10,881,111
Project Contingency		603,864	1,000,000	2,114,125			3,717,989
Construction Service Reimbursement		590,274	831,366	920,690			2,342,330
Subtotal: Other Project Costs		4,000,000	3,075,000	16,076,075			23,151,075
Total Project Cost:		15,000,000	30,000,000	35,420,000			80,420,000

PROJECT FUNDING

Funding to Date				
Source	Fiscal Year	Amount		
		-		
		-		
		-		
		-		
		-		
		-		
Total:		-	Total Project Cost (from above)	Remaining Funding Need
			80,420,000	80,420,000

State University System
5-Year Capital Improvement Plan (CIP)
FY 2021-22 through 2025-26

Project Detail

University: **FLORIDA INTERNATIONAL UNIVERSITY**

Project Title: **5. ACADEMIC HLTH .CTR. STUDY COMPLEX**

Project Address: **Modesto Maidique Campus**
11200 SW 8th Street, Miami FL. 33199

PROJECT NARRATIVE

The purpose of this project is to consolidate study environments for three colleges, the Herbert Wertheim College of Medicine, the Nicole Wertheim College of Nursing and Health Sciences and the Robert Stempel College of Public Health & Social Work into one facility - consistent with the spirit of an Academic Health Center.

A variety of learning spaces are necessary to provide casual, small group learning and quiet individual study environments. The proposed program anticipates informal gathering environments, open collaborative spaces, quiet reading rooms, small group study rooms, a student lounge with vending area, as well as other support functions. It is anticipated that the facility will have the capacity to serve a population of 560 upper division students from the three colleges. In addition, the program calls for administrative office for the Academic Health Center.

Upon its completion, the third floor dedicated HWCOR Library spaces (approximately 6,500 net square feet) will be released back to the Green Library. The Educational Plant Survey also shows shortage of library/study space, so this project will benefit the wider university community in that capacity.

The project budget, which will be 50% privately funded, includes extraordinary costs required to integrate new structure and building systems with the two adjacent existing buildings, AHC1 & AHC2.

In recognition of the University's commitment to sustainability practices, this project will be designed and built with the goal of meeting the USGBC's LEED-NC "Silver" certification rating level at a minimum. The Project shall comply with Florida Statutes 255.251 Energy Conservation and Sustainable Buildings Act including 255.252 (3) and (4).

This project is included in the "2015-2020 Educational Plant Survey" dated 1/20/2016, recommendation 3.10.

1% RESERVE ESCROW [per F.S. 1001.706 (12) c]

Building / project value:	TBD
Basis / source of valuation:	TBD
1st Year escrow deposit:	TBD
Escrow funding source:	TBD
Comments:	TBD

BUILDING SPACE DESCRIPTION

Space Type (per FICM)	Net Assignable Sq. Ft. (NASF)	Net-to-Gross Conversion Factor	Gross Sq. Ft. (GSF)	Unit Cost * (per GSF)	Building Cost		
NEW CONSTRUCTION							
Classroom	4,500	1.6	7,200	401	2,890,734		
Teaching Lab	5,250	1.6	8,400	439	3,683,842		
Study	12,390	1.6	19,824	392	7,772,603		
Office	15,866	1.6	25,386	407	10,333,829		
Instruct. Media	480	1.6	768	291	223,833		
Research Lab	600	1.6	960	516	494,972		
	-		-		-		
Total:	39,086		62,538		25,399,813		
* Apply Unit Cost to total GSF based on Space Type							
						Remodeling Projects Only	
						NASF	NASF
						BEFORE	AFTER
REMODELING / RENOVATION							
	-		-		-	-	-
	-		-		-	-	-
Total:	-		-		-	-	-
Total New Const. & Remodel / Renovation:	39,086		62,538		25,399,813		

PROJECT COMPONENT COSTS & PROJECTIONS

	Costs		Projected Costs				
	Funded to Date	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Basic Construction Costs							
Building Cost (from above)			8,000,000	17,260,320			25,260,320
Environmental Impacts/Mitigation							
Site Preparation			215,000				215,000
Landscape / Irrigation				65,000			65,000
Plaza / Walks				650,000			650,000
Roadway Improvements							
Parking : _____ spaces							
Telecommunication				110,000			110,000
Electrical Service				100,000			100,000
Water Distribution				75,000			75,000
Sanitary Sewer System				100,000			100,000
Chilled Water System				150,000			150,000
Storm Water System				120,000			120,000
Energy Efficient Equipment		-					
Subtotal: Basic Const. Costs			8,215,000	18,630,320			26,845,320
Other Project Costs							
Land / existing facility acquisition							
Professional Fees			1,750,000	934,532			2,684,532
CM Fees			268,453				268,453
Fire Marshall Fees			67,113				67,113
Inspection Services			100,000	200,000			300,000
BIM Consultant			13,423	13,423			26,845
Surveys & Tests			80,000	40,000			120,000
Permit / Impact / Environmental Fees			50,000	70,000			120,000
Artwork				100,000			100,000
Moveable Furnishings & Equipment				2,754,532			2,754,532
Project Contingency			960,000	704,660			1,664,660
Construction Service Reimbursement			496,011	552,533			1,048,544
Subtotal: Other Project Costs			3,785,000	5,369,680			9,154,679
Total Project Cost:			12,000,000	24,000,000			36,000,000

PROJECT FUNDING

Funding to Date			Total Project Cost (from above)	Remaining Funding Need
Source	Fiscal Year	Amount		
		-		
		-		
		-		
		-		
		-		
		-		
Total:		-	36,000,000	36,000,000

State University System
5-Year Capital Improvement Plan (CIP)
FY 2021-22 through 2025-26

Project Detail

University: **FLORIDA INTERNATIONAL UNIVERSITY**

Project Title: **6. REMOD./RENOV. OF DM BLDG.**

Project Address: **Modesto Maidique Campus**
11200 SW 8th Street, Miami FL. 33199

PROJECT NARRATIVE

This request will accommodate renovations to space vacated in conjunction with construction of new facilities that require no significant changes in space categories. In addition, it will provide much needed renovation to existing classroom space in the DM building, the second oldest building on campus.

Academic reorganizations and university strategic initiatives such as classroom, class lab and open lab refurbishments, media upgrades, renovations and/or remodeling will take place throughout the building. Large scale renovations will include upgrades to life safety systems and replacements of HVAC, electrical and conveying systems that are not possible in smaller room-by-room-type renovations.

Comprehensive renovation is crucial to compliance with Florida Statute 255.251 Energy Conservation and Sustainable Building Act including Sections 255.252 (3) and (4) regarding retrofitting buildings. FIU is a signatory to the ACUP Climate Commitment with a goal of meeting a minimum rating of USGBC LEED Silver.

This project is included in the "2015-2020 Educational Plant Survey" dated 1/20/2016, recommendation 2.2.

1% RESERVE ESCROW [per F.S. 1001.706 (12) c]

Building / project value: \$ -

Basis / source of valuation:

1st Year escrow deposit: \$ -

Escrow funding source:

Comments: N/A - Previously funded project. The DM building, FIU Building #2, was funded for PO&M at the time it was completed in 1973.

BUILDING SPACE DESCRIPTION

Space Type (per FICM)	Net Assignable Sq. Ft. (NASF)	Net-to-Gross Conversion Factor	Gross Sq. Ft. (GSF)	Unit Cost * (per GSF)	Building Cost		
NEW CONSTRUCTION							
	-		-		-		
Total:	-		-		-		
* Apply Unit Cost to total GSF based on Space Type						Remodeling Projects Only	
						NASF BEFORE	NASF AFTER
REMODELING / RENOVATION							
Classroom	28,161	1	28,161	75	2,112,105	28,161	28,161
Teaching Lab	28,161	1	28,161	75	2,112,105	28,161	28,161
Study	28,161	1	28,161	75	2,112,105	28,161	28,161
Office	28,161	1	28,161	75	2,112,105	28,161	28,161
Research Lab	28,161	1	28,161	75	2,112,105	28,161	28,161
	-		-		-	-	-
Total:	140,807		140,807		10,560,525	140,807	140,807
Total New Const. & Remodel / Renovation:							
	140,807		140,807		10,560,525		

PROJECT COMPONENT COSTS & PROJECTIONS

	Costs Funded to Date	Projected Costs					Total
		Year 1	Year 2	Year 3	Year 4	Year 5	
Basic Construction Costs							
Building Cost (from above)			5,400,000	5,160,525			10,560,525
Environmental Impacts/Mitigation							
Site Preparation							
Landscape / Irrigation							
Plaza / Walks							
Roadway Improvements							
Parking : _____ spaces							
Telecommunication							
Electrical Service							
Water Distribution							
Sanitary Sewer System							
Chilled Water System							
Storm Water System							
Energy Efficient Equipment		-					
Subtotal: Basic Const. Costs			5,400,000	5,160,525			10,560,525
Other Project Costs							
Land / existing facility acquisition							
Professional Fees			510,000	546,053			1,056,053
CM Fees			55,000	50,605			105,605
Fire Marshall Fees			15,000	11,401			26,401
Inspection Services			100,000	100,000			200,000
BIM Consultant							
Surveys & Tests			130,000	120,000			250,000
Permit / Impact / Environmental Fees			80,000	70,000			150,000
Artwork							
Moveable Furnishings & Equipment			150,000	497,429			647,429
Project Contingency			350,000	39,980			389,980
Construction Service Reimbursement			210,000	204,006			414,006
Subtotal: Other Project Costs			1,600,000	1,639,475			3,239,475
Total Project Cost:			7,000,000	6,800,000			13,800,000

PROJECT FUNDING

Funding to Date			Total Project Cost (from above)	Remaining Funding Need
Source	Fiscal Year	Amount		
		-		
		-		
		-		
		-		
		-		
		-		
Total:		-	13,800,000	13,800,000

State University System
5-Year Capital Improvement Plan (CIP)
FY 2021-22 through 2025-26

Project Detail

University: **FLORIDA INTERNATIONAL UNIVERSITY**

Project Title: **7. GREEN LIBRARY ADDITION**

Project Address: **Modesto Maidique Campus**
11200 SW 8th Street, Miami FL. 33199

PROJECT NARRATIVE

This project includes expansion of the Green Library, by building an addition to the existing structure. The addition will provide space to be allocated for student study spaces, open group collaborative spaces, group study rooms, and designated graduate student study areas.

Standards of the Association for College and Research Libraries recommend allocating seating for 20% of FTE enrollment. Currently we have seating for approximately 1300 students, roughly 4% of the recommended allocation. This addition will add much needed study space.

The project budget includes extraordinary costs of upgrading and extending existing central campus infrastructure to the project site.

In recognition of the University's commitment to sustainability practices, this project will be designed and built with the goal of meeting the USGBC's LEED-NC "Silver" certification rating level at a minimum. The Project shall comply with Florida Statutes 255.251 Energy Conservation and Sustainable Buildings Act including 255.252 (3) and (4).

This project is included in the "2015-2020 Educational Plant Survey" dated 1/20/2016, recommendation 3.3.

1% RESERVE ESCROW [per F.S. 1001.706 (12) c]

Building / project value:	TBD
Basis / source of valuation:	TBD
1st Year escrow deposit:	TBD
Escrow funding source:	TBD
Comments:	TBD

BUILDING SPACE DESCRIPTION

Space Type (per FICM)	Net Assignable Sq. Ft. (NASF)	Net-to-Gross Conversion Factor	Gross Sq. Ft. (GSF)	Unit Cost * (per GSF)	Building Cost		
NEW CONSTRUCTION							
Study	88,000	1.4	123,200	408	50,316,990		
	-		-		-		
Total:	88,000		123,200		50,316,990		
* Apply Unit Cost to total GSF based on Space Type							
REMODELING / RENOVATION						Remodeling Projects Only	
						NASF BEFORE	NASF AFTER
	-		-		-	-	-
	-		-		-	-	-
Total:	-		-		-	-	-
Total New Const. & Remodel / Renovation:	88,000		123,200		50,316,990		

PROJECT COMPONENT COSTS & PROJECTIONS

	Costs	Projected Costs					Total
	Funded to Date	Year 1	Year 2	Year 3	Year 4	Year 5	
Basic Construction Costs							
Building Cost (from above)				7,000,000	23,000,000	25,069,048	55,069,048
Environmental Impacts/Mitigation							
Site Preparation				300,000			300,000
Landscape / Irrigaiton				100,000			100,000
Plaza / Walks				250,000			250,000
Roadway Improvements				250,000			250,000
Parking : spaces							
Telecommunication				250,000			250,000
Electrical Service				100,000			100,000
Water Distribution				100,000			100,000
Sanitary Sewer System				200,000			200,000
Chilled Water System				350,000			350,000
Storm Water System				100,000			100,000
Energy Efficient Equipment		-		25,000			25,000
Subtotal: Basic Const. Costs				9,025,000	23,000,000	25,069,048	57,094,048
Other Project Costs							
Land / existing facility acquisition							
Professional Fees				4,448,000	119,524		4,567,524
CM Fees				570,940			570,940
Fire Marshall Fees				142,735			142,735
Inspection Services				125,000	225,000	50,000	400,000
BIM Consultant							
Surveys & Tests				175,000	50,000	50,000	275,000
Permit / Impact / Environmental Fees				49,061	32,598		81,659
Artwork						100,000	100,000
Moveable Furnishings & Equipment					33,000	5,713,355	5,746,355
Project Contingency				713,915	1,999,878	735,129	3,448,922
Construction Service Reimbursement				500,348	540,000	1,132,468	2,172,817
Subtotal: Other Project Costs				6,725,000	3,000,000	7,780,952	17,505,952
Total Project Cost:				15,750,000	26,000,000	32,850,000	74,600,000

PROJECT FUNDING

Funding to Date			Total Project Cost (from above)	Remaining Funding Need
Source	Fiscal Year	Amount		
		-		
		-		
		-		
		-		
		-		
		-		
Total:		-	74,600,000	74,600,000

State University System
5-Year Capital Improvement Plan (CIP)
FY 2021-22 through 2025-26

Project Detail

University: **FLORIDA INTERNATIONAL UNIVERSITY**

Project Title: **8. SCIENCE & HUMANITIES CENTER (S.T.E.A.M.)**

Project Address: **Modesto Maidique Campus**
11200 SW 8th Street, Miami FL. 33199

PROJECT NARRATIVE

This project includes a new Humanities Center for the College of Arts and Sciences. The College of Arts and Sciences is experiencing continued growth and current facilities are not adequate to meet current or projected needs. The College of Arts and Sciences embraces nearly half the student body at FIU and awards close to 40% of all degrees. Arts & Sciences touches almost every student at some point in their education and offers 72 degree programs.

The Humanities Center will be an integral part of the College. The provision of adequate facilities for these core classes is integral to meeting current needs and is an essential element of the University's strategy to retain students and increase graduation rates. The Center will house a range of programs including English, Modern Languages, History, Linguistics, Asian Studies and Philosophy and will work in concert with other programs in the College.

The project budget includes extraordinary costs of upgrading and extending existing central campus infrastructure to the project site.

In recognition of the University's commitment to sustainability practices, remodeling/renovation projects will be designed and built with the goal of meeting the USGBC's LEED-NC "Silver" certification rating level at a minimum. All projects shall comply with Florida Statutes 255.251 Energy Conservation and Sustainable Buildings Act including 255.252 (3) and (4).

This project is included in the "2015-2020 Educational Plant Survey" dated 1/20/2016, recommendation 3.9.

1% RESERVE ESCROW [per F.S. 1001.706 (12) c]

Building / project value:	TBD
Basis / source of valuation:	TBD
1st Year escrow deposit:	TBD
Escrow funding source:	TBD
Comments:	TBD

BUILDING SPACE DESCRIPTION

	Net Assignable Sq. Ft. (NASF)	Net-to-Gross Conversion Factor	Gross Sq. Ft. (GSF)	Unit Cost * (per GSF)	Building Cost		
NEW CONSTRUCTION							
Classroom	5,500	1.6	8,800	435	3,827,546		
Teaching Lab	15,000	1.6	24,000	475	11,402,369		
Study	4,000	1.6	6,400	425	2,718,424		
Research Lab	5,000	1.6	8,000	559	4,468,494		
Office	15,500	1.6	24,800	441	10,936,733		
Campus Support Services	5,000	1.6	8,000	401	3,209,182		
Total:	50,000		80,000		36,562,750		
* Apply Unit Cost to total GSF based on Space Type							
						Remodeling Projects Only	
						NASF BEFORE	NASF AFTER
	-		-		-	-	-
	-		-		-	-	-
Total:	-		-		-	-	-
Total New Const. & Remodel / Renovation:	50,000		80,000		36,562,750		

PROJECT COMPONENT COSTS & PROJECTIONS

	Costs	Projected Costs					Total
	Funded to Date	Year 1	Year 2	Year 3	Year 4	Year 5	
Basic Construction Costs							
Building Cost (from above)					17,500,000	19,062,750	36,562,750
Environmental Impacts/Mitigation							
Site Preparation					500,000		500,000
Landscape / Irrigaiton						200,000	200,000
Plaza / Walks					150,000		150,000
Roadway Improvements							
Parking : spaces					500,000		500,000
Telecommunication					100,000		100,000
Electrical Service					300,000		300,000
Water Distribution					200,000		200,000
Sanitary Sewer System					350,000		350,000
Chilled Water System					100,000		100,000
Storm Water System					300,000		300,000
Energy Efficient Equipment							
Subtotal: Basic Const. Costs					20,000,000	19,262,750	39,262,750
Other Project Costs							
Land / existing facility acquisition							
Professional Fees					3,210,670	126,664	3,337,334
CM Fees					392,627		392,627
Fire Marshall Fees					98,157		98,157
Inspection Services					250,000		250,000
BIM Consultant					19,631	19,631	39,263
Surveys & Tests					50,000	50,000	100,000
Permit / Impact / Environmental Fees					120,000		120,000
Artwork						100,000	100,000
Moveable Furnishings & Equipment						6,230,780	6,230,780
Project Contingency					449,846	2,046,533	2,496,379
Construction Service Reimbursement					409,068	1,163,642	1,572,710
Subtotal: Other Project Costs					5,000,000	9,737,250	14,737,250
Total Project Cost:					25,000,000	29,000,000	54,000,000

PROJECT FUNDING

Funding to Date			Total Project Cost (from above)	Remaining Funding Need
Source	Fiscal Year	Amount		
		-		
		-		
		-		
		-		
		-		
		-		
Total:		-	54,000,000	54,000,000

State University System
5-Year Capital Improvement Plan (CIP)
FY 2021-22 through 2025-26

Project Detail

University: **FLORIDA INTERNATIONAL UNIVERSITY**

Project Title: **9. REMODEL./RENOV. ACAD. DATA CTR.**

Project Address: **Modesto Maidique Campus**
11200 SW 8th Street, Miami FL. 33199

PROJECT NARRATIVE

This request will accommodate renovation and remodeling of space vacated in conjunction with construction of new facilities that require no significant changes in space categories. In addition, it will provide much needed renovation to existing data room space in various buildings university wide.

The current Data Center is outdated and at capacity. This proposal for a new Data Center will offer several key benefits, which include increased data center space to implement new technologies that will improve efficiencies. This project will also allow the University to save money on cooling by having an area to consolidate University servers in one location.

The project budget includes extraordinary costs of upgrading and extending existing central campus fiber optic backbone infrastructure to the project site.

In recognition of the University's commitment to sustainability practices, remodeling/renovation projects will be designed and built with the goal of meeting the USGBC's LEED "Silver" certification rating level at a minimum. All projects shall comply with Florida Statutes 255.251 Energy Conservation and Sustainable Buildings Act including 255.252 (3) and (4).

This project is included in the "2015-2020 Educational Plant Survey" dated 1/20/2016, recommendation 2.11.

1% RESERVE ESCROW [per F.S. 1001.706 (12) c]

Building / project value:	\$ -
Basis / source of valuation:	
1st Year escrow deposit:	\$ -
Escrow funding source:	
Comments:	N/A - Previously funded project. The PC building, FIU Building #1, was funded for PO&M at the time it was completed in 1972.

BUILDING SPACE DESCRIPTION

Space Type (per FICM)	Net Assignable Sq. Ft. (NASF)	Net-to-Gross Conversion Factor	Gross Sq. Ft. (GSF)	Unit Cost * (per GSF)	Building Cost		
NEW CONSTRUCTION							
	-		-		-		
Total:	-		-		-		
* Apply Unit Cost to total GSF based on Space Type						Remodeling Projects Only	
						NASF BEFORE	NASF AFTER
REMODELING / RENOVATION							
Campus Support Se	24,000	<u>1</u>	24,000	<u>475</u>	11,400,000	24,000	24,000
	-		-		-	-	-
Total:	24,000		24,000		11,400,000	24,000	24,000
Total New Const. & Remodel / Renovation:	24,000		24,000		11,400,000		

PROJECT COMPONENT COSTS & PROJECTIONS

	Costs Funded to	Projected Costs					Total
	Date	Year 1	Year 2	Year 3	Year 4	Year 5	
Basic Construction Costs							
Building Cost (from above)					9,000,000	2,400,000	11,400,000
Environmental Impacts/Mitigation							
Site Preparation							
Landscape / Irrigaiton							
Plaza / Walks							
Roadway Improvements							
Parking : spaces							
Telecommunication					1,500,000		1,500,000
Electrical Service							
Water Distribution							
Sanitary Sewer System							
Chilled Water System							
Storm Water System							
Energy Efficient Equipment		-			500,000		500,000
Subtotal: Basic Const. Costs					11,000,000	2,400,000	13,400,000
Other Project Costs							
Land / existing facility acquisition							
Professional Fees					1,000,000	340,000	1,340,000
CM Fees					114,000	20,000	134,000
Fire Marshall Fees					28,500	5,000	33,500
Inspection Services					30,000	120,000	150,000
BIM Consultant					6,700	6,700	13,400
Surveys & Tests					50,000	30,000	80,000
Permit / Impact / Environmental Fees					25,000	25,000	50,000
Artwork						-	
Moveable Furnishings & Equipment						2,829,000	2,829,000
Project Contingency					445,800	456,335	902,135
Construction Service Reimbursement					300,000	267,965	567,965
Subtotal: Other Project Costs					2,000,000	4,100,000	6,100,000
Total Project Cost:					13,000,000	6,500,000	19,500,000

PROJECT FUNDING

Funding to Date			Total Project Cost (from above)	Remaining Funding Need
Source	Fiscal Year	Amount		
		-		
		-		
		-		
		-		
		-		
		-		
Total:		-	19,500,000	19,500,000

State University System
5-Year Capital Improvement Plan (CIP)
FY 2021-22 through 2025-26

Project Detail

University: **FLORIDA INTERNATIONAL UNIVERSITY**

Project Title: **10. REMODEL./RENOV OF OE BUILDING**

Project Address: **Modesto Maidique Campus**
11200 SW 8th Street, Miami FL. 33199

PROJECT NARRATIVE

This request will accommodate renovations to space vacated in conjunction with construction of new facilities that require no significant changes in space categories. In addition, it will provide much needed renovation to existing classroom space in the DM building, the second oldest building on campus.

Academic reorganizations and university strategic initiatives such as classroom, class lab and open lab refurbishments, media upgrades, renovations and/or remodeling will take place throughout the building. Large scale renovations will include upgrades to life safety systems and replacements of HVAC, electrical and conveying systems that are not possible in smaller room-by-room-type renovations.

Comprehensive renovation is crucial to compliance with Florida Statute 255.251 Energy Conservation and Sustainable Building Act including Sections 255.252 (3) and (4) regarding retrofitting buildings. FIU is a signatory to the ACUP Climate Commitment with a goal of meeting a minimum rating of USGBC LEED Silver.

This project is included in the "2015-2020 Educational Plant Survey" dated 1/20/2016, recommendation 2.4.

1% RESERVE ESCROW [per F.S. 1001.706 (12) c]

Building / project value: \$ -

Basis / source of valuation:

1st Year escrow deposit: \$ -

Escrow funding source:

Comments: N/A - Previously funded project. The OE building, FIU Building #2, was funded for PO&M at the time it was completed in 1977.

BUILDING SPACE DESCRIPTION

Space Type (per FICM)	Net Assignable Sq. Ft. (NASF)	Net-to-Gross Conversion Factor	Gross Sq. Ft. (GSF)	Unit Cost * (per GSF)	Building Cost		
NEW CONSTRUCTION							
	-		-		-		
Total:	-		-		-		
* Apply Unit Cost to total GSF based on Space Type						Remodeling Projects Only	
						NASF BEFORE	NASF AFTER
REMODELING / RENOVATION							
Classroom	23,461	<u>1</u>	23,461	<u>140</u>	3,284,568	23,461	23,461
Teaching Lab	23,461	<u>1</u>	23,461	<u>140</u>	3,284,568	23,461	23,461
Study	23,461	<u>1</u>	23,461	<u>140</u>	3,284,568	23,461	23,461
Office	23,461	<u>1</u>	23,461	<u>140</u>	3,284,568	23,461	23,461
Research Lab	23,461	<u>1</u>	23,461	<u>140</u>	3,284,568	23,461	23,461
	-		-		-	-	-
Total:	117,306		117,306		16,422,840	117,306	117,306
Total New Const. & Remodel / Renovation:							
	117,306		117,306		16,422,840		

PROJECT COMPONENT COSTS & PROJECTIONS

	Costs	Projected Costs					Total
	Funded to Date	Year 1	Year 2	Year 3	Year 4	Year 5	
Basic Construction Costs							
Building Cost (from above)					8,250,000	8,172,840	16,422,840
Environmental Impacts/Mitigation							
Site Preparation							
Landscape / Irrigaiton							
Plaza / Walks							
Roadway Improvements							
Parking : spaces							
Telecommunication							
Electrical Service							
Water Distribution							
Sanitary Sewer System							
Chilled Water System							
Storm Water System							
Energy Efficient Equipment		-					
Subtotal: Basic Const. Costs					8,250,000	8,172,840	16,422,840
Other Project Costs							
Land / existing facility acquisition							
Professional Fees					750,000	728,056	1,478,056
CM Fees					108,310	55,918	164,228
Fire Marshall Fees					27,077	13,980	41,057
Inspection Services					77,498	154,995	232,493
BIM Consultant							
Surveys & Tests					83,333	166,667	250,000
Permit / Impact / Environmental Fees					50,000	100,000	150,000
Artwork							
Moveable Furnishings & Equipment					250,000	428,714	678,714
Project Contingency					483,782	487,177	970,959
Construction Service Reimbursement					420,000	191,653	611,653
Subtotal: Other Project Costs					2,250,000	2,327,160	4,577,160
Total Project Cost:					10,500,000	10,500,000	21,000,000

PROJECT FUNDING

Funding to Date			Total Project Cost (from above)	Remaining Funding Need
Source	Fiscal Year	Amount		
		-		
		-		
		-		
		-		
		-		
		-		
Total:		-	21,000,000	21,000,000

State University System
5-Year Capital Improvement Plan (CIP)
FY 2021-22 through 2025-26

Project Detail

University: **FLORIDA INTERNATIONAL UNIVERSITY**

Project Title: **CITF - 1. GRAHAM CENTER EXPANSION (BT-921)**

Project Address: **Modesto Maidique Campus**
11200 SW 8th Street, Miami FL. 33199

PROJECT NARRATIVE

The goal of the Graham Center expansion (BT-921) is to add an estimated 69,400 GSF (52,000 NASF) to the existing building. The specific objective of the expansion is to increase the current ballroom's footprint; add breakout and green rooms, lounges, and adequate storage; and, above all, provide a new and larger grand ballroom facility to alleviate present and future event and programming space demands.

The Earnest R. Graham University Center (Graham Center) is FIU's "crown jewel" and "powerhouse" for social events, student services and programs, academic instruction, departmental functions and retail operations. Built in 1974, as a 78,000 square foot student union, it has undergone five major renovations and expansion phases, to its present 303,840 feet. The existing ballrooms, foyer and back of house support spaces began construction in 1990 when the university had a total enrollment of only about 23,000 students. At present, this multi-purpose facility, enhanced with diverse functionality, attracts over four million guests each year and cannot meet the current growing space needs of student and University programs and events.

Additionally, Miami has become the capital of Latin America and FIU has become its capitol building. Heads of state from Latin American countries and top United States government officials have convened at the Graham Center Ballroom for bi-lateral and multi-lateral meetings. This expansion represents FIU's opportunity to cement itself as the go-to venue for official U.S. government events in South Florida, bringing national and international notoriety to our institution. The proposed new ballroom will have the required venue amenities to accommodate their events, such as breakout rooms, green rooms, kitchens and other interrelated spaces.

The 500-banquet-style-seating capacity of the existing ballroom has restricted the attendance and fundraising potential for university programs, such as Career Fairs, Martin Luther King Commemorative Breakfast, SGA lectures, Sorority and Fraternity fundraisers, fashion shows, Homecoming activities, lectures, academic summits, athletic banquets, graduation receptions, student orientation programs, Campus Life comedy shows, etc. Therefore, groups like the College of Medicine, College of Business, College of Law, Greek organizations, and others, host their large events outside the university campus, at a high cost to the institution and lost opportunity for nurturing affinity to the FIU.

The Graham Center's inability to house audiences of 1,200+ people, with adequate breakout rooms, has caused high-profile events like the national presidential and vice-presidential political debates to be lost to other venues like the University of Miami's Convocation Center, taking away from FIU the national and international recognition it deserves.

1% RESERVE ESCROW [per F.S. 1001.706 (12) c]

Building / project value:	N/A - CITF funded project
Basis / source of valuation:	N/A - CITF funded project
1st Year escrow deposit:	N/A - CITF funded project
Escrow funding source:	N/A - CITF funded project
Comments:	N/A - CITF funded project

BUILDING SPACE DESCRIPTION

Space Type (per FICM)	Net Assignable Sq. Ft. (NASF)	Net-to-Gross Conversion Factor	Gross Sq. Ft. (GSF)	Unit Cost * (per GSF)	Building Cost		
NEW CONSTRUCTION							
Classroom	17,130	<u>1.334615</u>	22,862	<u>301</u>	6,881,448		
Instruct. Media	30,890	<u>1.334615</u>	41,226	<u>332</u>	13,687,117		
Study	3,980	<u>1.334615</u>	5,312	<u>285</u>	1,513,854		
	-		-		-		
Total:	52,000		69,400		22,082,420		
* Apply Unit Cost to total GSF based on Space Type							
						Remodeling Projects Only	
						NASF	NASF
						BEFORE	AFTER
REMODELING / RENOVATION							
	-		-		-	-	-
	-		-		-	-	-
Total:	-		-		-	-	-
Total New Const. & Remodel / Renovation:	52,000		69,400		22,082,420		

PROJECT COMPONENT COSTS & PROJECTIONS

	Costs		Projected Costs				
	Funded to Date	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Basic Construction Costs							
Building Cost (from above)	19,000,000	3,082,420	-				22,082,420
Environmental Impacts/Mitigation			-				
Site Preparation		400,000	-				400,000
Landscape / Irrigation		200,000	-				200,000
Plaza / Walks		200,000	-				200,000
Roadway Improvements		1,000,000	-				1,000,000
Parking : _____ spaces		-	-				
Telecommunication		300,000	-				300,000
Electrical Service		30,000	-				30,000
Water Distribution		215,000	-				215,000
Sanitary Sewer System		32,000	-				32,000
Chilled Water System		300,000	-				300,000
Storm Water System		275,000	-				275,000
Energy Efficient Equipment		-	-				
Subtotal: Basic Const. Costs	19,000,000	6,034,420	-				25,034,420
Other Project Costs							
Land / existing facility acquisition							
Professional Fees	1,694,117		-				1,694,117
CM Fees	250,344		-				250,344
Fire Marshall Fees	62,586		-				62,586
Inspection Services	659,000		-				659,000
BIM Consultant	25,034		-				25,034
Surveys & Tests	200,000		-				200,000
Permit / Impact / Environmental Fees	59,329		-				59,329
Artwork			-				
Moveable Furnishings & Equipment			5,285,318				5,285,318
Project Contingency	853,786	500,000	310,321				1,664,107
Construction Service Reimbursement	500,000	300,000	248,025				1,048,025
Subtotal: Other Project Costs	4,304,196	800,000	5,843,664				10,947,860
Total Project Cost:	23,304,196	6,834,420	5,843,664				35,982,280

PROJECT FUNDING

Funding to Date				
Source	Fiscal Year	Amount	Total Project Cost (from above)	Remaining Funding Need
CITF	2017-18	6,075,636		
CITF	2018-19	3,906,644		
CITF	2019-20	6,319,109		
CITF	2020-21	7,002,807		
		-		
Total:		23,304,196	35,982,280	12,678,084

State University System
5-Year Capital Improvement Plan (CIP)
FY 2021-22 through 2025-26

Project Detail

University: **FLORIDA INTERNATIONAL UNIVERSITY**

Project Title: **CITF 2. Wolfe University Center Renovations**

Project Address: **Biscayne Bay Campus**
3000 NE 151st Street, North Miami FL. 33181

PROJECT NARRATIVE

These funds will provide extensive renovations and deferred maintenance improvements to the Wolfe University Center on the Biscayne Bay Campus. Improvements include new flooring, refurbishing balconies and railings, bathroom renovations, elevator replacements, complete building envelope restoration, fire alarm upgrades, A/V equipment modernization in the ballroom and meeting rooms and various building upgrades as funds become available.

1% RESERVE ESCROW [per F.S. 1001.706 (12) c]

Building / project value:	N/A - CITF funded project
Basis / source of valuation:	N/A - CITF funded project
1st Year escrow deposit:	N/A - CITF funded project
Escrow funding source:	N/A - CITF funded project
Comments:	N/A - CITF funded project

BUILDING SPACE DESCRIPTION

Space Type (per FICM)	Net Assignable Sq. Ft. (NASF)	Net-to-Gross Conversion Factor	Gross Sq. Ft. (GSF)	Unit Cost * (per GSF)	Building Cost		
NEW CONSTRUCTION							
	-		-		-		
Total:	-		-		-		
* Apply Unit Cost to total GSF based on Space Type							
						Remodeling Projects Only	
						NASF BEFORE	NASF AFTER
REMODELING / RENOVATION							
Exteric Exterior Windows			-		250,000	-	-
Autom. Automatic Opening Doors			-		1,250,000	-	-
Built-U Built-Up Roofing			-		500,000	-	-
Centra Central AHU - VAV System			-		1,100,000	-	-
Curtair Curtain Wall System			-		250,000	-	-
Exteric Exterior Doors			-		350,000	-	-
Emerg Emergency Generator			-		500,000	-	-
Total:	-		-		4,200,000	-	-
Total New Const. & Remodel / Renovation:							
	-		-		4,200,000		

PROJECT COMPONENT COSTS & PROJECTIONS

	Costs	Projected Costs					Total
	Funded to Date	Year 1	Year 2	Year 3	Year 4	Year 5	
Basic Construction Costs							
Building Cost (from above)		2,225,000	1,975,000				4,200,000
Environmental Impacts/Mitigation							
Site Preparation							
Landscape / Irrigation							
Plaza / Walks							
Roadway Improvements							
Parking : _____ spaces							
Telecommunication							
Electrical Service							
Water Distribution							
Sanitary Sewer System							
Chilled Water System							
Storm Water System							
Energy Efficient Equipment		-					
Subtotal: Basic Const. Costs		2,225,000	1,975,000				4,200,000
Other Project Costs							
Land / existing facility acquisition							
Professional Fees		420,000					420,000
CM Fees		42,000					42,000
Fire Marshall Fees		10,500					10,500
Inspection Services		70,200					70,200
BIM Consultant							
Surveys & Tests		20,000	40,000				60,000
Permit / Impact / Environmental Fees		20,000	22,000				42,000
Artwork							
Moveable Furnishings & Equipment		-	702,500				702,500
Project Contingency		102,300	175,735				278,035
Construction Service Reimbursement		90,000	84,765				174,765
Subtotal: Other Project Costs		775,000	1,025,000				1,800,000
Total Project Cost:		3,000,000	3,000,000				6,000,000

PROJECT FUNDING

Funding to Date			Total Project Cost (from above)	Remaining Funding Need
Source	Fiscal Year	Amount		
		-		
Total:		-	6,000,000	6,000,000

State University System
5-Year Capital Improvement Plan (CIP)
FY 2021-22 through 2025-26

Project Detail

University: **FLORIDA INTERNATIONAL UNIVERSITY**

Project Title: **CITF 3. Wellness & Rec. Facilities Improv.**

Project Address: **Biscayne Bay Campus**
3000 NE 151st Street, North Miami FL. 33181

PROJECT NARRATIVE

This project includes a small addition to the existing recreation center to provide small group fitness training space and a spinning room. The existing outdoor recreation field will also be replaced as part of this project.

1% RESERVE ESCROW [per F.S. 1001.706 (12) c]

Building / project value:	N/A - CITF funded project
Basis / source of valuation:	N/A - CITF funded project
1st Year escrow deposit:	N/A - CITF funded project
Escrow funding source:	N/A - CITF funded project
Comments:	N/A - CITF funded project

BUILDING SPACE DESCRIPTION

Space Type (per FICM)	Net Assignable Sq. Ft. (NASF)	Net-to-Gross Conversion Factor	Gross Sq. Ft. (GSF)	Unit Cost * (per GSF)	Building Cost		
NEW CONSTRUCTION							
Gym	900	1.4	1,260	<u>245</u>	308,700		
Gym	700	1.4	980	<u>245</u>	240,100		
Total:	1,600		2,240		240,100		
* Apply Unit Cost to total GSF based on Space Type							
REMODELING / RENOVATION						Remodeling Projects Only	
						NASF BEFORE	NASF AFTER
Total:						-	-
Total New Const. & Remodel / Renovation:						-	-
	1,600		2,240		240,100		

PROJECT COMPONENT COSTS & PROJECTIONS

	Costs	Projected Costs					Total
	Funded to Date	Year 1	Year 2	Year 3	Year 4	Year 5	
Basic Construction Costs							
Building Cost (from above)		202,198	346,602				548,800
Environmental Impacts/Mitigation							
Site Preparation		150,000	150,000				300,000
Landscape / Irrigaiton		150,000	150,000				300,000
Plaza / Walks			150,000				150,000
Roadway Improvements							
Parking : spaces							
Telecommunication		20,000					20,000
Electrical Service		40,000					40,000
Water Distribution		50,000					50,000
Sanitary Sewer System		30,000					30,000
Chilled Water System							
Storm Water System		50,000					50,000
Energy Efficient Equipment							
Subtotal: Basic Const. Costs		692,198	796,602				1,488,800
Other Project Costs							
Land / existing facility acquisition							
Professional Fees		119,104					119,104
CM Fees		14,888					14,888
Fire Marshall Fees		3,722					3,722
Inspection Services		70,200					70,200
BIM Consultant							
Surveys & Tests		20,000	40,000				60,000
Permit / Impact / Environmental Fees		14,888	-				14,888
Artwork							
Moveable Furnishings & Equipment		-	77,000				77,000
Project Contingency		35,000	58,130				93,130
Construction Service Reimbursement		30,000	28,268				58,268
Subtotal: Other Project Costs		307,802	203,398				511,200
Total Project Cost:		1,000,000	1,000,000				2,000,000

PROJECT FUNDING

Funding to Date			Total Project Cost (from above)	Remaining Funding Need
Source	Fiscal Year	Amount		
		-		
Total:		-	2,000,000	2,000,000

State University System
5-Year Capital Improvement Plan (CIP)
FY 2021-22 through 2025-26

Project Detail

University: **FLORIDA INTERNATIONAL UNIVERSITY**

Project Title: **CITF 4. Wellness & Rec. Field Support Bldg.**

Project Address: **Modesto Maidique Campus**
11200 SW 8th Street, Miami FL. 33199

PROJECT NARRATIVE

This outbuilding is a 2,200 square-foot building that supports outdoor recreational activities. The building provides public restrooms, equipment storage and a spectator viewing area for adjacent recreation field activities.

1% RESERVE ESCROW [per F.S. 1001.706 (12) c]

Building / project value:	N/A - CITF funded project
Basis / source of valuation:	N/A - CITF funded project
1st Year escrow deposit:	N/A - CITF funded project
Escrow funding source:	N/A - CITF funded project
Comments:	N/A - CITF funded project

BUILDING SPACE DESCRIPTION

Space Type (per FICM)	Net Assignable Sq. Ft. (NASF)	Net-to-Gross Conversion Factor	Gross Sq. Ft. (GSF)	Unit Cost * (per GSF)	Building Cost		
NEW CONSTRUCTION							
Campus Support Services	2,000	1.2	2,400	345	828,000		
Total:	2,000		2,400		828,000		
* Apply Unit Cost to total GSF based on Space Type							
REMODELING / RENOVATION							
						Remodeling Projects Only	
						NASF	NASF
						BEFORE	AFTER
Total:	-		-		-	-	-
Total New Const. & Remodel / Renovation:	2,000		2,400		828,000		

PROJECT COMPONENT COSTS & PROJECTIONS

	Costs	Projected Costs					Total
	Funded to Date	Year 1	Year 2	Year 3	Year 4	Year 5	
Basic Construction Costs							
Building Cost (from above)		528,000	300,000				828,000
Environmental Impacts/Mitigation							
Site Preparation		50,000					50,000
Landscape / Irrigaiton		30,000					30,000
Plaza / Walks		50,000					50,000
Roadway Improvements		25,000					25,000
Parking : spaces							
Telecommunication		25,000					25,000
Electrical Service		30,000					30,000
Water Distribution		55,000					55,000
Sanitary Sewer System		55,000					55,000
Chilled Water System		20,000					20,000
Storm Water System							
Energy Efficient Equipment		35,000					35,000
Subtotal: Basic Const. Costs		903,000	300,000				1,203,000
Other Project Costs							
Land / existing facility acquisition							
Professional Fees		77,040	19,200				96,240
CM Fees		9,630	2,400				12,030
Fire Marshall Fees		2,408	600				3,008
Inspection Services		20,000	-				20,000
BIM Consultant			-				
Surveys & Tests		9,500	-				9,500
Permit / Impact / Environmental Fees		12,000	-				12,000
Artwork							
Moveable Furnishings & Equipment		10,422	20,578				31,000
Project Contingency		60,000	9,534				69,534
Construction Service Reimbursement		36,000	7,688				43,688
Subtotal: Other Project Costs		237,000	60,000				297,000
Total Project Cost:		1,140,000	360,000				1,500,000

PROJECT FUNDING

Funding to Date			Total Project Cost (from above)	Remaining Funding Need
Source	Fiscal Year	Amount		
		-		
Total:		-	1,500,000	1,500,000

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July 1, 2020

Mr. Tim Jones
Chief Financial Officer
Board of Governors
325 W. Gaines Street
Tallahassee, FL 32399-1950

Dear Mr. Jones,

We are pleased to transmit the FIU 2021-22 Fixed Capital Outlay Legislative Budget Request. The FIU Board of Trustees unanimously approved the Legislative Budget Request at the June 16th, 2020 meeting. The link to the agenda materials can be found at _____

The 2021-2022 Legislative Budget Request has been developed in accordance with policy guidelines established by the Board of Governors and State University System. Project priorities identified in the 5-year CIP request are consistent with the Adopted Campus Master Plan and the Approved Educational Plant Survey. Space utilization and efficient space planning is a key component in the prioritization of planned capital improvements.

The continuation/completion of funding for Projects Previously Funded by the Legislature is now first in the priority order. One FIU project is included in this category:

- **Engineering Building, Phase II -**

This phase II building continues to build out classrooms, instructional and research laboratories and other space to facilitate many ongoing and future collaborations between the College of Engineering and Computing and the health sciences in our colleges of medicine, nursing and health sciences, and public health. In anticipation of the growth expected through the FIU 2020 Strategic Plan, the Department of Defense engineering needs projection for the next decade, and the President's Jobs and Competitiveness Council call for 10,000 additional engineers, FIU will commit E&G funding for over 100 new engineering and computer science faculty. The proposed engineering building will provide laboratory and classroom facilities for these new students and faculty. Through this new facility, faculty and students, FIU will graduate an additional 350 engineers annually, increase its externally funded research expenditures by \$30 million annually, create 550 new jobs in the community, submit an additional 27 patent applications annually, and create one FIU intellectual-property-based company every other year by 2025.

Private fundraising and research indirect funding will comprise \$30 million of the \$96 million total project cost, 30% of the total project budget.

The Legislative Budget Request also includes Capital Renewal and Stewardship of Existing Facilities that are essential to the University's ability to continue and enhance critical SUS and University priorities. One FIU project is included in this category:

- **Remodeling/Renovation of CASE Building** - The 30-year-old 61,783 square foot Computing, Arts, Science and Education (CASE) building consists of 7 classrooms, 7 teaching labs, 61 research labs and 144 offices. Recent assessment reports indicate that repair and replacement of deteriorated building enclosure components, windows, doors, and louvers are critically needed. Replacement of the deteriorating central air conditioning system is crucial in order maintain a healthy indoor environment and control energy costs. Replacement of the building's emergency generator system is required so that telecommunications equipment housed in the CASE building and feeding the nearby University Police and Emergency Operation Center can be maintained during and after a hurricane.

FIU requests authority to use carry forward funds as an alternative source for the CASE project if PECO funding is not authorized in 2020-21.

The Legislative Budget Request also includes New Facility Requests not previously funded that are essential to the University's ability to continue and enhance critical SUS and University priorities. Independent analysis of existing facilities by Sightlines has demonstrated effective stewardship of existing academic facilities as required by SUS guidelines. One FIU project is included in this category:

- **Honors College** - This project will satisfy university space needs and facilitate the enrollment growth and programmatic development of the Honors program consistent with its purpose to become "the centerpiece of undergraduate educational excellence" at Florida International University. By repurposing existing space, the project improves space utilization, operationally and academically, in an efficient manner.

The project, which will be 50% privately funded, is envisioned to be remodeled space being vacated in the Deuxieme Maison (DM) building at the Modesto Maidique Campus. Main components of the facility will include a Dean's Offices Executive Suite, a Student Services Suite, an IT Suite including specialized student computer laboratory spaces and General Support Spaces. Since no new space is being added, this project will not need additional Plant Operations and Maintenance (PO&M) budget.

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Finally, the CIP document includes Capital Improvement Trust Fund (CITF) Projects and Non-State Supplemental Funding of PECO and/or CITF Projects according to BOG policy guidelines.

This request has been prepared pursuant to sections 216.0158, 216.043 1013.64, 1013.79, 1001.74, 1011.40 and 1013.60, Florida Statutes.

We appreciate your support and support of the Board of Governors in these essential and critically needed projects as we continue build for the future of Florida International University.

Sincerely,

Mark B. Rosenberg
President

Claudia Puig
Board of Trustees Chair

Enclosures

CC: K. Pichard, BOG
K. Ogletree, BOG

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THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Facilities Committee

June 16, 2020

Subject: Approval of (i) Changes to the Design of the proposed Hotel, Conference Center, and Alumni Center and Budget of the Alumni Center as previously approved by the Board of Trustees, and (ii) Changes to two of the Hotel Ground Sublease key terms requested by the Board of Trustees in the June 2, 2017 meeting

Proposed Committee Action:

Recommend that the Florida International University Board of Trustees (BOT) approve changes to the design of the Hotel, Conference Center, and Alumni Center and the budget of the Alumni Center (the “Project”) as previously approved by the BOT and changes to two of the Hotel Ground Sublease key terms previously requested by the BOT.

Background Information:

On June 2, 2017, the BOT approved an amendment to the 2010-20 Campus Master Plan for the Modesto A. Maidique Campus to accommodate the construction of the Project and the terms of the Ground Sublease associated with the hotel, conference center, and alumni center, and authorized the President or his designee to undertake all steps necessary or desirable to complete the Ground Sublease and all documents related to the Project. The hotel and conference center will serve the accommodation and conference needs of visitors, faculty, researchers and the community by providing an appropriate venue for academic, research and professional conferences; meeting and seminar rooms for symposia and career fairs; and special events, weddings, award ceremonies, and speakers series. The alumni center will be a place for alumni to call home, create affinity, and encourage alumni to mentor students and assist them with jobs, professional and leadership development and internships.

On April 1, 2019, the Board of Governors of the State University System of Florida (“BOG”) approved FIU entering into the Ground Sublease and an Operating Agreement with the Developer related to the construction, financing and operation of the Project. Approval will also be sought from the Trustees of the Internal Improvement Trust Fund of the State of Florida (“TIITF”) since the Project will require approval from TIITF of the subleases of the land.

Following the initial 2017 approval by the BOT and the 2019 approval by the BOG, several changes have been made to the proposed design plans, construction and operations of the Project, including the alumni center. The Project will be developed, designed, permitted and constructed as a single integrated facility, with the alumni center and the conference center sharing a single building, certain improvements and infrastructure. By incorporating the alumni center and the conference center into one building, design and construction efficiencies are achieved, particularly eliminating the need to have separate conference facilities in the alumni center that were originally envisioned. As a result of these changes, the alumni center’s projected construction cost has increased by \$1.9 million, from \$6.8 million to \$8.7 million, which will be funded by the Foundation as follows:

(i) A minimum of \$2.0 million in cash received by the Foundation from (a) Bank of America as royalty payments pursuant to the Affinity Agreement between Bank of America and the FIU Alumni Association; (b) certain accumulated fund balances; and (c) new cash gifts (which may include funds generated from naming opportunities within the Project); and

(ii) An amount not to exceed \$6.7 million, payable from the Foundation investment pool as a directed investment, subject to the requirements set forth in the Foundation's Directed Investment Policy, and/or through the use of unrestricted Foundation funds; *provided*, that, the Foundation expects to raise the entire amount in gifts which are customarily given in annual installments as set forth above, and that any such gift amounts would reduce, on a dollar-for-dollar basis, the total amount to be allocated from the Foundation investment pool as a direct investment.

The Foundation's Board of Directors approved the increased alumni center investment on May 11, 2020.

The hotel and conference center components of the Project have also changed in design and construction cost. While construction costs have increased in the marketplace since the June 2017 BOT approval, the Developer was able to achieve design efficiencies, particularly back-of-house operations and guest room layout, which has resulted in a 3,929 square footage reduction (from 121,004 SF to 117,075 SF) while achieving an increase in hotel room keys—from 150 to 160. The total cost of the hotel component has increased from \$44.2 million to \$47.9 million incorporating all design changes. The increase in room keys offsets the increase in debt service associated with the higher construction cost and therefore FIU's projected profit sharing from hotel operations is not expected to materially change; there is no change to the ground rent payment to FIU. In addition to the conference center and alumni center now sharing a single building, the size of the conference center has been reduced from 32,717 square feet to 26,011 square feet, a reduction of 6,706 square feet. This reduction is the result of moving several meeting rooms and pre-function space originally included in the conference center to the hotel. The cost of the conference center has been reduced from \$15.2 million to \$14.4 million.

Upon approval by the BOT, the revised design and budget for the Project will be submitted to the Chancellor of the BOG and the State Division of Bond Finance as required under BOG's Public Private Partnership Guidelines.

The University and the Foundation are finalizing the drafting and negotiation of the governing documents for the Project to take into account the revised design of the Project, including (i) the Ground Sublease between the University and the Developer for the site of the hotel and conference center, (ii) the Ground Sublease between the University and the Foundation for the site of the alumni center, (iii) the operating agreement between the University and the Developer for the operation and maintenance of the hotel and conference facilities, (iv) the development agreement between the Developer and the Foundation relating to the construction and development of the Project (including the alumni center); (v) a reciprocal easement and operating agreement whereby the Developer and the Foundation will share use of certain common building infrastructure, parking landscaping, ingress/egress points and other facilities and improvements necessary for the use and operation of the alumni center; and (vi) a management agreement whereby the Developer will manage the alumni center on the Foundation's behalf (collectively, and with the nondisturbance or

similar agreement described below, the “Definitive Agreements”). Once the Developer has secured its financing for the hotel and conference facilities, the University, the Foundation and the Developer’s lender will enter into a nondisturbance or similar agreement whereby the lender will agree to certain terms and provisions to protect the University’s and the Foundation’s interests if the lender has to take title of the Project during construction or of the common areas of the Project thereafter.

At the June 2, 2017 meeting, the BOT incorporated certain key terms as part of its approval, including (i) FIU receiving a right of first refusal to purchase the Hotel and Conference Center in the event it is sold, and (ii) FIU limiting the grace period during which the Developer is not paying ground rent to no more than 24 months after execution of the Ground Sublease.

As part of the negotiations, the Developer requested that the right of first refusal (triggered when a property owner receives an acceptable offer to lease or purchase from a third party) be changed to a right of first offer (triggered when a property owner elects to make his or her property available for purchase or lease). The purchase of the Hotel and Conference Center by FIU would require BOG and BOT approval, which approval process could take anywhere between 60-120 days, and such time period would most likely deter any offers in a right of first refusal scenario. The length of the approval process is less concerning in a right of first offer scenario. Regardless of the sale scenario, FIU is protected as any sales can only occur after a certain time period after substantial completion has elapsed and any buyer has to be a qualified third party (which includes certain components including prior experience as a hotel operator).

Regarding ground rent, the Developer requested an additional four month grace period for the commencement of rent payments. Commencing on the 28th month after execution of the Ground Sublease through the last day of the construction term, the Developer will pay 50% of the initial base rent, payable quarterly in arrears. The 50% balance of base rent due for such the time period will accrue interest at 5% per annum, and the deferred rent plus the accrued interest will be paid to FIU on or prior to the expiration of the 10th lease year. Full payment of the base rent will commence 36 months after execution of the Ground Sublease (payable quarterly in arrears; with a 5% increase every five years).

The Project is in compliance with FIU and BOG Debt Management Guidelines and BOG Public Private Partnership Guidelines.

Supporting Documentation:	Project Presentation Materials
	FIU Foundation, Inc. Resolution and Supporting Materials
	Project Status Update and Statement of Key Terms
Facilitator/Presenter:	Kenneth A. Jessell, Senior Vice President and CFO
	Andrew Klamon, Senior Vice President, Concord Eastridge
	Andre L. Teixeira, Treasurer, FIU Foundation, Inc.

**A RESOLUTION APPROVING CHANGES TO THE
DESIGN AND BUDGET OF THE HOTEL, CONFERENCE
CENTER, PARKING, AND ALUMNI CENTER (THE
“PROJECT”) PREVIOUSLY APPROVED BY FLORIDA
INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES
ON JUNE 2, 2017 AND CHANGES TO TWO OF THE
HOTEL GROUND SUBLEASE KEY TERMS REQUESTED
BY THE BOARD OF TRUSTEES IN THE JUNE 2, 2017
MEETING**

**BE IT RESOLVED BY THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES:**

Section 1. The Board of Trustees hereby finds that the Project continues to be necessary and desirable to be erected on the Modesto A. Maidique Campus.

Section 2. The Board hereby approves the changes to the design and budget of the Project, as more particularly set forth as Appendix A, and shall request that the Board of Governors of the State University System of Florida approve the updated Project as necessary and that the Trustees of the Internal Improvement Trust Fund of the State of Florida (“TIITF”) approve the Ground Subleases.

Section 3. The Board hereby approves the changes to two of the Hotel Ground Sublease key terms as more particularly set forth in the Agenda materials.

Section 4. The University President, the authorized representatives of the University and the members of the Board remain authorized to take all actions and steps, to execute all instruments, documents, and contracts, and to take all other actions as they may deem necessary or desirable in connection with the Project and this resolution, including the execution and delivery of the Definitive Agreements consistent with the Summary of Key Terms previously provided to and approved by the Board of Trustees and the changes approved herein. The University’s President or the President’s designee is authorized to execute and deliver the Definitive Agreements in a final form acceptable to the President, or the President’s designee, General Counsel and Bryant Miller Olive P.A., the University’s special counsel.

Section 5. This Resolution shall take effect immediately upon its adoption.

Florida International
University
and
Florida International
University
Foundation Inc.



Revised Conceptual Design for the Alumni Center

Agenda

New Concept Design

Development Schedule

Hotel and Conference Center Current Gross Area and Development Budget

Alumni Center plans and comparison between program square footage of current design and BAFO design

Alumni Center development budget, revenue sharing potential and legal changes

Revised Conceptual Design for the FIU Hotel, Conference and Alumni Center



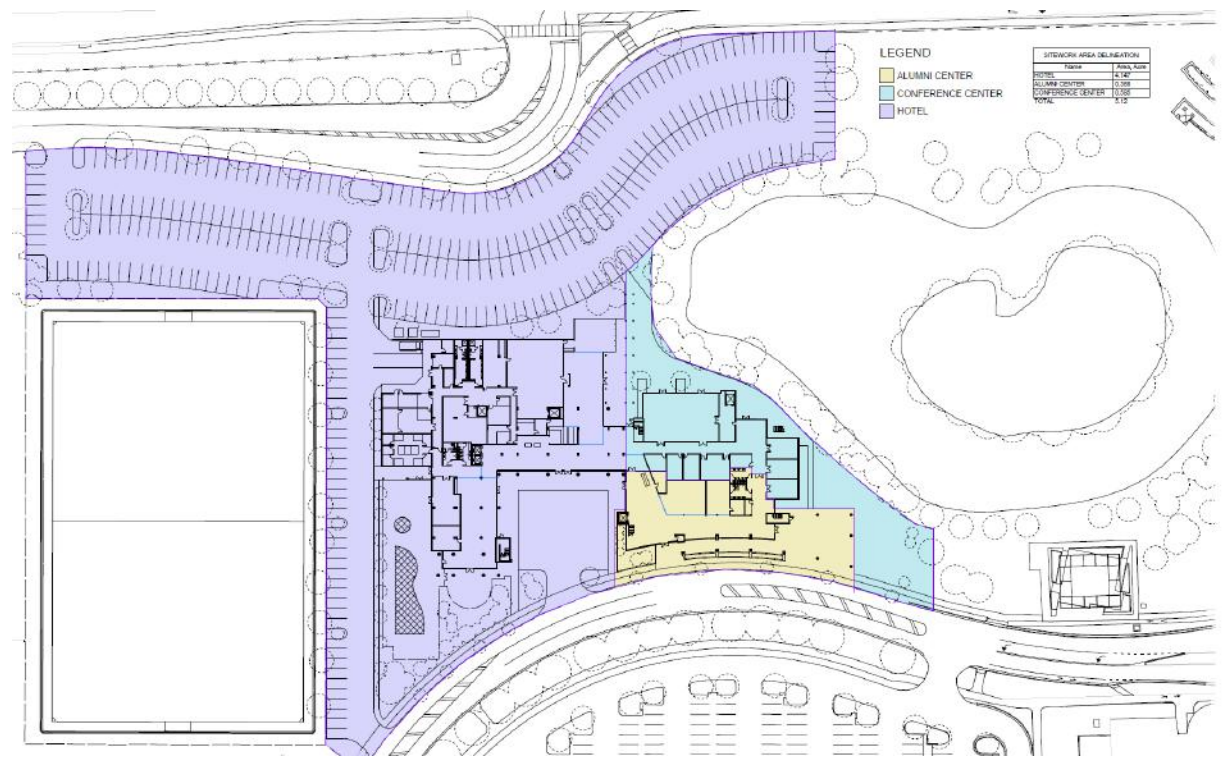
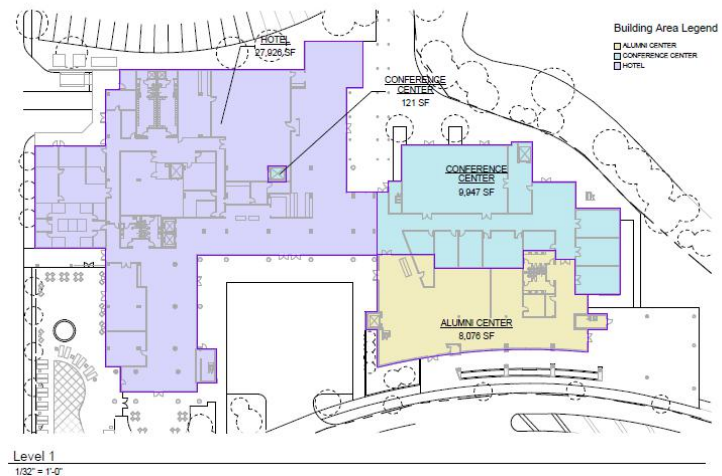
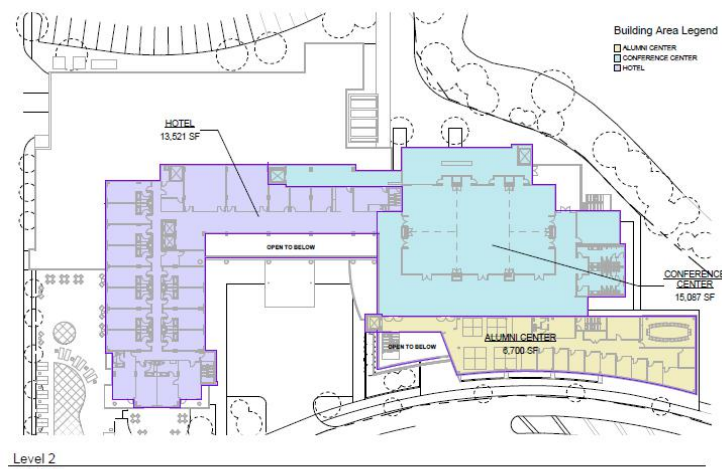
View from South West



View from North East

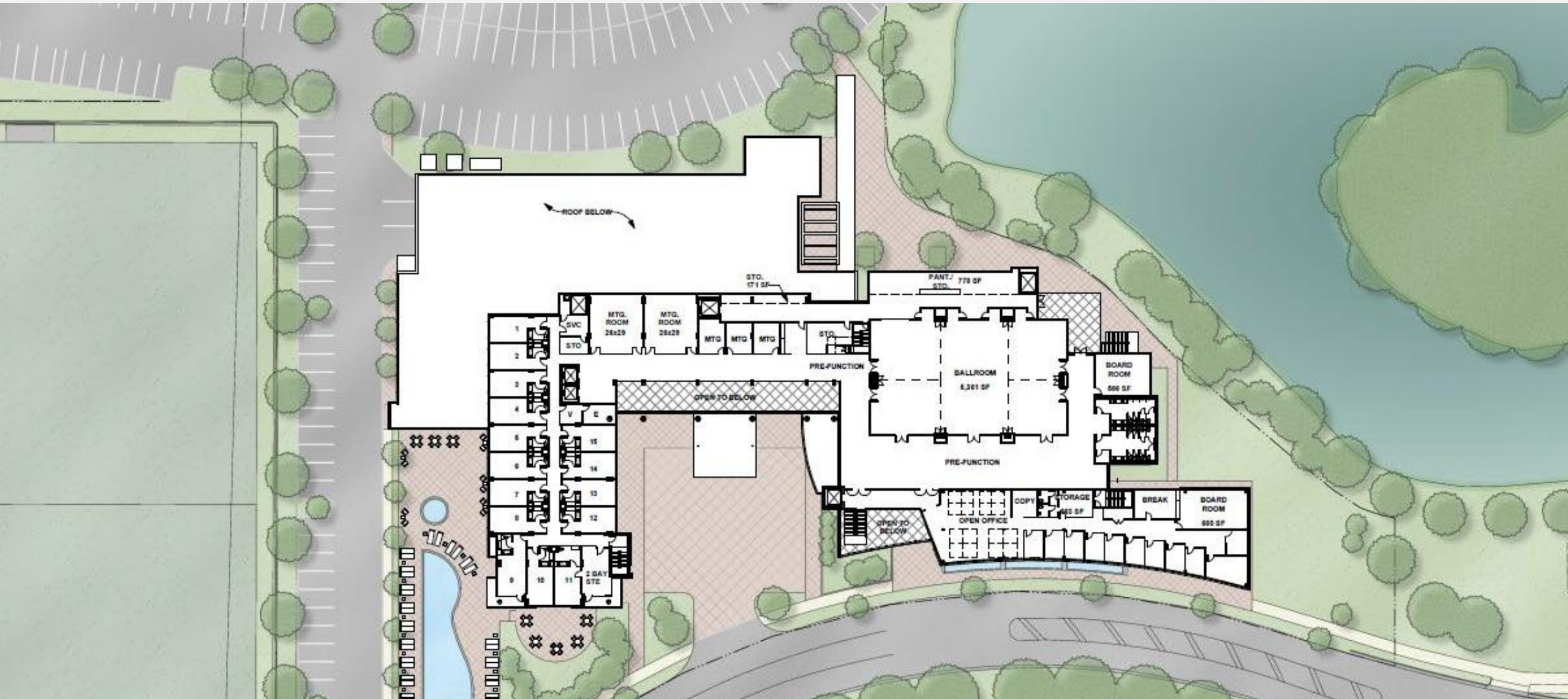


Differentiation Plan



[illegible]

Second Floor Plan



Street View from South West



Street View from South East



View from South



Development Schedule

SCHEDULE				
	Month #	Date		Date
Project/Analysis Start Date	1		Alumni Rent Commencement	Month 31
Land Acquisition			Last Office Tenant Rent Commencement	Month 31
Land Contract Execution	1		Post-Construction Leasing	2 Months
Land Deposit Date	1			
Land Sublease Date	1			
Due Diligence			Conference Rent Commencement	Month 31
Months in Period		3 Months	Last Office Tenant Rent Commencement	Month 31
Due Diligence End	4		Post-Construction Leasing	2 Months
Financing Period				
Months in Period		3 Months	Hotel Stabilization	
Finance Closing	7			
Construction			Project Stabilization	
Months of Pre-Construction *		7 Months		
Pre-Construction Start Date	5		# of Months of Construction	12 Months
Construction Start Date	12		Constr. End/C of O Rcvd	30
# of Months of Construction		18 Months		
Construction Completion	30		Total Development Period	30 Months
Lead Time at C/O		0 Months		
Constr. End/C of O Rcvd	30			

One critical assumption is that the Alumni Center is developed at the same time as the hotel and conference center

Current Gross Area - Hotel and Conference Center

Hotel

SUMMARY	TOTAL (SF)
Guest Rooms	62,259 sq ft
Public Areas	5,191 sq ft
Restaurant and Bars	12,990 sq ft
Meeting & Function Space	4,833 sq ft
Recreation	1,551 sq ft
Admin Offices	2,093 sq ft
Back of House	5,659 sq ft
Vertical Circulation	1,185 sq ft
Common Area & Circulation	21,314 sq ft
Total Gross Building Area	117,075 sq ft
Average GSF/Room Count	732 sq ft

Conference Center			Total (SF)
Floor 1 - GSF)			10,924 sq ft
Office			229 sq ft
Pantry			533 sq ft
Toilets			458 sq ft
Ground Floor Ballroom			2,893 sq ft
Meeting Room A			534 sq ft
Meeting Room B			491 sq ft
Meeting Room C			484 sq ft
Meeting Room D			491 sq ft
Breakout Room A			235 sq ft
Breakout Room B			332 sq ft
Breakout Room C			347 sq ft
Net SF			7,027 sq ft
Floor 2			15,087 sq ft
Net SF			12,163 sq ft
Ball Room			5,361 sq ft
Pantry			784 sq ft
Prefunction			4,778 sq ft
Board Room			521 sq ft
Mens restroom			299 sq ft
Womens Restroom			420 sq ft
			0 sq ft
Total Meeting & Function Space			26,011 sq ft

FIU Hotel and Conference Center Development Budget

FIU Hotel Summary of Development Assumptions -

BUDGET				Total
Land & Acquisition Costs				\$0
Ground Lease during Development				\$70,000
Total Hard Costs				\$40,065,167
Site Work	\$11.79/SF	4.48%	\$18.03	\$2,146,068
Building Shell	\$209.03/GSF	51.93%	\$1,516.77	\$24,881,090
FF&E	\$28,245/Key	9.43%	\$275.49	\$4,519,209
OS&E	\$4,936/Key	1.65%	\$48.14	\$789,759
IT/AV	\$5,998/Key	2.00%	\$58.50	\$959,690
GC Miscellaneous	\$40.84/SF	10.15%	\$40.84	\$4,861,486
Other	\$0.00/SF	0.00%	\$0.00	\$0
Other	\$0.00/SF	0.00%	\$0.00	\$0
Other	\$0.00/SF	0.00%	\$0.00	\$0
Other	\$0.00/SF	0.00%	\$0.00	\$0
Other	\$0.00/SF	0.00%	\$0.00	\$0
Other	\$0.00/SF	0.00%	\$0.00	\$0
Other	\$0.00/SF	0.00%	\$0.00	\$0
Hard Cost Contingency	5.00% of Hard Costs		\$16.03	\$1,907,865
Total Soft Costs and Fees				\$6,707,780
Soft Costs				\$3,969,536
Developer Fee				\$1,474,439
CM Fee (FIU)				\$631,903
CM Fee (Developer)				\$631,903
Financing Costs excluding any Operating Deficit				\$1,070,194
Total Development Cost (Uses of Funds)				\$47,913,142
Operating Deficit (Funded by Equity)				\$0
Total Development Cost Including Operating Deficit				\$47,913,142

FIU Conference Center Summary of Development Assumptions -

BUDGET					Total	
Land & Acquisition Costs			0.00%	\$0.00	\$0	
Ground Lease during Development			0.00%	\$0.00	\$0	
Total Hard Costs			85.06%	\$471.38	\$12,260,939	
Site Work - Conference	26,136 SF	\$28.28/SF	5.13%	\$28.41	\$739,019	
Shell - Conference	26,011 SF	\$322.04/SF	58.11%	\$0.00	\$8,376,466	
FF&E - Conference	26,011 SF	\$22.61/SF	4.08%	\$0.00	\$588,048	
OS&E - Conference	26,011 SF	\$0.99/SF	0.18%	\$0.99	\$25,760	
IT/AV - Conference	26,011 SF	\$13.46/SF	2.43%	\$13.46	\$350,000	
Miscellaneous	26,011 GSF	\$61.43/SF	11.08%	\$61.43	\$1,597,793	
Other		\$0.00/SF	0.00%	\$0.00	\$0	
Other		\$0.00/SF	0.00%	\$0.00	\$0	
Hard Cost Contingency			5.00% of Hard Costs	4.05%	\$22.45	\$583,854
Total Soft Costs and Fees			14.89% of Hard Costs	12.66%	\$70.18	\$1,825,554
Soft Costs				6.95%	\$38.50	\$1,001,450
Developer Fee			3.50% of Total Costs	3.08%	\$17.06	\$443,749
CM Fee (FIU)			1.50% of Total Costs	1.32%	\$7.31	\$190,178
CM Fee (Developer)			1.50% of Total Costs	1.32%	\$7.31	\$190,178
Financing Costs excluding any Operating Deficit				2.27%	\$12.60	\$327,706
Total Development Cost (Uses of Funds)				100.00%	\$554.16	\$14,414,199
Operating Deficit (Funded by Equity)				0.00%	\$0.00	\$0
Total Development Cost Including Operating Deficit				100.00%	\$554.16 PSF	\$14,414,199

BAFO Program

FIU Alumni Center, Program
5/17/17

	Area, SF	Notes
A. Public Areas		
Atrium	1,466	
Heritage Library	900	
Office	116	
Emeritus Lounge	600	
Subtotal, Public Areas	3,082	
B. Alumni Association Offices		
Alumni Association Private Offices (13)	1,934	
Alumni Association Open Office	1,278	
Career Services Office	191	
Career Services Conference Room	217	
Career Services Training Room	160	
AA Student Break Room/Kitchen	416	
Conference Room	544	
Student Break Room/Kitchen	416	
Copy Room	169	
Storage	309	
Subtotal, Alumni Association Offices	5,634	
C. Support		
Mech/Elec	156	
Storage	165	
Pantry	213	
Subtotal, Support	534	

Total SF 13,928
Total Cost \$ 6,673,392

Current Gross Area

FIU Alumni Center, Program
5/11/20

	Area, SF	Notes
A. Public Areas		
Alumni Hall (Atrium)	4,675	
Alumni Multi-Use Theater	1,148	
Office	202	
Emeritus Lounge	633	
Public Toilets	458	
Subtotal, Public Areas	6,658	
Outdoor Covered Event Space	2,800	Not included in gross
B. Alumni Association Offices		
Open Office	1,468	
Private Offices (10)	1,455	
Kitchenette/Break	293	
Alumni Board Room	680	
Copy Room	169	
Storage Rooms (2)	439	
Huddle Room/Spare Office	134	
Subtotal, Alumni Association Offices	4,638	
C. Support		
Electrical	85	
Pantry	190	
Subtotal, Support	275	

Total SF 13,317
Total Cost \$ 8,732,503

Alumni Center Development Budget

FIU Alumni Center

Summary of Development Assumptions - 1/23/2020

BUDGET					Total
Land & Acquisition Costs					\$0
Ground Lease during Development					\$0
Total Hard Costs					\$7,157,393
Site Work - Alumni	23,522 SF	\$10.88/SF	2.93%	\$0.00	\$255,928
Shell - Alumni	13,317 SF	\$400.15/SF	61.02%	\$0.00	\$5,328,864
FF&E - Alumni	13,317 SF	\$15.00/SF	2.29%	\$15.00	\$199,755
OS&E - Alumni	13,317 SF	\$1.88/SF	0.29%	\$1.88	\$25,000
IT/AV - Alumni	13,317 SF	\$1.88/SF	0.29%	\$1.88	\$25,000
Miscellaneous	13,317 GSF	\$73.74/SF	11.25%	\$73.74	\$982,018
Other		\$0.00/SF	0.00%	\$0.00	\$0
Other		\$0.00/SF	0.00%	\$0.00	\$0
Hard Cost Contingency	5.00% of Hard Costs		3.90%	\$25.59	\$340,828
Total Soft Costs and Fees	<i>22.01% of Hard Costs</i>		18.04%	\$118.28	\$1,575,110
Soft Costs			12.17%	\$79.82	\$1,062,942
Developer Fee	3.50% of Total Costs		3.16%	\$20.71	\$275,783
CM Fee (FIU)	1.50% of Total Costs		1.35%	\$8.88	\$118,193
CM Fee (Developer)	1.50% of Total Costs		1.35%	\$8.88	\$118,193
Financing Costs excluding any Operating Deficit					\$0
Total Development Cost (Uses of Funds)					\$8,732,503
Operating Deficit (Funded by Equity)					\$0
Total Development Cost Including Operating Deficit					\$8,732,503

Potential Revenue Sharing – Alumni Center

It is assumed that the public space for this project has the potential to generate revenue. We estimate that the value of this will be approximately **\$50,000 annually** based on the following assumptions:

It was assumed that the Hotel/Conference Center would be able to use the public spaces for 50% of the useable days

40% of the profit for these uses, after all expenses are paid, will go to the Alumni Center
We have assumed that there will be higher use by the Conference Center in the first years of operation with revenue from future years reduced to allow for an increase in alumni activities

Legal Changes

The ground lease will need a three-dimensional description to allow for the slight overlap between Alumni Center public space and the Conference Center. This will be part of the Reciprocal Easement Agreement

We have recently adjusted the design presented in December in order to help assure that the Alumni building could function as a stand alone building. Adjustments include walls & doors between the Conference Center and Alumni Center, the addition of fire stair in the Alumni Center, the addition of 600 SF of floor space on the 2nd floor to accommodate the stair and restrooms, the incorporation of the elevator and stair and the corresponding wall on the second floor to separate the Alumni Center from the Conference Center.

These design changes were intended to satisfy concerns about the ability of the Alumni Center to be fully independent from the Conference Center.




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Foundation, Inc.
EXECUTIVE COMMITTEE

MONDAY, MAY 11, 2020
2:00 – 3:00 P.M. (EST)
FIU ZOOM

COMMITTEE

Richard Brilliant '93, <i>Chairperson</i>	Michael A. Kappitt '92
Humberto “Burt” Cabañas '76, <i>Vice Chairperson</i>	Juan J. Martinez '90, MAcc '93
Andre L. Teixeira '92, 'MAcc '93, <i>Treasurer</i>	Esther L. Moreno, Esq. '95
Jill M. Granat, Esq. '87, <i>Secretary</i>	Chad Moss '94
Howard R. Lipman, <i>CEO</i>	Mark B. Rosenberg, <i>University President</i>
Steven M. Berwick, CPA '74	Adalio T. Sanchez '87
Francisco Gonzalez, CPA '90	Elliot N. Stone
Gerald C. Grant, Jr. '78, MBA '89	Albert R. Taño, MD
Noel J. Guillama-Alvarez '99	

AGENDA

I. CALL TO ORDER AND CHAIR’S REMARKS	RICHARD BRILLIANT
II. CEO’S REMARKS	HOWARD R. LIPMAN
III. ITEMS FOR APPROVAL	RICHARD BRILLIANT
A. PRESENTATION OF ALUMNI CENTER FROM CONCORD EASTRIDGE	HUMBERTO “BURT” CABAÑAS MICHAEL HALLER RICHARD ELLISON
B. ALUMNI CENTER COST ANALYSIS	MICHAEL HALLER ANDREW KLAMON
C. ALUMNI CENTER INVESTMENT AND FUNDING PLAN (PLEASE SEE PAGE 3, EXHIBIT “A” AND “B”)	MILLY GARCIA CHICA AIME MARTINEZ
D. PROCESS AND TIMELINE REVIEW	KENNETH A. JESSELL
E. CONTRACT UPDATE	RAFAEL G. PROHIAS WENDY VARGAS
F. DISCUSSION	RICHARD BRILLIANT

IV. OTHER BUSINESS (If ANY)
A. FIUSTRONG UPDATE

RICHARD BRILLIANT
HOWARD R. LIPMAN



Foundation, Inc.

BOARD OF DIRECTORS

EXECUTIVE COMMITTEE

MONDAY, MAY 11, 2020

SUBJECT: ALUMNI CENTER INVESTMENT AND FUNDING PLAN

PROPOSED COMMITTEE ACTION:

WHEREAS, on June 3, 2016, the FIU Foundation, Inc. ("Foundation") Board of Directors (the "Foundation Board") approved the construction and operation of an alumni center (the "Alumni Center") to be located at the Modesto Maidique Campus of Florida International University (the "University"), which is part of a joint Foundation and University construction project that will include the construction and operation of a hotel, conference center and associated parking area (the "Project");

WHEREAS, as part of the June 3, 2016 approval, the Foundation Board also approved a financial contribution by the Foundation towards the construction of the Alumni Center, in an amount not to exceed \$6.8 million (the "Alumni Center Investment")

WHEREAS, as approved by the Foundation Board in 2016, the Alumni Center Investment was to be funded as follows:

(i) \$1.3 million in cash previously received by the Foundation from (a) Bank of America as royalty payments pursuant to the Affinity Agreement between Bank of America and the FIU Alumni Association; (b) certain accumulated fund balances; and (c) new cash gifts; and

(ii) \$5.5 million payable from the Foundation investment pool as a directed investment, subject to the requirements set forth in the Foundation's Directed Investment Policy.

WHEREAS, following the initial 2016 approval by the Foundation Board, several changes have been made to the proposed design plans, construction and operations of the

SUPPORTING DOCUMENTS:

- PLEASE SEE HANDOUT

FACILITATOR/PRESENTER:

- MILLY GARCIA CHICA
- AIME MARTINEZ

Project, including the Alumni Center, which plans and specifications have been presented to the Executive Committee and are attached hereto as Exhibit A;

WHEREAS, as a result of the revised Alumni Center plans and specifications, the Alumni Center's revised projections, pro forma statements and other financial information, which have been presented to the Executive Committee and are attached hereto as Exhibit B (collectively, the "Revised Alumni Center Plans"), demonstrate an increase in the expected cost of the Alumni Center, and, accordingly, a necessary increase in the projected amount of the Alumni Center Investment, from \$6.8 million to \$8.7 million (the "Revised Alumni Center Investment"), which would be funded as follows:

(i) A minimum of \$2.0 million in cash received by the Foundation from (a) Bank of America as royalty payments pursuant to the Affinity Agreement between Bank of America and the FIU Alumni Association; (b) certain accumulated fund balances; and (c) new cash gifts (which may include funds generated from naming opportunities within the Project); and

(ii) An amount not to exceed \$6.7 million, payable from the Foundation investment pool as a directed investment, subject to the requirements set forth in the Foundation's Directed Investment Policy; *provided*, that, the Foundation expects to raise the entire amount in gifts which are customarily given in annual installments as set forth above, such amounts would be reduced, on a dollar-for-dollar basis, from the total amount to be allocated from the Foundation investment pool as a direct investment.

WHEREAS, in connection with the transactions contemplated by the Revised Alumni Center Investment, the Foundation will, among other things, (i) create a wholly-owned subsidiary which shall be organized for the purpose of conducting any and all lawful business, including, without limitation, the ownership, operation and maintenance of the Alumni Center; (ii) enter into (a) a ground sublease with the University for a one-acre parcel of land located on the northwest section of the Modesto A. Maidique Campus for the leasing of the land used for the construction, operation and maintenance of the Alumni Center; (b) a development agreement among Concord Benchmark LLC (the "Developer"), the FIU Foundation and the University relating to the construction and development of the Project (including the Alumni Center); (c) a reciprocal easement and operating agreement whereby the Developer and the Foundation would share use of certain common building infrastructure, parking landscaping, ingress/egress points and other facilities and improvements necessary for the use and operation of the Alumni Center; (d) a management agreement, whereby the Developer would manage the Alumni Center on the Foundation's behalf; and (e) a nondisturbance or similar agreement with the Developer's lender whereby the lender will agree to certain terms and provisions to protect the Foundation's interests if the lender has to take title of the Project during construction or of the common areas of the Project thereafter (collectively, the "Alumni Center Transactions");

WHEREAS, the Foundation's Directed Investment Policy requires that a maximum of

SUPPORTING DOCUMENTS:

- PLEASE SEE HANDOUT

FACILITATOR/PRESENTER:

- MILLY GARCIA CHICA
- AIME MARTINEZ

three percent (3%) of the endowment investment pool be available for directed investment (the “Directed Investment Policy Cap”); *provided*, that the Foundation may elect to waive the Directed Investment Policy Cap if the subject investment and project presents such a fundamental benefit to the University that it will have a transformative effect on the University;

WHEREAS, the Revised Alumni Center Investment would take the aggregate percentage of directed investments presently held by the Foundation to 3.6% of the endowment investment pool, as of March 31, 2020;

WHEREAS, the Foundation believes that the Project presents such a fundamental benefit to, and transformative effect on, the University, that an exception to the Directed Investment Policy in connection with the Revised Alumni Center Investment is appropriate and is in the best interests of the Foundation; and

WHEREAS, the Foundation believes it is in the best interests of the Foundation to approve the Revised Alumni Center Plans, the Revised Alumni Center Investment and the Alumni Center Transactions, and to approve an exception of the Directed Investment Policy Cap for the Revised Alumni Center Investment.

THEREFORE, BE IT

RESOLVED, that the Executive Committee hereby approves in all respects the Revised Alumni Center Plans; and it is

FURTHER RESOLVED, that, the Executive Committee hereby approves in all respects the Revised Alumni Center Investment; and it is

FURTHER RESOLVED, that the Executive Committee approves in all respects the Alumni Center Transactions; and it is

FURTHER RESOLVED, that the Executive Committee approves in all respects the exception to the Directed Investment Policy Cap for the Revised Alumni Center Investment; and it is

FURTHER RESOLVED, that the Chief Executive Officer, the Treasurer and the Secretary of the Foundation be, and hereby are, authorized in all respects to negotiate the terms and conditions of the Revised Alumni Center Investment and the Revised Alumni Center Transactions, and the Chief Executive Officer of the Foundation be, and hereby is, authorized in all respects to execute on behalf of the Foundation any agreements or other documents necessary or desirable to effectuate the Revised Alumni Center Investment and the Revised Alumni Center Transactions; and it is

SUPPORTING DOCUMENTS:

- PLEASE SEE HANDOUT

FACILITATOR/PRESENTER:

- MILLY GARCIA CHICA
- AIME MARTINEZ

FURTHER RESOLVED, that pursuant to and in accordance with Article 3, Section 2(i) of the Foundation's bylaws, the foregoing action by the Executive Committee shall be reported to the Foundation Board at, and shall be included in the minutes of, the next ensuing meeting of the Foundation Board.

SUPPORTING DOCUMENTS:

- PLEASE SEE HANDOUT

FACILITATOR/PRESENTER:

- MILLY GARCIA CHICA
- AIME MARTINEZ

FIU Alumni Center

Summary of Development Assumptions

BUDGET					Total
Land & Acquisition Costs					\$0
Ground Lease during Development					\$0
Total Hard Costs					\$7,157,393
Site Work - Alumni	23,522 SF	\$10.88/SF	2.93%	\$0.00	\$255,928
Shell - Alumni	13,317 SF	\$400.15/SF	61.02%	\$0.00	\$5,328,864
FF&E - Alumni	13,317 SF	\$15.00/SF	2.29%	\$15.00	\$199,755
OS&E - Alumni	13,317 SF	\$1.88/SF	0.29%	\$1.88	\$25,000
IT/AV - Alumni	13,317 SF	\$1.88/SF	0.29%	\$1.88	\$25,000
Miscellaneous	13,317 GSF	\$73.74/SF	11.25%	\$73.74	\$982,018
Other		\$0.00/SF	0.00%	\$0.00	\$0
Other		\$0.00/SF	0.00%	\$0.00	\$0
Hard Cost Contingency	5.00% of Hard Costs		3.90%	\$25.59	\$340,828
Total Soft Costs and Fees	<i>22.01% of Hard Costs</i>		18.04%	\$118.28	\$1,575,110
Soft Costs			12.17%	\$79.82	\$1,062,942
Developer Fee	3.50% of Total Costs		3.16%	\$20.71	\$275,783
CM Fee (FIU)	1.50% of Total Costs		1.35%	\$8.88	\$118,193
CM Fee (Developer)	1.50% of Total Costs		1.35%	\$8.88	\$118,193
Financing Costs excluding any Operating Deficit			0.00%	\$0.00	\$0
Total Development Cost (Uses of Funds)			100.00%	\$655.74	\$8,732,503
Operating Deficit (Funded by Equity)			0.00%	<u>\$0.00</u>	<u>\$0</u>

FIU Alumni Center Financial Model
May 11, 2020

	2021	2022	2023	2024	2025
Revenue	Year 1	Year 2	Year 3	Year 4	Year 5
<i>Rental Rate Inflation</i>		2%	2%	2%	2%
Rental Revenue	\$392,852	\$400,709	\$408,723	\$416,897	\$425,235
<i>Lease per sq. ft.</i>	<i>\$29.50</i>	<i>\$30.09</i>	<i>\$30.69</i>	<i>\$31.31</i>	<i>\$31.93</i>
<i>Space</i>	<i>13,317</i>	<i>13,317</i>	<i>13,317</i>	<i>13,317</i>	<i>13,317</i>
Other Operated Revenue	\$31,200	\$31,824	\$32,460	\$33,110	\$33,772
Total Revenue	\$424,052	\$432,533	\$441,183	\$450,007	\$459,007
Operating Expenses		2%	2%	2%	2%
<i>Cost Inflation</i>					
Custodial & Janitorial Service	22,165	22,608	23,060	23,521	23,992
Financial Fees	653	666	679	693	706
Parking	7,215	7,359	7,506	7,657	7,810
Ground Leasing	\$2.50 /sf 38,333	39,099	39,881	40,679	41,493
Purchased Utilities	22,165	22,608	23,060	23,521	23,992
Insurance	7,971	8,130	8,293	8,458	8,628
Repairs and Maintenance	21,653	22,086	22,528	22,979	23,438
Other Equipment and Supplies	1,061	1,082	1,104	1,126	1,149
Total Operating Expenses	\$121,215	\$123,639	\$126,112	\$128,634	\$131,207
Operating Income	\$302,836	\$308,893	\$315,071	\$321,372	\$327,800

Foundation Direct Investment Model @ 4.5%

Annual Required Return On Investment	\$302,836	\$302,836	\$302,836	\$302,836	\$302,836
<i>Required Return Rate</i>	4.5%	4.5%	4.5%	4.5%	4.5%
<i>Foundation Investment</i>	77%	\$6,729,697	6,729,697	6,729,697	6,729,697
Cash Contribution	\$2,000,000				
Return on Equity	4.5%				
Cash Flow after Required Return and Debt Service	\$0	\$6,057	\$12,235	\$18,536	\$24,963
Beginning Fund Balance	\$0	\$0	\$6,057	\$18,291	\$36,827
Ending Fund Balance	\$0	\$6,057	\$18,291	\$36,827	\$61,791

An aerial photograph of a university campus. In the foreground, there is a large, modern building with a glass facade. To the right of the building is a circular road with a central green area. In the background, there is a large pond with trees around it. The sky is clear and blue.

Hotel, Conference Center and Alumni Center

**Executive Committee Meeting
May 11, 2020**

NEXT HORIZON
The Campaign for FIU

Alumni Center Overview

- The Alumni Center will build affinity, cultivate an expanded donor base, and increase philanthropic giving
- Alumni Center is to be the premier multi-purpose facility for academic, social and business gathering of alumni, faculty, and students
- With an alumni base of 250,000, the Alumni Center will be a community focal point—a place for alumni and their families to call home while celebrating FIU's past and visionary future
- The Alumni Center will offer a wide range of services that will connect students and alumni including networking, mentoring, lifelong learning and professional development
- The Alumni Center will contain 13,317 square feet and will be owned by the FIU Foundation and managed by Concord Benchmark

Design and Development Concept



NEXT HORIZON
The Campaign for FIU

Alumni Center Construction Cost Overview

Hard Costs	2017	2020
Building & Pro Rata Parking	\$3,728,823	\$5,328,864
Site Work – Pro Rata Share	750,000	255,928
GC Fees, Insurance, P&P Bond & Other	689,685	594,760
General Conditions	-	387,257
FF&E, OS&E, & IT/AV	-	249,755
Construction Contingency (3% of Hard Costs in 2017; 5% in 2020)	<u>134,364</u>	<u>340,828</u>
Total Hard Costs and Fees	\$5,302,873	\$7,157,392
Soft Costs and Fees		
Soft Costs and Contingency	\$ 846,498	\$1,062,942
CM Fee (FIU) (3% of Total Costs in 2017; 1.5% in 2020)	158,550	118,193
CM Fee Developer (1.5% of Total Costs)	79,275	118,193
Developer Fee (3.5% of Total Costs)	<u>184,975</u>	<u>275,783</u>
Total Soft Costs and Fees	\$1,269,298	\$1,575,111
Owner's Contingency	<u>\$ 200,000</u>	<u>\$ _____0</u>
Total Cost	\$6,772,171	\$8,732,503
Total Cost Per Square Foot	\$469.87	\$655.74

Alumni Center Funding Overview

- In June of 2017 the Alumni Center estimated cost was \$6.8 million and was going to be funded with \$1.3 million from royalties, accumulated fund balances and new cash gifts as well as a \$5.5 million direct investment.
- Due to increases related to timing of project approvals, costs of construction and design changes, necessary to efficiently accommodate those costs, the total estimated cost of the Alumni Center is now \$8.7 million. The construction costs will be funded by \$2 million from royalties, fund balances, cash gifts and a \$6.7 million direct investment of the Foundation.
- The Alumni Association and Foundation will fundraise the \$6.7 million to offset the directed investment.
- Direct investment will receive an internal rate of return of 4.5 percent from external and internal rental of office and atrium space net of operating expenses, affinity partnership revenues and philanthropy
- Operating expenses include janitorial, insurance, repairs and maintenance, and utilities.
- FIU Foundation will create a wholly-owned subsidiary for the operation and maintenance of the Alumni Center.

FIU Alumni Center Financial Model

May 11, 2020

	2021	2022	2023	2024	2025
Revenue	Year 1	Year 2	Year 3	Year 4	Year 5
<i>Rental Rate Inflation</i>		2%	2%	2%	2%
Rental Revenue	\$392,852	\$400,709	\$408,723	\$416,897	\$425,235
Lease per sq. ft.	\$29.50	\$30.09	\$30.69	\$31.31	\$31.93
Space	13,317	13,317	13,317	13,317	13,317
Other Operated Revenue	\$31,200	\$31,824	\$32,460	\$33,110	\$33,772
Total Revenue	\$424,052	\$432,533	\$441,183	\$450,007	\$459,007
Total Operating Expenses	\$121,215	\$123,639	\$126,112	\$128,634	\$131,207
Operating Income	\$302,836	\$308,893	\$315,071	\$321,372	\$327,800

Foundation Direct Investment Model @ 4.5%

Annual Required Return On Investment	\$302,836	\$302,836	\$302,836	\$302,836	\$302,836
Required Return Rate	4.5%	4.5%	4.5%	4.5%	4.5%
Foundation Investment	77%	\$6,729,697	6,729,697	6,729,697	6,729,697

Cash Contribution \$2,000,000

Return on Equity 4.5%

Cash Flow after Required Return and Debt

Service	\$0	\$6,057	\$12,235	\$18,536	\$24,963
Beginning Fund Balance	\$0	\$0	\$6,057	\$18,291	\$36,827
Ending Fund Balance	\$0	\$6,057	\$18,291	\$36,827	\$61,791

NEXT HORIZON
The Campaign for FIU

Process and Timeline

- Request BOT approval of the new design for the Hotel, Conference Center, and Alumni Center
- Request BOT approval to authorize the University President to enter into a ground sublease with the developer reflecting the revised terms and conditions and to execute any and all other documents necessary or desirable in connection with the Hotel and Conference Center
- Submit BOT approval package to the Board of Governors' Chancellor for consult with the Chair of the Facilities Committee who will determine whether to re-submit the proposed transaction to the Board of Governors for further review and re-approval
- Finalize Ground Sublease, Development Agreement, and all other operative documents and submit to BOT, BOG, and Division of Bond Finance for review and compliance with approved terms and conditions
- Request approval from the Trustees of the Internal Improvement Trust Fund to sublease the land (required under the terms of MMC's Master Lease)

Contract Update

The Chief Executive Officer, the Treasurer and the Secretary of the Foundation will be authorized in all respects to negotiate the terms and conditions of the Revised Alumni Center Investment and the Revised Alumni Center Transactions.

The Chief Executive Officer of the Foundation will be authorized to execute on behalf of the Foundation any agreements or other documents necessary or desirable to effectuate the Revised Alumni Center Investment and the Revised Alumni Center Transactions.

Summary of agreements:

- Ground Sublease between FIU and FIU Foundation

- Reciprocal Easement Agreement between FIU Foundation and Concord Benchmark

- Development Agreement between FIU, FIU Foundation and Concord Benchmark

- Management Agreement between FIU Foundation and Concord Benchmark

- Non-Disturbance Agreement with Concord Benchmark's lender

FIU Foundation Executive Committee Resolution

- ✓ RESOLVED, that the Executive Committee hereby approves in all respects the Revised Alumni Center Plans; and it is
- ✓ FURTHER RESOLVED, that, the Executive Committee hereby approves in all respects the Revised Alumni Center Investment; and it is
- ✓ FURTHER RESOLVED, that the Executive Committee approves in all respects the Alumni Center Transactions; and it is
- ✓ FURTHER RESOLVED, that the Executive Committee approves in all respects the exception of the Directed Investment Policy Cap in connection with the Revised Alumni Center Investment; and it is
- ✓ FURTHER RESOLVED, that the Chief Executive Officer, the Treasurer and the Secretary of the Foundation be, and hereby are, authorized in all respects to negotiate the terms and conditions of the Revised Alumni Center Investment and the Revised Alumni Center Transactions, and the Chief Executive Officer of the Foundation be, and hereby is, authorized in all respects to execute on behalf of the Foundation any agreements or other documents necessary or desirable to effectuate the Revised Alumni Center Investment and the Revised Alumni Center Transactions



THANK YOU!

NEXT HORIZON
The Campaign for FIU

SUBLEASE AGREEMENT
STATEMENT OF KEY TERMS

Parties: The Florida International University Board of Trustees, as Landlord, and Concord Benchmark, LLC as Tenant/Developer.

Hotel Operator / Hotel Flag: BMC – The Benchmark Management Company, LLC, as Operator

The Hotel and Conference Center will be independent.

Subleased Premises: Approximately 5.12 acres of land at the northwestern segment of the Modesto A. Maidique Campus, fronting the 8th Street Boundary. Please see Exhibit A.

Project: Public Private Partnership for a Hotel, Conference Center, Alumni Center and Parking at Florida International University's Modesto Maidique Campus (E-ITN 67-001) (the "Project").

Description and Uses of Hotel and Conference Center Facility:

The Hotel and Conference Center will serve the transient accommodation needs of students and their parents, visiting faculty, researchers, staff and the community. It will serve FIU's commitment to community engagement by providing convenient quality accommodations and state-of-the-art conference and meeting space.

The Hotel and Conference Center will be designed, privately financed, developed, constructed, owned, maintained and operated by the Tenant as an upscale to upper-upscale market-based hotel and conference center.

Hotel and Conference Center GSF: 143,086

Description and Uses of the Alumni Center:

A two-floor facility with public/event areas, offices, storage/service rooms, an emeritus lounge and an outdoor event area.

Alumni Center GSF: 13,317

The Alumni Center will be designed and built by the Developer as a single integrated building with the Hotel and Conference Center, but the Alumni Center component will not be owned or operated by the Developer or Operator. The FIU Foundation will occupy, own, and operate the Alumni Center, and will enter into a separate ground sublease with FIU for the portion of the site that will be occupied by the Alumni Center.

Lease Term: The lease term will be for forty years (40) following substantial completion of the Hotel and Conference Center with two five-year (5) renewal periods

(same as the term for the sublease between FIU and the Foundation for the Alumni Center site).

Permitted Use: Hotel, Conference Center, Parking and Alumni Center at Florida International University's Modesto Maidique Campus.

Leasehold Interest Only: Tenant shall only hold a leasehold interest in the Property. In no event, shall Tenant be deemed to hold or encumber the fee simple title to the Property.

FIU Purchase Option and Lease Expiration: Upon the expiration of the Sublease and renewal periods, the Hotel and Conference Center will revert to the Landlord at no cost to the Landlord.

Landlord will have a one-time right to terminate the Sublease effective as of the last day of the 10th year of the term. Such termination would require the Landlord to pay the higher of the fair market value for the Hotel and Conference Center and certain compensation due to investors and lenders in the project for such early termination (provided that Landlord will have the right to revoke its termination notice if said compensation exceeds the fair market value of the Hotel and Conference Center).

No Sale / Assignment: Except as otherwise expressly provided in the Sublease: (a) Tenant shall not have the right at any time to pledge, hypothecate, mortgage, or assign the Sublease, or to sublet the Property or any part thereof, or to grant any concession or license, or to allow anyone to occupy the Property, without the prior written consent of Landlord; and (b) Tenant shall not permit nor grant security interests or other interests upon Tenant's trade fixtures, personal property and equipment on the Property without first obtaining Landlord's written consent.

Any sale, assignment or sublease shall only be to a "qualified third party."

Landlord will have a continuing right of first offer to acquire the Hotel and Conference Center.

Guarantees: Construction and Completion Guaranty: Construction and completion guaranty will be negotiated with the equity and debt lenders.

Tenant will adhere to the Landlord's Facility Guidelines, including all performance bond requirements.

Due Diligence Period: Duration will be 90 days from the date of execution of the Sublease.

Financing Period: Duration will be 90 days from the expiration of the Due Diligence Period.

Design and Permitting Period: Duration will be 6 months from the expiration of the Financing Period.

Debt Term and Provisions:

Tenant will make an initial contribution of common equity in an amount not less than 40% of the total development costs of the Hotel and Conference Center in connection with the construction loan and the first financing obtained by Tenant after substantial completion of the Hotel and Conference Center (the “project loan”). Tenant may refinance the project loan to no more than 75% of the value of the Hotel and Conference Center (or up to 80% of the value of the Hotel and Conference Center with Landlord’s prior written consent, provided certain conditions are satisfied.

Project Cost, Financing Options and Parameters:

The total development cost for the Project is anticipated to be \$71,059,844, which includes all costs associated with the development and construction of the Hotel and Conference Center and Parking, as well as the Alumni Center, outdoor amenities and additional site work.

The total development cost for the Hotel and Conference Center is anticipated to be \$62,327,341. The total hard costs are \$52,326,106. The total soft costs and fees are \$8,603,335. The total financing costs are \$1,397,900.

The total development cost for the Alumni Center is anticipated to be \$8,732,503. The total hard costs are \$7,157,393. The total soft costs are \$1,575,110.

Financing Restrictions:

- The Hotel and Conference Center will be 100% privately financed.
- Tenant may grant a leasehold mortgage encumbering the leasehold estate created by the Sublease.
- Tenant’s interest in the Sublease may not be used by Tenant as collateral for any public financing or as security for loans not relating to the site and the Hotel and Conference Center. The full faith and credit of Landlord, the Florida Board of Governors, or the State of Florida has not been, and will not be, pledged to secure any Tenant financing, and Landlord has no obligation or responsibility for any aspect or payment of Tenant’s financing.

Tenant will be paid a developer’s fee of 3.5% of total costs for the Hotel, Conference Center, and Parking, and the Alumni Center for development services.

Developer is at risk for all cost overruns on the design and construction of the Project, with the exception of change orders requested by the University.

Private Party Qualifications:

The Developer has significant experience developing, marketing, financing and operating first class hotels, resorts and conference centers across the United States, and specifically, in conjunction with Universities.

Given that the development entity, Concord Benchmark, LLC, is a single purpose entity, it currently has a net worth of \$0. The Developer has demonstrated the ability to finance and construct similar size and scope projects. Concord Eastridge developed and built the Mason Inn Hotel and Conference Center (149 rooms, 25,000 sf conference center) on the campus of George Mason University in Fairfax, VA. They also built Eagle Village at University of Mary Washington, which included a Hyatt Place Hotel (93 rooms) in Fredericksburg, VA and is developing (and financing) The StateView Hotel, a Marriott Autograph Collection hotel (164 rooms, 22,000 sf conference center) at North Carolina State University in Raleigh, NC. Benchmark has provided technical services and has marketed and operated more than 60 new build hotels, resorts and conference centers across the country, including The Chattanooga Hotel and Conference Center (199 rooms, 25,000 sf of meeting space) in Chattanooga, TN, The Heldrich Hotel and Conference Center (248 rooms, 25,000 sf of meeting space) in New Brunswick, NJ, Stonewall Resort (208 rooms, 22,000 sf of meeting space) in Roanoke, WV and is currently developing a conference center hotel (250 rooms, 23,000 sf of meeting space) on the campus of Texas A&M University in College Station, TX. Additionally, Benchmark's capital partner, Miami-based Gencom, is among the world's leading developers and owners of luxury, upper-upscale and mixed-use resorts and properties in North America. Gencom maintains significant industry relationships within the hospitality, private equity and lending communities, and Gencom has partnered with many of the world's leading investment institutions on similar transactions and would look to lead the efforts to implement these relationships for long-term financial stability of the project.

**Financial
Projections:**

Occupancy Year 1 – 66.0%

Occupancy at Stabilization* – 76.0%

Average Daily Rate Year 1 – \$148.31

Average Daily Rate at Stabilization* - \$214.36

RevPar Year 1 - \$97.88

RevPar at Stabilization* \$162.92

Net Operating Income Year 1 - \$1,764,230

Net Operating Income at Stabilization* - \$4,832,957

Internal Rate of Return for Tenant / Developer – 14.62%

Total Value of Project at Stabilization* - \$62,613,672

* Stabilization assumed at year 8 of operations

**Security Deposits,
Ground Rent
Payments,
Escalation, and
Participation:**

Deposit: No Security Deposit is anticipated

Annual Base Rent and Escalations:

- Annual Ground Rent

Commencing on the 28th month anniversary of the effective date of the Sublease through the last day of the Construction Term, Tenant shall pay 50% of the Initial Base Rent, payable quarterly in arrears. The 50% balance of Base Rent due for such the time period (the “Deferred Rent”) shall accrue interest at a rate equal to five percent (5.0%) per annum. On or prior to the expiration of the 10th Lease Year, Tenant shall pay Landlord the Deferred Rent plus accrued interest.

Commencing 36 months after the effective date of the Sublease, Tenant shall pay the sum of \$210,000 (the “Initial Base Rent”) for Lease Years 1 through 5, payable quarterly in arrears at the rate of 25% of the annual amount. Thereafter, beginning in the sixth Lease Year and every fifth Lease Year thereafter, Base Rent will increase by 5%.

- Variable Rent: No variable rent– Profit Participation in lieu of variable rent

Default in Money Payments for Late Charges: Any amount owed by Tenant to Landlord which is not paid when due shall bear interest from the date of default until paid by Tenant at the rate which is equal to the greater of (a) 8.0% per annum, and (b) 2.0% per annum in excess of the prime rate as such rate is published by the New York Times from time to time.

Profit Participation: Tenant agrees to split residual cash flow after a preferred return in lieu of variable rent:

Cash on cash return 10.0% to 12.5% with 6.0% return to FIU

Cash on cash return 12.5% to 15.0% with 8.0% return to FIU

Cash on cash return > 15.0% with 10.0% return to FIU

Parking:

Current plans contemplate 300 spaces with 30 of those spaces having the ability to be tented for additional outdoor event space. If needed, an additional 60-80 vehicles could be accommodated on site without blocking any entrances or exits if valet parking used.

The cost of parking per vehicle is estimated to be \$15 per self-parked car and \$25 per valet-parked car (in 2017 dollars) which inflates to \$16.39 and \$27.32 in 2020, respectively, increasing by inflation annually thereafter. Financial projections assume that 70% of occupied room nights will self-

park and 10% will valet. Remainder will utilize various other transportation options (public transportation, taxi's, UBER, etc).

Occasional excess demand for FIU parking, if needed, will be negotiated between Landlord and Tenant at a market rate.

Utilities: Tenant may be permitted to connect to chilled water, potable water, and sanitary sewer utilities and may purchase chilled water, potable water and sewer services from Landlord reimbursed at Landlord's cost. Tenant will work with the University to explore the option of connecting to the University's chilled water, potable water and sewer services.

Payment of Taxes: Tenant is responsible for the payment of all appropriate taxes.

Insurance: As outlined in E-ITN 67-001.

Maintenance and Operations: Tenant will operate and maintain the hotel and conference center to the "Hotel Standard." Tenant will be responsible for all operations (e.g., rooms, food and beverage, sales and marketing, finance, accounting, IT, human resources) and maintenance, including housekeeping, repair and maintenance and engineering functions.

"Hotel Standard" shall mean, collectively, (i) a full service, upscale to upper-upscale market based hotel, as such terms are currently defined by Smith Travel Research as of the Effective Date of this Sublease, (ii) commensurate with the maintenance, amenities, quality and service at similarly situated hotels in the Miami-Dade area, having regard to the highest levels of efficiency, competence and standards of service and best practices, (iii) the conference center that will comprise a portion of the Facility shall be operated in accordance with the quality standards of the International Association of Conference Centers (IACC), and (iv) at all times, compliance with the University Standards.

Tenant must implement and adhere to all University regulations and policies applicable to the University's campus and in effect from time to time, including, without limitation, the student code of conduct, no firearms policy, no smoking policy (with an exception for a designated smoking area in the rooftop bar), the alcohol use policy, and handle any resident complaints pursuant to the Operating and Management Agreement.

Tenant will assist, subject to negotiation, with the management of the Alumni Center including staffing and support from the hotel operations. Engineering, housekeeping, security and administration would provide the necessary operational support, ongoing day-to-day and longer-term maintenance, janitorial services, landscaping, etc.

**Other University
Benefits:**

- Internships: Tenant will provide opportunities for paid student internships during construction and operations subject to negotiation.
- Post Graduate Job Opportunities: Tenant will provide opportunities for post graduate job opportunities subject to negotiation.
- Work-study: Tenant will provide opportunities for work studies subject to negotiation.
- Curricula: Tenant will coordinate with University to create opportunities to expand curricula.
- Research: Tenant will make an accommodation of graduate student and faculty for applicable research activities.
- Tours: Tenant will provide tours focused on operations and discussed opportunities for food and beverage specific tours and classes, as well as job shadowing.
 - Landlord and Tenant will negotiate the terms of the Collaborative Partnership Agreement during the Due Diligence Period
- Preferential Room Rates: To be negotiated.
- Preferential Conference Center Rates: Tenant will negotiate preferential conference center rates with the University on a case-by-case basis, with the intent to give benefit to the University whenever and wherever possible and feasible.
 - Landlord and Tenant will negotiate the terms of the Hotel Discount Program Agreement during the Due Diligence Period

Approvals:

The program, design, and site layout, as well as the Hotel Operator, are subject to the approval of Landlord and, if and to the extent required, by the Florida International University Board of Trustees, the State of Florida Board of Governors and the FIU Foundation Board of Directors.

All ground subleases are subject to the approval of the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida.

Developer will design the Project in accordance with all applicable codes and plans and specifications approved by University. Developer will engage an architect for such purpose. All permits will be obtained by Developer.

Developer will engage a general contractor to construct the project on a guaranteed maximum price basis. All contractors and mechanical, engineering and plumbing subcontractors require Owner approval. All change orders involving a change in cost or delaying substantial completion require Owner approval.

Access to Property:

Landlord may have free access to all public areas of the Property at all reasonable times, and to all private areas upon reasonable notice and

coordination with Tenant, for the purpose of inspecting the same for compliance with the Sublease.

Summary of Terms Only:

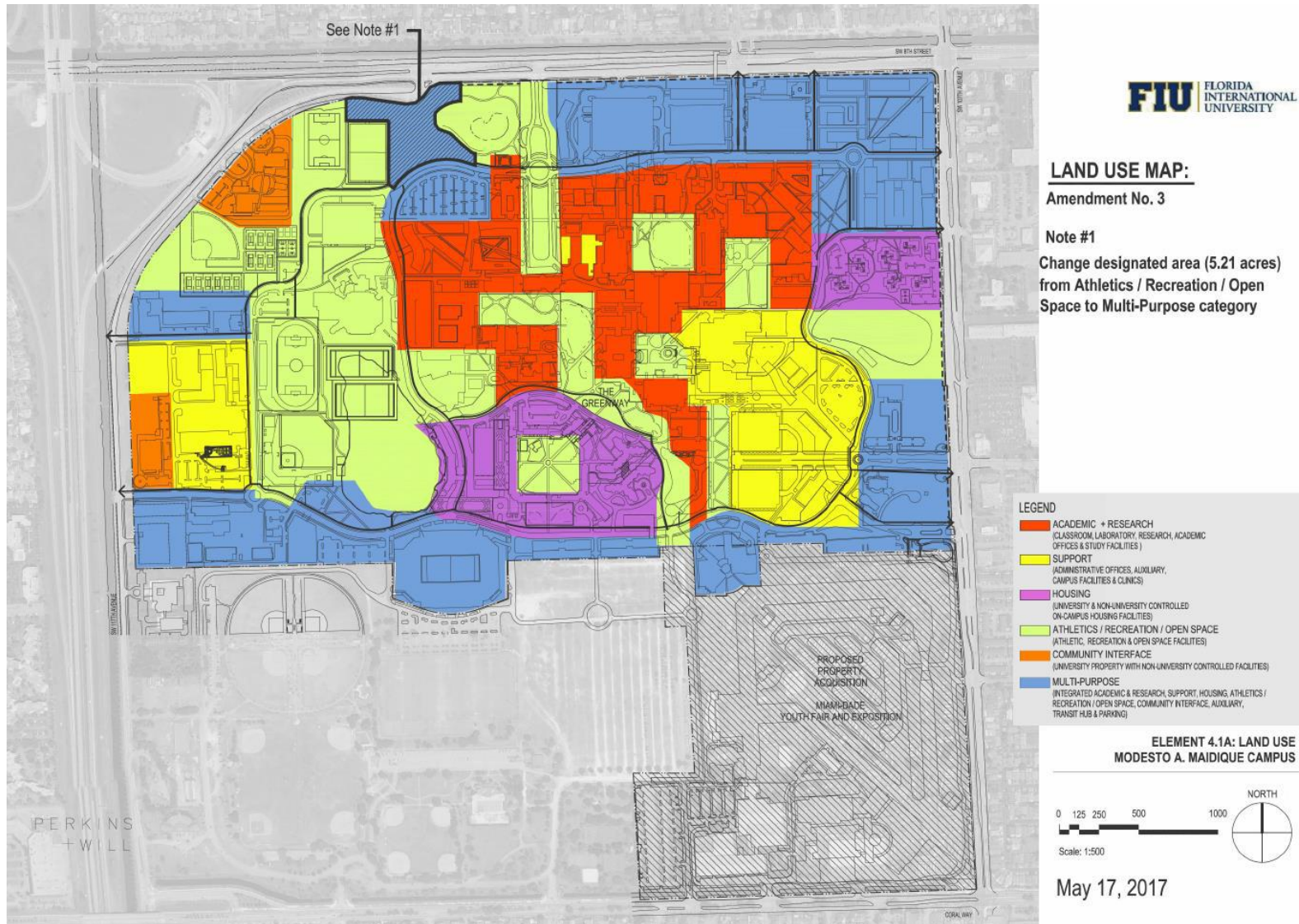
This Statement of Key Terms is only a summary of material terms of the Sublease for the Hotel and Conference Center, and remains subject in all respects to final negotiations and execution of the other definitive agreements.

Other Agreements:

- Ground Sublease between the University and the Foundation for the site of the Alumni Center
- Operating Agreement between the University and the Developer for the operation and maintenance of the Hotel and Conference Center
- Collaborative Partnership Agreement between the University and the Developer (to be negotiated during the Due Diligence Period)
- Hotel Discount Program Agreement between the University and the Developer (to be negotiated during the Due Diligence Period)
- Development Agreement between the Developer and the Foundation (FIU is a third party beneficiary of this Agreement)
 - The Developer has agreed to provide the necessary services to plan, design, permit, engineer, equip, install, and construct and the Alumni Center
 - This Agreement takes into account that the Project, consisting of the Alumni Center and the Hotel Facility, will be developed, designed, permitted and constructed as a single integrated building and shall encompass the same aesthetic qualities and promote and facilitate cost, resource, schedule and other synergies and efficiencies.
 - This Agreement is cross-defaulted with the Hotel Sublease
- Reciprocal Easement and Operating Agreement between the Developer and the Foundation
 - As the Hotel and Conference Center and the Alumni Center will be located within the same building and share use of certain common building infrastructure, the parking areas, landscaping, ingress/egress points and other facilities and improvements necessary for the use and operation of each of the Hotel and Conference Center and the Alumni Center, this Agreement creates and establishes certain joint and reciprocal easements and restrictions over and across both parcels for the benefit of both parties, and provides for certain covenants and agreements for the sharing of costs of certain maintenance, upkeep and operation certain underlying improvements and facilities
- Management Agreement between the Developer and the Foundation (whereby the Developer will manage the Alumni Center on the Foundation's behalf)

- Once the Developer has secured its financing for the Hotel and Conference Center, the University, the Foundation and the Developer's lender will enter into a Nondisturbance or similar agreement whereby the lender will agree to certain terms and provisions to protect the University's and the Foundation's interests if the lender has to take title of the Project during construction or of the common areas of the Project thereafter

Exhibit A



**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

Finance and Facilities Committee

June 16, 2020

Subject: Approval of Contract and Construction Hardening Project of over \$2 million to be funded by a Grant from the Federal Emergency Management Agency-Florida Division of Emergency Management and from University Carryforward balances for the protection of Primera Casa (PC) at FIU

Proposed Committee Action:

Recommend that the Florida International University Board of Trustees (BOT) approve (1) the retrofit of the Primera Casa (PC) building in the Modesto A. Maidique Campus to meet the wind speed protection and impact requirements indicated by the effective Florida Building Code at the time permits are issued in the total amount of \$3,618,929; and (2) the acceptance of a Hazard Mitigation Grant from the Federal Emergency Management Agency (FEMA)--Florida Division of Emergency Management (FDEM) in the amount of \$ 2,714,196.75; (3) the allocation of \$904,732.75 from available BOT Carryforward Reserve (Bridge and Catastrophy Fund); and (4) the execution of a Federally Funded Subaward and Grant Agreement with FDEM for the grant; and (5) the delegation of authority to the University President, or designee, to execute the Agreement on behalf of the University and all other documents that may be necessary to effectuate the transactions contemplated in the Agreement.

RESOLUTION

WHEREAS, the Primera Casa (PC) building located in the Modesto A. Maidique Campus was constructed in 1972; and

WHEREAS, at that time, the building code did not require the installation of hurricane resistant windows, doors and louvers, and those manufactured at the time PC was constructed were not designed to withstand hurricane force winds, making the building vulnerable to property damage; and

WHEREAS, PC houses mission critical equipment that requires employees (along with their families) to occupy the building during a wind storm event. PC is also prone to water intrusion which occurs when strong winds push rain through the seals of the building's exterior openings. The building's roof does not meet current Florida Building Code requirements and requires some of the HVAC mechanical equipment to be tied down with new straps and the edge nailer and flashing to be replaced; and

WHEREAS, it will cost \$3,618,929 to retrofit PC to meet the wind speed protection and impact requirements indicated by the effective Florida Building Code at the time permits are issued; and

WHEREAS, the Hazard Mitigation Grant Program is authorized by Section 404 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act. It is a partnership designed to assist states, local governments, private non-profit organizations and Indian Tribes in implementing long-term hazard mitigation measures following a major disaster declaration; and

WHEREAS, the Hazard Mitigation Grant Program, which is federally funded, is administered by the Florida Division of Emergency Management (FDEM); and

WHEREAS, Hazard Mitigation Grants reimburse awardees, on a cost reimbursement basis, up to 75% of eligible costs of mitigation projects; and

WHEREAS, FIU's Department of Facilities Management applied for a Hazard Mitigation Grant, which grant, in the amount of \$ 2,714,196.75, was approved by FDEM on January 14, 2020; and

WHEREAS, FIU will contribute \$904,732.25 towards the cost of retrofitting PC, funded by available Carryforward funds designated as BOT Reserve (Bridge and Catastrophy Fund); and

WHEREAS, FDEM is requesting that FIU enter into a Federally Funded Subaward and Grant Agreement which sets forth the terms, conditions and requirements of the grant; and

WHEREAS, the University believes that the retrofit of PC, which is a building essential to the operations of the University, will decrease the building's vulnerability to property loss and increase occupant safety.

NOW THEREFORE, BE IT RESOLVED, that the University is authorized to proceed to retrofit PC and to enter into the Federally Funded Subaward and Grant Agreement, with the University President, or his designee, hereby granted the delegation of authority to execute said Agreement on behalf of the University, as well as all other documents that may be necessary to effectuate the transactions contemplated in the Agreement.

This action is in the form of a resolution to take effect immediately upon adoption.

Adopted this ____ day of June, 2020 by the Board of Trustees of Florida International University.

Claudia Puig
Chair
FIU Board of Trustees

Mark B. Rosenberg
Corporate Secretary
FIU Board of Trustees

Supporting Documentation: Federally-Funded Subaward and Grant Agreement,
Agreement Number H0472, Project Number 4337-257-R
Notification Award

Primera Casa Hardening Project

Funding Certification Form

Facilitator/Presenter: Kenneth A. Jessell

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Agreement Number: H0472
Project Number: 4337-257-R

FEDERALLY-FUNDED SUBAWARD AND GRANT AGREEMENT

2 C.F.R. §200.92 states that a “subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.”

As defined by 2 C.F.R. §200.74, “pass-through entity” means “a non-Federal entity that provides a subaward to a Sub-Recipient to carry out part of a Federal program.”

As defined by 2 C.F.R. §200.93, “Sub-Recipient” means “a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program.”

As defined by 2 C.F.R. §200.38, “Federal award” means “Federal financial assistance that a non-Federal entity receives directly from a Federal awarding agency or indirectly from a pass-through entity.”

As defined by 2 C.F.R. §200.92, “subaward” means “an award provided by a pass-through entity to a Sub-Recipient for the Sub-Recipient to carry out part of a Federal award received by the pass-through entity.”

The following information is provided pursuant to 2 C.F.R. §200.331(a)(1):

Sub-Recipient's name:	Florida International University
Sub-Recipient's unique entity identifier:	65-0177616
Federal Award Identification Number (FAIN):	FEMA-DR-4337-FL
Federal Award Date:	January 14, 2020
Subaward Period of Performance Start and End Date:	Upon execution through January 31, 2022
Amount of Federal Funds Obligated by this Agreement:	\$2,714,196.75
Total Amount of Federal Funds Obligated to the Sub-Recipient by the pass-through entity to include this Agreement:	\$2,714,196.75
Total Amount of the Federal Award committed to the Sub-Recipient by the pass-through entity	\$2,714,196.75
Federal award project description (see FFATA):	Wind Retrofit
Name of Federal awarding agency:	Federal Emergency Management Agency
Name of pass-through entity:	FL Division of Emergency Management
Contact information for the pass-through entity:	Debbie.Williams@em.myflorida.com
Catalog of Federal Domestic Assistance (CFDA) Number and Name:	97.039 Hazard Mitigation Grant Program
Whether the award is R&D:	N/A
Indirect cost rate for the Federal award:	N/A

PRIMERA CASA HARDENING PROJECT

- Remove existing windows (17,350 SF), doors and louvers (200 SF) and replace them with new hurricane impact resistant windows, doors and louvers
- Remove and replace roof nailers and flashing (2,450 LF)
- Install new HVAC equipment tie-downs
- Replace roof (2,689 SF) areas above stairwells
- Replace four roof doors, four skylights, and four roof hatches
- Remove and replace lightning projection protection (2,800 LF)



Funding Certification Form

This form is required by the FIU Board of Trustees ("BOT") and/or a committee of the BOT as a condition for approval of items, containing a funding component, that come for approval before the Board and/or a BOT committee pursuant to the Delegations of Authority from the BOT to the University President or otherwise.

Item name/description: Approval of Contract and Construction Hardening Project of over \$2 million, Federal Emergency Management Agency, Florida Division of Emergency Management, for the protection of Primera Casa (PC) at FIU

Funding Source(s):

Fund Code	Fund Code Description
\$2,714,196.75	Federal Emergency Management Agency (FEMA), Florida Division of Emergency Management— Federally Funded Subaward and Grant Agreement
\$ 904,732.25	University Carryforward-BOT Reserve

This is to certify that the above item has been reviewed and approved, and to the best of our professional judgment and knowledge, the type of funding for the item is authorized by state law and Board of Governors Regulations, and the Trustees may reasonably and in good faith rely on this certification.

Kenneth A. Jessell, Sr. Vice President

6-2-2020

Date

Kenneth A. Jessell, Sr. Vice President and Chief Financial Officer

6-2-2020

Date

DocuSigned by:

Carlos B. Castillo, General Counsel

June 4, 2020

Date

Mark B. Rosenberg, President

6-4-2020

Date

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THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Facilities Committee

June 16, 2020

Subject: Approval of Contract #PUR-00628, vendor ARAMARK Management Services Limited Partnership

Proposed Committee Action:

Pursuant to the Delegations of Authority from the Florida International University Board of Trustees to the University President, as reflected in the Resolution on the President's Powers and Duties approved by the Board of Trustees on March 4, 2019, (i) approve the University entering into the contract as listed and described below and (ii) authorize the University President or his designee to execute, on behalf of the University, the aforementioned contracts.

Background Information

Contract #PUR-00628 (vendor: **ARAMARK Management Services Limited Partnership**)

Fourth extension of the agreement between FIU and the vendor is being requested by FIU Procurement Services on behalf of the Facilities Management Department for University-wide ground maintenance services. The Master Agreement was awarded as a result of the Request for Proposal RFP-90-012 process solicited by FIU Procurement Services at the request of the Facilities Management Department.

- **Term:** Fourth extension term commences on July 1, 2020 and ends on January 31, 2021 or until the new competitive solicitation for ground maintenance is awarded, which was delayed due to COVID-19.
 - **Cost: \$1,890,631.35** for the total extension term of July 1, 2020 through January 31, 2021 which is an estimated cost based on previous spend.
 - **Funding source:** Various
-

Supporting Documentation:

Contract #PUR-00628, Vendor: ARAMARK
Management Services Limited Partnership

Funding Certification Form

Facilitator/Presenter:

Kenneth A. Jessell

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RFP# 90-012**FOURTH EXTENSION AGREEMENT**

THIS FOURTH EXTENSION AGREEMENT (the “Extension Agreement”) is made and entered into on the last date signed below (the “Effective Date”), by and bet ween **The Florida International University Board of Trustees (“FIU”)** and **FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES (“FIU”), and ARAMARK MANAGEMENT SERVICES LIMITED PARTNERSHIP, a Delaware limited partnership**, whose principle address is 1101 Market Street, Philadelphia, PA 19107, who is authorized to do business in the State of Florida (the “Vendor”).

RECITALS

WHEREAS, FIU and Vendor entered into that certain Agreement dated September 6, 2010 for goods and/or services related to the Competitive Solicitation entitled RFP No. 90-012, Grounds Maintenance, as amended by those certain amendments, each modifying Paragraph 22 of the Agreement, specifically including: Amendment One (1) dated February 3, 2012; Amendment Two (2) dated September 19, 2012; Amendment Three (3) dated September 27, 2013; Amendment Four (4) dated November 25, 2014; Amendment Five (5) and Renewal dated October 2, 2015; Amendment Six (6) and Renewal dated August 30, 2016; Amendment Seven (7) and Third Renewal dated November 3, 2017; Amendment Eight (8) and Extension dated September 14, 2018; and Second Extension of the Agreement dated May 17, 2019; and Amendment Nine (9) and Third Extension dated January 6, 2020 (collectively, the “Agreement”); and

WHEREAS, FIU and the Vendor desire to extend the Agreement for an additional seven (7) month term.

NOW, THEREFORE, for and in consideration of the mutual promises and agreements made herein and intending to be legally bound hereby, the parties hereto agree as follows:

1. **Recitals**. The above recitals are true and correct and incorporated herein.
2. **Extension Term**. The Agreement is hereby extended for an additional seven (7) month term, commencing on July 1, 2020 and ending on January 31, 2021 (the “**Fourth Extension Term**”).
3. **Insurance**. The Vendor shall continue to furnish FIU with certificates of insurance for the duration of this Extension. The Vendor’s certificates on the applicable policies (including but not limited to general liability and automobile liability policies) shall indicate an endorsement which names The Florida International Board of Trustees, Florida International University, the State of Florida, the Florida Board of Governors, and their respective trustees, directors, officers, employees and agents as additional insureds on such policies. Additionally, the Vendor’s policies shall carry an endorsement

- to provide thirty (30) days prior written notice to FIU in the event of cancellation or reduction in coverage or amount. In the event the Vendor's insurance carrier refuses to provide an endorsement to provide thirty (30) days prior written notice to FIU, then the Vendor will be required to provide thirty (30) days prior written notice to FIU in the event of a cancellation or reduction in the coverage or amount and secure any new insurance as required to comply with this Extension and the Agreement to ensure continuous coverage. If the Vendor fails to secure and maintain insurance policies complying with the provisions of this Contract, FIU may terminate this Extension and the Agreement.
4. **Capitalized Terms.** All capitalized terms used herein but not expressly defined herein shall have the meaning ascribed thereto in the Agreement.
 5. **Ratification.** Except as modified hereby, all of the terms, covenants and conditions of the Agreement shall remain in full force and effect and are hereby ratified and affirmed.
 6. **Compliance with Laws.** In the performance of this Contract, Vendor shall, at its own expense, at all times during the Extension Term, comply with all applicable federal, state, and local laws, rules, regulations, and ordinances and all other governmental requirements. Vendor acknowledges and agrees that Vendor has and will at all times during the Extension Term maintain all governmental permits, licenses, consents, and approvals necessary to perform its obligations under this Contract.
 7. **Compliance with Public Records Law.** FIU is subject to applicable public records laws as provided by provisions of Florida Statutes Chapter 119, and FIU will respond to such public records request without any duty to give the Vendor prior notice. If Vendor is a "Vendor" as defined under Section 119.0701, Florida Statutes, Vendor shall comply with all applicable public records laws. Specifically, Vendor shall: (1) keep and maintain public records required by FIU to perform the service; (2) Upon request from FIU's custodian of public records, provide FIU with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided under that section, or as otherwise provide by law; (3) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if Vendor does not transfer the records to FIU; and (4) upon completion of the contract, transfer, at no cost, to FIU all public records in possession of Vendor or keep and maintain public records required by FIU to perform the Service. If Vendor transfers all public records to FIU upon completion of the contract, Vendor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If Vendor keeps and maintains public records upon completion of the contract, Vendor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to FIU, upon request by FIU's public records custodian, in a format that is compatible with FIU's information technology systems. If FIU

receives a request for public records, and FIU does not possess such records, FIU shall immediately notify Vendor of such request, and Vendor must provide them to FIU or allow the records to be inspected or copied within a reasonable time. If Vendor does not comply with the request for records, FIU shall enforce the terms of the contract, and Vendor may be subject to civil action under Section 119.0701, Florida Statutes, and the penalties outlined under Section 119.10, Florida Statutes. FIU may unilaterally cancel the Agreement for Vendor's refusal to allow public access to all public records that were made or received in conjunction with the Agreement. This provision shall survive the expiration or earlier termination of the Agreement. **IF THE VENDOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE VENDOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT (305) 348-1377, BY EMAIL AT recordsmanagement@fiu.edu, OR BY MAIL at 11200 SW 8 ST., GL 460, MIAMI, FLORIDA 33199.**

8. **No counterparts; facsimile signatures allowed.** This Extension may not be executed in counterparts. This Extension and Agreement, along with any and all Exhibits, may be executed and delivered by facsimile signature by any of the parties to the other parties; to the extent permissible under Florida law, a facsimiles signature shall have the same legal force and effect as an original signature and the receiving party may rely on the receipt of such document so executed and delivered by facsimile signature as if the original had been received.

IN WITNESS WHEREOF, the duly authorized representatives of the parties have affixed their signatures, effective on the Effective Date first written above.

FOR THE VENDOR:**ARAMARK MANAGEMENT SERVICES
LIMITED PARTNERSHIP**

By: _____

**ARAMARK SMMS LLC, ITS GENERAL
PARTNER**Name & Title: Christian Dirx, Vice President
of Finance, its Authorized Signatory

Date: _____

FOR FIU:**THE FLORIDA INTERNATIONAL
UNIVERSITY BOARD OF TRUSTEES**

By: _____

Name & Title: Dr. Kenneth Jessell
CFO and Senior Vice President

Date: _____

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Funding Certification Form


This form is required by the FIU Board of Trustees ("BOT") and/or a committee of the BOT as a condition for approval of items, containing a funding component, that come for approval before the Board and/or a BOT committee pursuant to the Delegations of Authority from the BOT to the University President or otherwise.

Item name/description: Approval of Contracts under \$3 million # PUR-00628, vendor: Armark Management Services Limited Partnership


Funding Source(s):

Fund Code	Fund Code Description
211	Carry Forward
210	General Revenue
333	Housing Fund
334	Parking Fund
339	Auxiliary Construction
411	Athletics
451	Student Government (A&S)
720	Construction Trust Fund

This is to certify that the above item has been reviewed and approved, and to the best of our professional judgment and knowledge, the type of funding for the item is authorized by state law and Board of Governors Regulations, and the Trustees may reasonably and in good faith rely on this certification.


Kenneth A. Jessell, Sr. Vice President

5-14-2020
Date

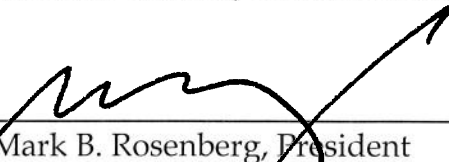

Kenneth A. Jessell, Sr. Vice President and
Chief Financial Officer

5-14-2020
Date

DocuSigned by:

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Carlos B. Castillo, General Counsel

May 21, 2020
Date


Mark B. Rosenberg, President

5-29-2020
Date

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Financial Summary Overview ¹
FY 2019-20

		Year To Date March 2020			
		Budget	Current Year Actual	Variance	
				\$	%
(\$ in millions)					
Revenue / Receipts					
University					
Educational and General (net) ²	\$	419.7	\$ 424.8	\$ 5.1	1%
University		377.0	382.0	5.0	1%
College of Medicine		42.7	42.8	0.1	0%
FIU Self-Insurance Program		0.5	0.4	(0.1)	-20%
Auxiliary Enterprises		183.0	176.4	(6.6)	-4%
Intercollegiate Athletics		21.2	21.9	0.7	3%
Activities and Service		16.1	16.4	0.3	2%
Technology Fee		8.7	9.0	0.3	3%
Board Approved Fees		0.3	0.3	-	0%
Contracts and Grants		110.3	121.9	11.6	11%
Student Financial Aid		194.5	179.9	(14.6)	-8%
Concessions		0.4	0.5	0.1	25%
Direct Support Organizations					
FIU Athletic Finance Corp		3.0	3.4	0.4	13%
FIU Foundation Inc.		19.9	21.5	1.7	8%
Contributions for University Support		17.6	19.3	1.6	9%
Operating Revenues		2.3	2.3	0.0	1%
FIU Health Care Network		7.4	7.9	0.5	7%
FIU Research Foundation		-	-	-	0%
Interfund Adjustments ³		(8.2)	(8.1)	0.1	-1%
Total Operating Revenues	\$	976.8	\$ 976.3	(0.5)	0%
University Treasury (net)		9.9	(0.4)	(10.3)	-104%
FIU Foundation Inc.		10.3	(14.1)	(24.4)	-237%
Total Investment Revenues	\$	20.2	(14.5)	(34.7)	-172%
Total Revenues / Receipts	\$	997.0	\$ 961.8	(35.2)	-4%
Expenses					
University					
Educational and General (net)	\$	422.3	\$ 398.7	\$ 23.6	6%
University		385.2	366.4	18.8	5%
College of Medicine		37.1	32.3	4.8	13%
FIU Self-Insurance Program		0.5	0.1	0.4	80%
Auxiliary Enterprises		164.3	152.9	11.4	7%
Intercollegiate Athletics		22.6	22.1	0.5	2%
Activities and Service		15.4	13.3	2.1	14%
Technology Fee		8.8	6.3	2.5	28%
Board Approved Fees		-	0.1	(0.1)	0%
Contracts and Grants		102.9	122.2	(19.3)	-19%
Student Financial Aid		201.4	204.9	(3.5)	-2%
Concessions		0.6	0.7	(0.1)	-17%
Direct Support Organizations					
FIU Athletic Finance Corp		1.5	1.8	(0.3)	-18%
FIU Foundation		28.0	23.6	4.4	16%
University Program Support		19.9	18.2	1.6	8%
Operating Expenses		8.1	5.4	2.7	33%
FIU Health Care Network		4.4	4.4	-	0%
FIU Research Foundation		-	0.0	(0.0)	0%
		-	-	-	0%
Interfund Adjustments ³		(8.2)	(8.1)	(0.1)	1%
Total Expenses		964.5	943.0	21.5	2%
Principal Payment of Debt ⁴		1.8	1.8	-	0%
Change in Net Assets (incl. Investments)	\$	30.7	\$ 16.9	(13.7)	-45%
Change in Net Assets (excl. Investments)	\$	10.5	\$ 31.4	21.0	201%

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Florida International University
Financial Summary Overview ¹
FY 2019-20 as of March 2020

Financial Highlights:

Real Timing

Operations - By Fund and Direct Support Organization

Educational and General Variance: Revenues \$5.1M, Expenses \$23.6M

I. University (ex-College of Medicine) Variance: Revenues \$5M, Expenses \$18.8M

Operating Revenues

State Appropriations:

- Additional pass-through distribution from the State to cover higher risk management insurance premium and health insurance premiums

1.0 -

Tuition:

- Undergraduate base: student credit hour enrollment is 102 FTE or 0.4% below target; associated net tuition revenues are above plan due to more non-resident, transfer students
- FIU Fully Online: higher net tuition revenues mainly due to better than planned enrollment, 284 FTE or 11.6%
- Dual Enrolled: student credit hour enrollment is above target by 317 FTE or 24.2%; positive revenue variance from unbudgeted revenues from in-state fee for on-campus dual enrolled students - tuition for off campus, dual enrolled students is waived by statute
- Shorelight Enrollment: 29.9% or 118 FTE higher than budgeted enrollment
- Tuition differential: above target due to less Florida Prepaid plan exclusions than anticipated
- Graduate and Professional: student credit hour enrollment above target 1.2% or 48 FTE; associated net tuition revenues below target due to lower out-of-state enrollment and higher tuition exemptions
- Other: Real, lower incidental revenues and higher institutional aid offset by lower mandatory waivers; and timing of graduate assistantship waivers due to a change in the credit hour load by semester

0.5 0.1
1.3 -
0.1 -
1.5 -
1.1 -
(1.6) -
(0.6) 1.8

Total Revenues Variance

\$ 3.2 \$ 1.9

Operating Expenses:

Savings from hiring at a lower rate than budgeted, vacant positions, and one-time savings due to parental, sabbatical, and medical leave paid out of the fringe benefit pool, \$10.5M; lower utility expenses, \$0.5M; offset by higher risk management insurance premium pass through, (\$0.4M); and other in-unit expenses higher than budgeted such as payroll allowances, overtime, and shift differential, (\$0.1M).

Timing of in-unit operating expenses, \$5.1M; general maintenance expenses, \$2.0M; spending on special appropriations, such as FIUUnique, \$1.0M; minor construction projects, \$0.4M; offset by University Operational Support expenses occurring earlier than planned, (\$0.2M)

\$ 10.5 \$ 8.3

II. College of Medicine Variance: Revenues \$0.1M, Expenses \$4.8M

Enrollment is above target by 11 FTE or 0.9%. Net tuition revenue is on target as higher enrollment and lower than anticipated bad debt and waivers are offset by lower non-resident enrollment.

\$ (0.0) \$ -

Savings mainly from vacant positions due to organizational changes during the transition to the new Dean of the College of Medicine, \$4.2M, and timing of other expenses such as technology subscriptions and teaching contracts, \$0.6M

\$ 4.0 \$ 0.8

FIU Self-Insurance Program Variance: Revenues \$-0.1M, Expenses \$0.4M

Revenues are below target due to lower than anticipated premium costs.

\$ (0.1) \$ -

Favorable operating expense variance due to lower than anticipated program administration charges.

\$ 0.3 \$ 0.0

Auxiliary Enterprises Variance: Revenues \$-6.6M, Expenses \$11.4M

Revenues are below target mainly due to the disruption of campus operations as a result of the coronavirus -- housing refunds for the Spring semester, (\$2.7M), lower retail sales, (\$0.4M), and other revenues, (\$0.2M); in addition to tuition rate reductions in several graduate programs as per Board of Governors guidance, along with lower enrollment in across several other academic programs, (\$1.6M); lower revenues in the PantherTech store, (\$1.1M); lower shared services fee revenues commensurate with lower expenses, (\$0.8M); and lower revenues other auxiliaries, (\$0.4M); offset by higher enrollment in market rate programs, \$2.6M, and higher rebates, \$0.8M. Timing variances are due to delays in revenue recognition associated with information technology media services, (\$2.2M), and delays in revenue for the China Undergraduate Program, (\$0.5M).

\$ (3.8) \$ (2.7)

Florida International University
Financial Summary Overview ¹
FY 2019-20 as of March 2020

Financial Highlights:

Real Timing

Expenditures are below budget primarily due to real savings from vacant positions across all auxiliaries, \$3.2M; projects postponed due to the coronavirus, \$2.1M; and lower spending across all auxiliaries as departments limit spending to essential or non-critical activities, \$4.5M.

\$ 11.5 \$ -

Intercollegiate Athletics Variance: Revenues \$0.7M, Expenses \$0.5M

Revenues are above target mainly due to real higher athletic fee revenues due to higher enrollment, \$0.4M; higher than anticipated game guarantee revenues, \$0.4M; unbudgeted FEMA reimbursement and bonus insurance, \$0.4M; offset by lower season ticket sales, (\$0.4M). Timing of receipt of season ticket sales from the University of Miami football game, (\$0.3M) are offset by earlier than anticipated Foundation support for Women's' facilities project, \$0.2M.

\$ 0.8 \$ (0.1)

Expenditures are below budget mainly due to lower scholarship expenses due to housing credits for the Spring semester and lower enrollment for Summer, \$1.2M; savings from vacant positions, \$0.3M; offset by higher contractual bonus and temporary employees, (\$0.2M); unbudgeted bonus insurance and higher student athlete insurance costs, (\$0.2M); and unbudgeted scoreboard repair, (\$0.1M). Reimbursements for ticket sales and home football game expenses contribute to the timing variance, (\$0.5M).

\$ 1.0 \$ (0.5)

Student Activity and Service Variance: Revenues \$0.3M, Expenses \$2.1M

Revenues are higher than target primarily due to higher activity and service fee revenue from higher than projected student credit hour enrollment.

\$ 0.3 \$ (0.0)

Expenses are below target primarily due to real savings related to vacant positions and less temporary personnel in student centers, student buildings, and campus life, \$1.2M; and real savings in other expenses in various student clubs and organizations and the student centers and buildings, \$0.8M.

\$ 2.0 \$ 0.1

Technology Fee: Revenues \$0.3M, Expenses \$2.5M

Revenues are higher than target mainly due to higher than projected student credit hour enrollment and lower bad debt charges.

\$ 0.3 \$ -

Expenses are below target mainly due to real savings from vacant and temporary positions, \$0.3M, and delays in project timelines and equipment purchases which will be completed in the next fiscal year, \$2.2M.

\$ 2.4 \$ -

Board Approved Fees: Revenues \$0M, Expenses \$-0.1M

Revenues are on target.

\$ (0.0) \$ -

Expenses are above budget by \$34K or 58% due to payment to one of the bar prep course vendors relating to the prior year.

\$ (0.0) \$ -

Contracts and Grants Variance: Revenues \$11.6M, Expenses \$-19.3M

Sponsored Research:

The favorable variance in revenues of \$13.4M is mainly due to higher private and state sponsored project revenues, \$11.2M, and sponsored research administration revenues, \$4.8M, offset by lower federal grant revenues, (\$2.6M).

\$ 13.4 \$ -

Expenditures are above budget by \$18.6M commensurate with higher than projected revenues combined with higher than expected commitments against Facilities and Administrative (F&A) returns spent by the colleges, units, centers, and researchers.

\$ (18.6) \$ -

External Contracts:

Revenues are below plan, (\$1.8M), primarily due to timing of DSO reimbursements and revenues from College of Medicine Clinical Affairs and other medical programs such as NeighborhoodHELP, (\$2.8M); offset by greater than anticipated clinical revenue from the Faculty Group Practice and medical international programs, \$1.0M

\$ 1.0 \$ (2.8)

Florida International University
Financial Summary Overview ¹
FY 2019-20 as of March 2020

Financial Highlights:

Real Timing

Expenses are above budget, (\$0.7M), due to real, higher DSO reimbursement expenses, (\$1.1M), associated mainly with the recalibrated capital campaign budget, (\$1.5M) and various academic departments, (\$1.0M), offset by lower expenses across several College of Medicine programs such as clinical services, NeighborhoodHELP, and the Healthcare Network, \$1.4M. The timing expense variance of \$0.4M is due to pending transfers of University Police department payroll expenses related to external customer events on campus and other expenditures across various units.

\$ (1.1) \$ 0.4

Student Financial Aid Variance: Revenues \$-14.6M, Expenses \$-3.5M

Student financial aid revenue is lower than planned primarily due to timing of the receipt of funds for Bright Futures, (\$16.2M); Pell awards (\$3.3M); Federal Work Study (\$0.5M); and other aid, (\$0.9M). These are offset by real, higher institutional aid, \$4.3M; Florida Student Assistance Grant (FSAG) awards, \$1.3M; and higher donor-related scholarships, \$0.7M.

\$ 6.3 \$ (20.9)

Student financial aid expense is above target primarily due to real, higher Bright Futures, (\$3.3M); higher institutional aid in support of undergraduate merit-based scholarships, (\$3.0M); higher FSAG awards, (\$2.9M); higher donor-related scholarships, (\$0.7M); and other aid, (\$0.2M). The increase in Bright Futures awards is due to a larger than anticipated number of students receiving these awards (11% or 1,215); the majority of the increase (56%) is associated with Academic Scholars - students whose award covers 100% of tuition. Other savings are related mainly to the timing of disbursements of need-based institutional aid, \$3.6M; Pell Grant awards, \$2.3M; Federal Work Study \$0.5M; and other aid \$0.3M.

\$ (10.1) \$ 6.7

The negative change in net assets of \$24.9M is \$18.2M below target and driven mainly by the timing of the receipt of funding for state (Bright Futures Scholarships and FSAG) and federal (Pell Grants) awards, offset by higher than anticipated institutional aid revenues.

Concessions Variance: Revenues \$0.1M, Expenses \$-0.1M

Operating revenues are \$73K or 18% higher than plan mainly due to prior period laundry vending commissions identified during an internal audit by the service provider and higher laundry commissions, offset by lower vending commissions due to the disruption of campus operations in mid-March caused by the coronavirus.

\$ 0.1 \$ 0.0

Operating expenses are \$100K or 18% higher than budget largely due to unforeseen expenditures to reinforce the stadium scoreboard support columns, offset by lower expenses associated with events which were cancelled when the campus moved to remote learning and work due to the coronavirus. The Concessions fund has enough available fund balance to cover the expenditures related to the stadium scoreboard support columns.

\$ (0.1) \$ 0.0

FIU Athletic Finance Corp Variance: Revenues \$0.4M, Expenses \$-0.3M

Operating revenues are above plan due to unbudgeted support from the FIU Foundation Inc. to ensure debt coverage requirements are met, \$0.3M; and timing of season ticket sales and suite revenue offset by later than planned game guarantee revenue, \$0.1M.

\$ 0.3 \$ 0.1

The unfavorable variance in operating expenses is mainly due to unbudgeted expenses for the stadium sound system and scoreboard upgrade, greater than planned game day expenses, and expenses related to unanticipated Miami FC games, offset by lower debt service interest, (\$0.2M). Earlier than budgeted other expenses also contributed to the unfavorable variance, (\$0.1M).

\$ (0.2) \$ (0.1)

FIU Foundation Inc. Variance: Revenues \$1.7M, Expenses \$4.4M

Higher than anticipated operating revenues.

\$ 1.7 \$ -

FIU Foundation operating expenses are below target mainly due to timing of building funds expenses in support to the University and environmental remediation work related to a subsidiary, \$4.0M; real savings of Foundation operations expenses, mainly Advancement operating expenses, \$1.7M; offset by higher scholarship and program expenses in support to the University, (\$1.3M)

\$ 0.4 \$ 4.0

Florida International University
Financial Summary Overview ¹
FY 2019-20 as of March 2020

Financial Highlights:

Real Timing

FIU Health Care Network Variance: Revenues \$0.5M, Expenses \$0M

Operating revenues are higher than plan due to more enrolled students in the Office of International Affairs (OIA) programs and common area maintenance (CAM) rental receipts now booked as revenue instead of as a current liability.

\$ 0.6 \$ -

Expenses are slightly below budget, \$31K, due to savings from vacant positions offset by expenses associated with the higher enrollment in Office of International Affairs (OIA) programs, and higher common area maintenance expenses.

\$ 0.0 \$ -

FIU Research Foundation Variance: Revenues \$0M, Expenses \$0M

Operating revenues are on target.

\$ - \$ -

Expenses are \$5K above target due to earlier than anticipated operating charges.

\$ - \$ (0.0)

Net Investment Returns: \$-34.7M

University Treasury investments fiscal year-to-date returns are 0.4% or \$1.1M. The (\$0.2M) of net investment revenues are \$10.1M below plan and comprised of \$7.5M of investment income and \$6.5M of unrealized losses offset by \$1.2M of investment fees and Treasury operating expenses. Additionally, there is \$0.4M of unbudgeted unrealized losses in **Contracts & Grants** related to a National Institutes of Health grant invested as an endowment with the Foundation.

Foundation investments fiscal year-to-date gains are at -8.0% or (\$19.2M), generating an unfavorable variance of \$33.2M. Investment returns for the full fiscal year were budgeted at 6.5%, or \$18.6M.

Principal Payments of Debt: \$0M

Principal payments of debt are on target.

\$ - \$ -

Notes:

¹ *The financials presented above reflect the state budgeting methodology which differs from full accrual financial statements. The following have the most significant impact:*

- *Depreciation of Assets: For budgeting purposes equipment purchases are fully expensed in their acquisition year, therefore depreciation is not included in the budget.*
- *Unrealized gains and losses: The investment gains / losses are recognized as revenues in the budget however GASB accounting principles require that it be recorded as a non-operating revenue / expense.*

² *E&G revenues include State Funding and Tuition and are net of waivers, uncollectible amounts and 30% Financial Aid need-based amounts per Florida Board of Governors (BOG) regulation. Any differences between E&G Revenues and Expenses will be funded from prior year balances carried forward.*

³ *Interfund transfers have been included resulting in higher revenues and expenses by fund allowing for an individual fund performance analysis. The interfund adjustments eliminate this double counting. However, interfund transactions such as tuition funded by scholarships and auxiliary services provided to other units have not been eliminated. Since revenues and expenses are equal, the interfund adjustments are the same for both.*

⁴ *Principal payment of debt reflected above per Florida Board of Governors (BOG) requirement that debt service payments be shown on a cash basis.*



THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Facilities Committee
June 16, 2020

AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2019

- 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, 2019 on March 23, 2020.
- **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, 2019, 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 \$1.52 billion, an increase of \$56.3 million or 3.8 percent over fiscal year 2017-18.**

Primarily Due to changes in:

Net Capital Asset Additions	\$ 27.1 M
Increase in Cash and Investments	\$ 39.1 M
Net Construction in Progress Additions	\$ 4.7 M
Increase in Works of Art	\$ 1.1 M
Change in Accumulated Depreciation	(\$ 42.8) M
Due from State – Construction	\$ 13.3 M
Increase in Accounts Receivable / Loans	\$ 14.7 M
Due from Component Units	(\$.5) M
Other Assets	(\$.4) M
Total	\$ 56.3 M

- **Total Liabilities of \$819.5 M, an increase of \$25.5 M or 3.2 percent over 2017-18.**

Primarily Due to:

Net Pension Liability Increase	\$ 15.5 M
Other Post Employment Retirement Benefits Decrease	(\$ 6.2) M
Decrease in Payables	(\$.7) M
Increase in Compensated Absences	\$ 1.6 M
Decrease in Installment Purchases	(\$.5) M
Decrease in Bonds Payable	(\$ 7.8) M
Increase in Unearned Revenue	\$ 22.8 M
Increase in Due to State/FIU	\$.6 M
Increase in Other Liabilities	\$.2 M
Total	\$25.5 M

- **Total Net Position of \$759.0 M, an increase of \$8.4 or 1.1 percent.** The net position reflects the change in total assets, \$56.3M, less the change in total liabilities, (\$25.5), plus the increase in deferred outflows of resources related to pensions, \$4.9M, less the increase in deferred inflows of resources related to pensions, (\$27.3 M).

Highlights of Revenues and Expenses

- **Operating Revenues of \$549.0 M, an increase of \$27.7 M or 5.3 percent over 2017-18.**

Primarily Due to:

Net Tuition and Fees	\$ 1.1 M
Auxiliary Sales and Service	\$ 8.6 M
Other Revenue	\$ 4.7 M
Grants and Contracts	\$ 13.3 M
Total	\$ 27.7 M

- **Operating Expenses \$1.1 B, an increase of \$62.3 M or 6.1 percent over 2017-18.**

Primarily Due to:

Employee Compensation and Benefits	\$ 36.6 M
Scholarships, Fellowships and Waivers	\$ 10.0 M
Depreciation Expense	\$.5 M
Services and Supplies	\$ 16.0 M
Utilities and Communications	(\$.8) M
Self Insured Claims and Expenses	\$.01 M
Total	\$ 62.3 M

- **Net Non-operating Revenues of \$531.5 M, an increase of \$48.0 M or 9.9 percent over 2017-18.**

Primarily Due to:

Non Grants, Contracts and Gifts	(\$ 1.8) M
State Non-Capital Appropriations	\$ 27.7 M
Investment Income, Net	\$.3 M
Other Non-Operating Revenues	(\$.2) M
Federal and State Student Financial Aid	\$ 22.0 M
Total	\$ 48.0 M

- **Other Changes in Net Position from Capital Appropriations and Capital Grants and Contracts of \$4.7 M, a decrease of \$3.5 M or 88.2 percent over 2017-18.**

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FLORIDA INTERNATIONAL UNIVERSITY



ANNUAL REPORT
2018-2019
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BOARD OF TRUSTEES AND PRESIDENT

During the 2018-19 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

Dr. Jose J. Armas, MD, Vice Chair

Cesar L. Alvarez, JD

Leonard Boord

Dean C. Colson

Gerald C. Grant, Jr.

Michael G. Joseph

Natasha Lowell

Justo L. Pozo

Dr. Joerg Reinhold, from August 1, 2018 (2)

Sabrina L. Rosell, from October 1, 2018 (1)

Marc D. Sarnoff

Jose L. Sirven, to September 30, 2018 (1)

Rogelio Tovar

Dr. Kathleen L. Wilson, to July 31, 2018 (2)

Notes: (1) Student Body President.

(2) Faculty Senate Chair.



FLORIDA INTERNATIONAL UNIVERSITY

ANNUAL REPORT 2018-19

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Message from the President



Following the end of our academic and fiscal year, I want to share with you the great things happening at Florida International University (FIU).

As a Carnegie R1 (highest research activity) institution, FIU has been at the forefront of research and innovation and has continued to be a solutions center for our community and the world's most pressing problems and concerns.

It is thanks to the exceptional work of the FIU family that we have 35 programs ranked among the top 100 in the 2019 U.S. News Best College Rankings, including 15 programs in the top 50.

FIU is looking to the future. We have launched programs in artificial intelligence and cybersecurity and have introduced Miami's first Doctorate of Business Administration. Recently, we began offering the only disaster management graduate degree program in the United States.

We are laser-focused on learner success and on finding ways of meeting learners where they are, not where we think they should be. We are excited about a future where every learner will be on their own individualized educational pathway.

We are doing all this while not turning our backs on the needs of our diverse and dynamic surrounding communities. In fact, Washington Monthly's 2019 College Rankings put us among the top 50 public national institutions giving back to their communities and promoting social mobility, research and public service.

We are committed to becoming a top 50 public university and look forward to a future that honors our tradition of being a solutions center, stewards of the public trust and an institution that celebrates excellence and opportunity.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark B. Rosenberg'. The signature is fluid and stylized, with a long, sweeping line extending from the end.

Mark B. Rosenberg



INTRODUCTION FROM THE SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER



Florida International University (FIU) continues to set and exceed high standards for student success, research excellence, preeminent programs, and efficient operations. We focus on the educational experiences of our students to ensure that they gain the critical thinking skills necessary to meet the challenges of the 21st century, graduate in four years, and get high-paying jobs. FIU invests in our world-class faculty who are outstanding teachers and leading scholars in their fields. The Office of Finance and Administration is committed to providing leadership and financial planning in support of these priorities by strategically allocating financial resources, reporting financial information in a timely manner for improved decision-making, and assisting in identifying new revenue sources to support our educational mission and strategic goals.

During the past fiscal year, the university has achieved remarkable success academically, strategically and operationally. I am pleased to share with you several notable accomplishments and achievements as part of FIU's 2018-19 Annual Financial Report.

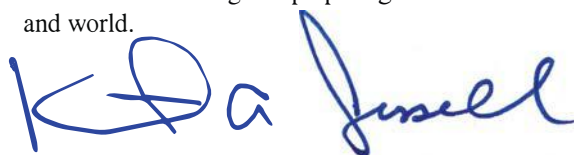
Academic rankings and other distinctions:

- Recent *U.S. News and World Report* rankings placed FIU as the second university in the nation for international business and 12th for social mobility.
- *U.S. News and World Report* also ranked FIU's Nicole Wertheim College of Nursing & Health Sciences and FIU College of Law in the top 50 among public universities. In total, FIU has 35 programs in the top 100 in the nation among public universities, including 15 in the top 50.
- The Florida Board of Governors designated FIU an "Emerging Preeminent State Research University" and the Carnegie Classification of Institutions of Higher Education ranks FIU as R1: Doctoral Universities – Highest Research Activity.
- FIU earned Honor Roll status in the "Great Colleges to Work For" survey. FIU was one of only two universities in the nation and the only one in Florida to earn recognition in all 12 categories of the survey. This is the fifth time we have been recognized and the second time the university received recognition in all 12 categories.
- FIU continued its excellent energy performance, achieving a 2 percent improvement from the previous year in energy conservation and efficiency.

Strategic initiatives:

- FIU implemented a dining services contract with Chartwells, which has resulted in additional dining venues, renovated dining facilities, and delicious and healthy food offerings. More improvements are coming!
- We constructed or renovated facilities and made infrastructure improvements to serve our students, faculty, staff, and visitors, including two multi-purpose recreation and practice fields for our students and athletes, a satellite chiller plant to ensure adequate building cooling, and a massive expansion to our student recreation center.
- We approved or began new capital projects that include a hotel, conference center and alumni center, phase 2 of the Steven J. Green School of International & Public Affairs building, the International Center for Tropical Botany building at The Kampong, an engineering building, and a complete renovation of our campus bookstores.

FIU is resolute in our commitment to responsible stewardship as a public institution and, as such, we strive to not only optimize the use of our resources but also manage them in a prudent and transparent manner. You are encouraged to read our annual financial report as it provides useful, relevant and detailed information about the university's financial activities. The financial report will help you learn more about the financial operations that support our university's primary mission of educating and preparing current and future students for successful careers that improve our community, nation and world.



Kenneth A. Jessell, Ph.D., MBA
Senior Vice President and Chief Financial Officer



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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



Phone: (850) 412-2722
Fax: (850) 488-6975

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, 2019, 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, 2019, 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 Notes 2. and 3. to the financial statements, the Florida International University Foundation, Inc., one of the University's discretely presented component units, changed its financial accounting framework from that prescribed by the Financial Accounting Standards Board to the framework prescribed by the Governmental Accounting Standards Board. This affects the comparability of amounts reported for the 2018-19 fiscal year with amounts reported for the 2017-18 fiscal year. Our opinion is not modified with respect to this matter.

Other Matters

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**, and **Schedule of University Contributions – Health Insurance Subsidy Pension Plan**, 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Florida International University's basic financial statements. The Message from the President and the Introduction from the Senior Vice President and Chief Financial Officer, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Message from the President and Introduction from the Senior Vice President and Chief Financial Officer have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2020, on our consideration of 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 Florida International University's internal control over financial reporting and compliance.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
March 23, 2020
Audit Report No. 2020-181

FLORIDA INTERNATIONAL UNIVERSITY

A COMPONENT UNIT OF THE STATE OF FLORIDA 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, 2019, 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, 2019, and June 30, 2018.

OVERVIEW OF FINANCIAL STATEMENTS

Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 35, the University's financial report consists of three basic financial statements: the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows. The financial statements, and notes thereto, encompass the University and its component units. Based on the application of the criteria for determining component units, the following three component units are included within the University reporting entity as discretely presented component units:

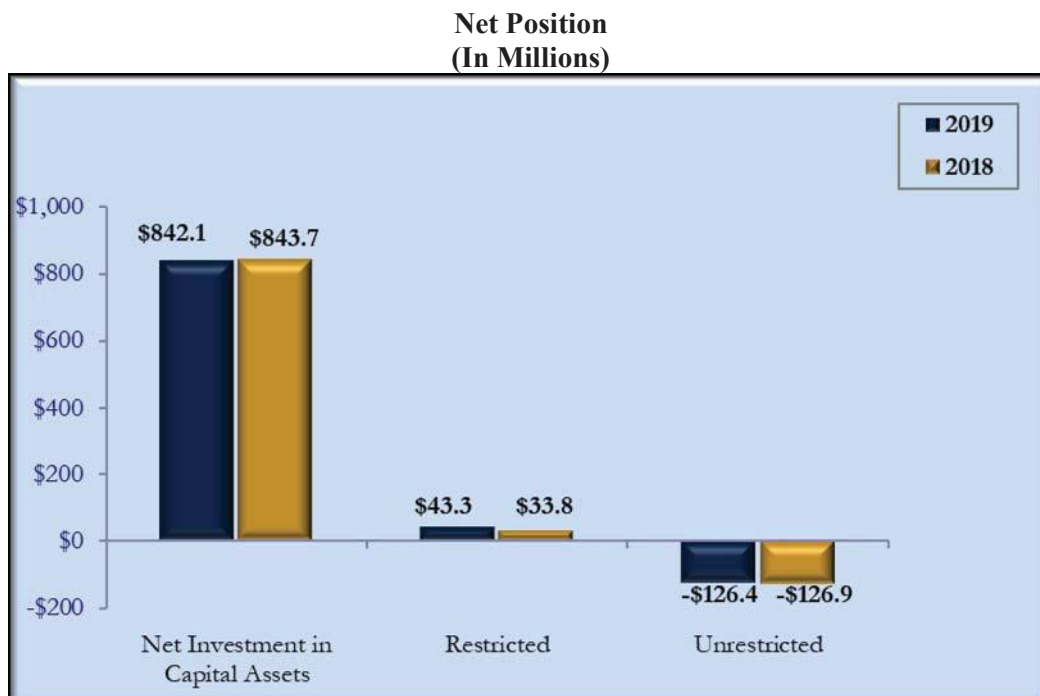
- Florida International University Foundation, Inc. (Foundation)
- FIU Athletics Finance Corporation (Finance Corporation)
- Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc. (Health Care Network)

Information regarding these component units, including summaries of the discretely presented component units' 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 the component units, 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 University's comparative total net position by category for the fiscal years ended June 30, 2019, and June 30, 2018, is shown in the following graph:



FLORIDA INTERNATIONAL UNIVERSITY

A COMPONENT UNIT OF THE STATE OF FLORIDA MANAGEMENT'S DISCUSSION AND ANALYSIS

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>2019</u>	<u>2018</u>
Assets		
Current Assets	\$ 515.0	\$ 454.3
Capital Assets, Net	985.9	995.8
Other Noncurrent Assets	<u>23.7</u>	<u>18.2</u>
Total Assets	<u>1,524.6</u>	<u>1,468.3</u>
Deferred Outflows of Resources	<u>130.2</u>	<u>125.3</u>
Liabilities		
Current Liabilities	75.7	70.3
Noncurrent Liabilities	<u>743.7</u>	<u>723.6</u>
Total Liabilities	<u>819.4</u>	<u>793.9</u>
Deferred Inflows of Resources	<u>76.4</u>	<u>49.1</u>
Net Position		
Net Investment in Capital Assets	842.1	843.7
Restricted	43.3	33.8
Unrestricted	<u>(126.4)</u>	<u>(126.9)</u>
Total Net Position	<u>\$ 759.0</u>	<u>\$ 750.6</u>

Total assets as of June 30, 2019, increased by \$56.3 million, or 3.8 percent. This increase is primarily due to an increase in combined cash and cash equivalents and investments of \$39.1 million resulting from incremental noncapital State appropriations of \$27.8 million. Additionally, receivables due from students, research grant sponsors, and from the State for capital appropriations were higher by \$28.2 million. These increases were offset by a net decrease in capital assets of \$9.9 million.

Total liabilities as of June 30, 2019, increased by \$25.5 million, or 3.2 percent. This increase is primarily due to increases of \$15.5 million in the University's proportionate share of net pension liabilities and \$16.5 million in noncurrent deferred capital appropriations. These increases were offset by a decrease in other postemployment benefits payable of \$6.2 million.

Deferred outflows of resources and deferred inflows of resources increased \$4.9 million and \$27.3 million, respectively, related to pensions and other postemployment benefits.

As a result, the University's net position increased by \$8.4 million, or 1.1 percent, resulting in a fiscal year-end balance of \$759 million, which includes a deficit in unrestricted net position. This deficit is discussed further in the notes to the financial statements.

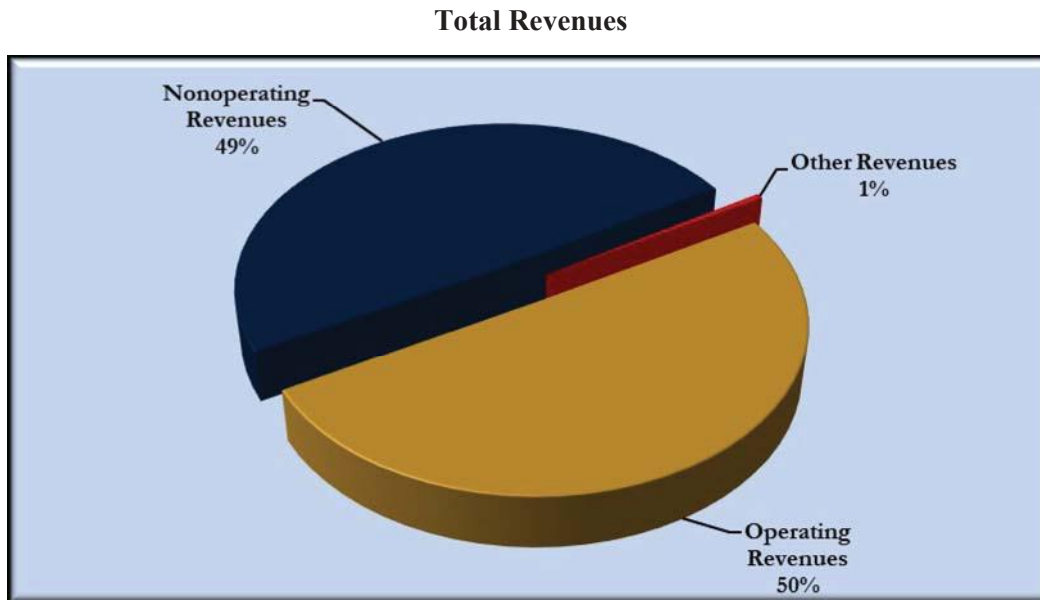
FLORIDA INTERNATIONAL UNIVERSITY

A COMPONENT UNIT OF THE STATE OF FLORIDA MANAGEMENT'S DISCUSSION AND ANALYSIS

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 chart provides a graphical presentation of University revenues by category for the 2018-19 fiscal year:



The following summarizes the University's activity for the 2018-19 and 2017-18 fiscal years:

Condensed Statement of Revenues, Expenses, and Changes in Net Position For the Fiscal Years (In Millions)

	2018-19	2017-18
Operating Revenues	\$ 549.0	\$ 521.3
Less, Operating Expenses	1,076.8	1,014.5
Operating Loss	(527.8)	(493.2)
Net Nonoperating Revenues	531.5	483.5
Income (Loss) Before Other Revenues	3.7	(9.7)
Other Revenues	4.7	40.2
Net Increase in Net Position	8.4	30.5
Net Position, Beginning of Year	750.6	927.3
Adjustment to Beginning Net Position (1)	-	(207.2)
Net Position, Beginning of Year, as Restated	750.6	720.1
Net Position, End of Year	\$ 759.0	\$ 750.6

Note: (1) For the 2017-18 fiscal year, the University's beginning net position was decreased in conjunction with the implementation of GASB Statement No. 75.

FLORIDA INTERNATIONAL UNIVERSITY

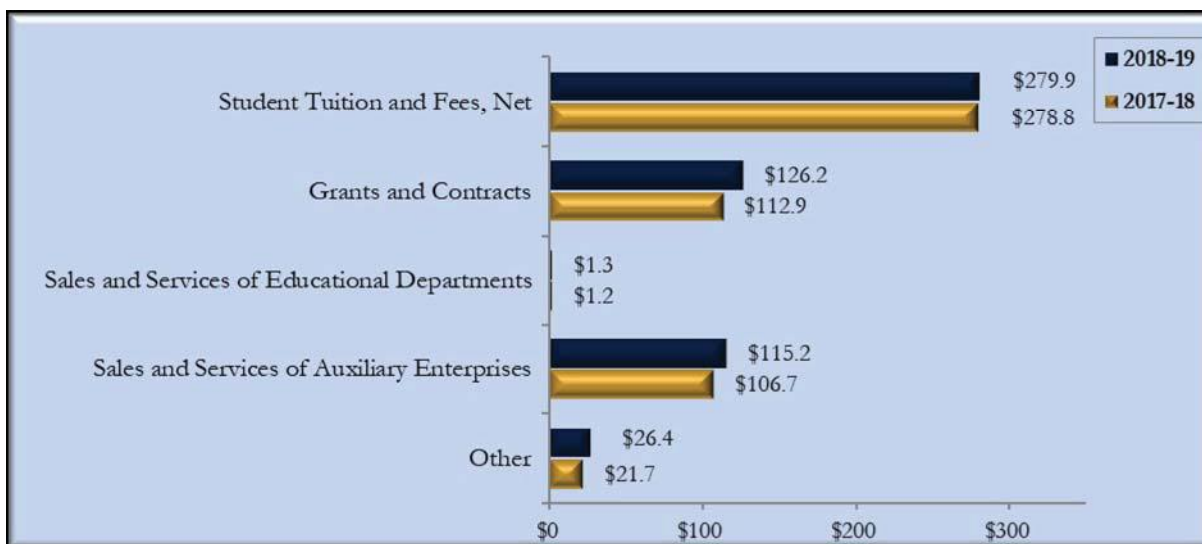
A COMPONENT UNIT OF THE STATE OF FLORIDA MANAGEMENT'S DISCUSSION AND ANALYSIS

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 chart presents the University's operating revenues for the 2018-19 and 2017-18 fiscal years:

**Operating Revenues
(In Millions)**



The following summarizes the operating revenues by source that were used to fund operating activities for the 2018-19 and 2017-18 fiscal years:

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

	<u>2018-19</u>	<u>2017-18</u>
Student Tuition and Fees, Net	\$ 279.9	\$ 278.8
Grants and Contracts	126.2	112.9
Sales and Services of Educational Departments	1.3	1.2
Sales and Services of Auxiliary Enterprises	115.2	106.7
Other	26.4	21.7
Total Operating Revenues	<u><u>\$ 549.0</u></u>	<u><u>\$ 521.3</u></u>

The University's total operating revenues were higher by \$27.7 million, or 5.3 percent, over the 2017-18 fiscal year. Operating revenue changes were the result of the following factors:

- Net student tuition and fees revenue increased \$1.1 million. While tuition and fees revenue increased by \$11.3 million due to incremental undergraduate student enrollment, tuition differential revenue, out of state student tuition and new assessment of health and athletic fees to fully online students, this increase was offset by a considerable increase to the scholarship allowance of \$10.3 million driven by institutional resources provided as financial aid.
- Grants and contracts overall revenue increased \$13.3 million. This resulted primarily from higher revenue earned from Federal grants.
- Sales and Services of Auxiliary Enterprises revenue increased \$8.5 million, mainly driven by an increase of \$6.2 million from cost plus programs revenue.

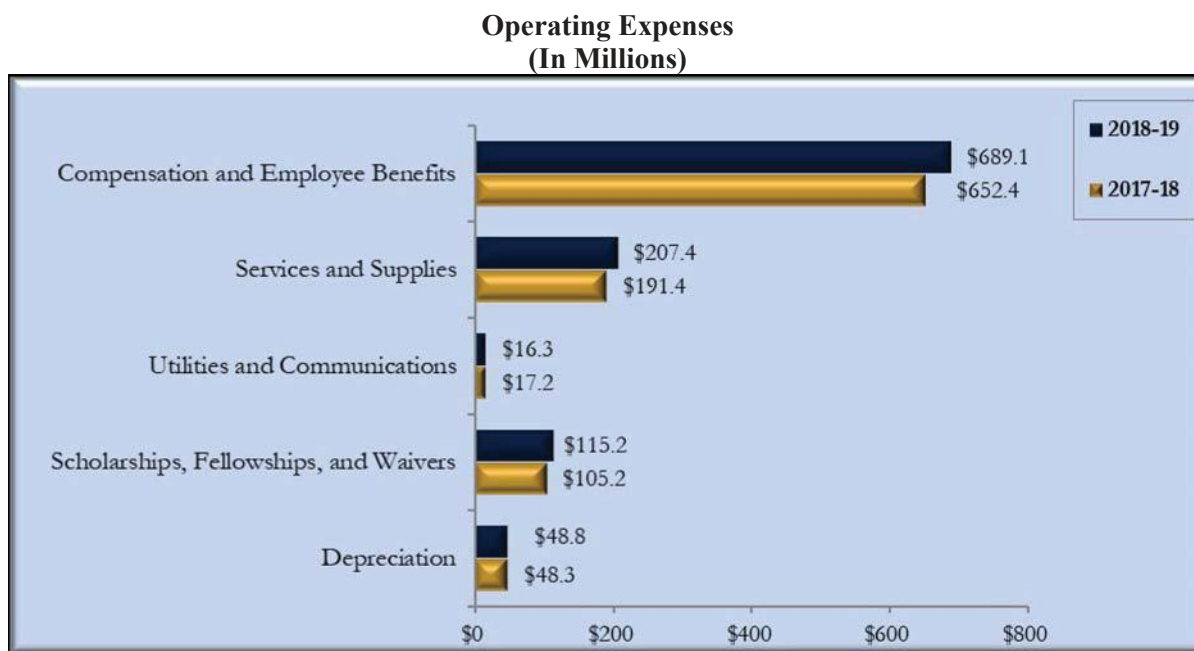
FLORIDA INTERNATIONAL UNIVERSITY

A COMPONENT UNIT OF THE STATE OF FLORIDA MANAGEMENT'S DISCUSSION AND ANALYSIS

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 chart presents the University's operating expenses for the 2018-19 and 2017-18 fiscal years:



The following summarizes the operating expenses by natural classification for the 2018-19 and 2017-18 fiscal years:

Operating Expenses For the Fiscal Years (In Millions)		
	2018-19	2017-18
Compensation and Employee Benefits	\$ 689.1	\$ 652.4
Services and Supplies	207.4	191.4
Utilities and Communications	16.3	17.2
Scholarships, Fellowships, and Waivers	115.2	105.2
Depreciation	48.8	48.3
Total Operating Expenses	\$ 1,076.8	\$ 1,014.5

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

- Compensation and employee benefits increased \$36.7 million, or 5.6 percent. This was primarily due to a combination of a 1.5 percent across the board salary increase for eligible employees, additional employees hired, and higher costs for employee health insurance and retirement benefits.
- Services and supplies expenses increased \$16 million, or 8.4 percent. The increase primarily resulted from an \$8.7 million increase in contractual services due to incremental professional, consulting, and promotional advertising in support of University initiatives and research projects, along with incremental expenses in our subcontracts for several research projects. Additionally, other operating expenses were higher by \$7.3 million, which included an increase in expenses for rental of buildings of \$2.7 million.

FLORIDA INTERNATIONAL UNIVERSITY

A COMPONENT UNIT OF THE STATE OF FLORIDA MANAGEMENT'S DISCUSSION AND ANALYSIS

- Scholarships, fellowships, and waivers expenses increased by \$10 million, or 9.5 percent. The net increase was mostly driven by additional funding in Bright Futures programs of \$13.8 million and \$3.3 million in tuition differential revenue funded scholarships. Additionally, there were increases of \$2.2 million and \$1.5 million in waivers due to the full year impact of the Disaster Relief Waiver for students impacted by Hurricane Maria and waivers for the American University of Antigua International Program, respectively. These increases were offset by \$10.3 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 2018-19 and 2017-18 fiscal years:

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

	<u>2018-19</u>	<u>2017-18</u>
State Noncapital Appropriations	\$ 322.4	\$ 294.6
Federal and State Student Financial Aid	173.4	151.3
Nonoperating Donations	24.6	26.4
Investment Income	17.0	16.7
Other Nonoperating Revenues	1.7	2.0
Loss on Disposal of Capital Assets	(0.2)	(0.6)
Interest on Capital Asset-Related Debt	(6.5)	(6.8)
Other Nonoperating Expenses	<u>(0.9)</u>	<u>(0.1)</u>
Net Nonoperating Revenues	<u>\$ 531.5</u>	<u>\$ 483.5</u>

Net nonoperating revenues increased by \$48 million, or 9.9 percent, from the 2017-18 fiscal year. Increases in State noncapital appropriations and Federal and State student financial aid were the major contributors to this increase and were due mainly to the following factors:

- State noncapital appropriations increased \$27.8 million resulting mainly from increases of \$12.5 million for nonrecurring performance funds under the Florida Board of Governors' performance funding model, \$4.7 million for incremental appropriations for FIU operational support, \$4.5 million for several special appropriations and \$2.1 million for the World Class Faculty and Scholar Program.
- Federal and State student financial aid increased by \$22.1 million, mainly due to higher revenue of \$16.7 million from Bright Futures Grants, \$3.2 million from Pell Grants and \$1.2 million from the Federal Work Study program.

FLORIDA INTERNATIONAL UNIVERSITY

A COMPONENT UNIT OF THE STATE OF FLORIDA MANAGEMENT'S DISCUSSION AND ANALYSIS

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 2018-19 and 2017-18 fiscal years:

Other Revenues For the Fiscal Years (In Millions)		
	<u>2018-19</u>	<u>2017-18</u>
State Capital Appropriations	\$ -	\$ 33.0
Capital Grants, Contracts, Donations, and Fees	<u>4.7</u>	<u>7.2</u>
Total	<u>\$ 4.7</u>	<u>\$ 40.2</u>

Total other revenues decreased by \$35.5 million, or 88.3 percent, mainly due to a decrease of \$33 million in revenue earned from State capital appropriations for construction projects as compared to the 2017-18 fiscal year. During fiscal year 2018-19, no new encumbrance authorizations were requested for capital appropriations since work on respective construction projects was not due to commence during the year. The remaining decrease of \$2.5 million resulted from reduced revenue from capital grants, contracts and gifts received during the fiscal year.

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 2018-19 and 2017-18 fiscal years:

Condensed Statement of Cash Flows For the Fiscal Years (In Millions)		
	<u>2018-19</u>	<u>2017-18</u>
Cash Provided (Used) by:		
Operating Activities	\$ (458.5)	\$ (411.1)
Noncapital Financing Activities	523.2	470.7
Capital and Related Financing Activities	(42.6)	(48.8)
Investing Activities	<u>(22.6)</u>	<u>(11.5)</u>
Net Decrease in Cash and Cash Equivalents	(0.5)	(0.7)
Cash and Cash Equivalents, Beginning of Year	<u>7.0</u>	<u>7.7</u>
Cash and Cash Equivalents, End of Year	<u>\$ 6.5</u>	<u>\$ 7.0</u>

FLORIDA INTERNATIONAL UNIVERSITY

A COMPONENT UNIT OF THE STATE OF FLORIDA MANAGEMENT'S DISCUSSION AND ANALYSIS

Major sources of funds came from proceeds from sales and maturities of investments (\$936.6 million), State noncapital appropriations (\$322.4 million), net student tuition and fees (\$279.7 million), Federal Direct Student Loan program receipts (\$254.2 million), Federal and State student financial aid (\$173.4 million), grants and contracts (\$128.2 million), sales and services of auxiliary enterprises (\$115.3 million), and State capital appropriations (\$6.2 million). Major uses of funds were for purchases of investments (\$966.5 million), payments made to and on behalf of employees (\$655.1 million), disbursements to students for Federal Direct Student Loan program (\$252.2 million), payments to suppliers (\$222.4 million), payments to and on behalf of students for scholarships and fellowships (\$115.2 million), and purchases of capital assets (\$38.7 million).

CAPITAL ASSETS, CAPITAL EXPENSES AND COMMITMENTS, AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2019, the University had \$1.6 billion in capital assets, less accumulated depreciation of \$651.3 million, for net capital assets of \$985.9 million. Depreciation for the current fiscal year totaled \$48.8 million.

The following summarizes the University's capital assets, net of accumulated depreciation, at June 30:

Capital Assets, Net at June 30 (In Millions)

	<u>2019</u>	<u>2018</u>
Land	\$ 30.7	\$ 30.7
Works of Art and Historical Treasures	6.7	5.6
Construction in Progress	92.1	87.4
Buildings	765.2	788.1
Infrastructure and Other Improvements	28.7	17.4
Furniture and Equipment	40.7	41.7
Library Resources	21.2	24.0
Leasehold Improvements	0.2	0.2
Computer Software	0.4	0.7
Capital Assets, Net	<u><u>\$ 985.9</u></u>	<u><u>\$ 995.8</u></u>

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, 2019, of \$7 million were incurred on User Paid Capital Construction projects.

The University's construction commitments at June 30, 2019, are as follows:

	<u>Amount</u> <u>(In Millions)</u>
Total Committed	\$ 143.1
Completed to Date	<u>(92.1)</u>
Balance Committed	<u><u>\$ 51.0</u></u>

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

FLORIDA INTERNATIONAL UNIVERSITY

A COMPONENT UNIT OF THE STATE OF FLORIDA MANAGEMENT'S DISCUSSION AND ANALYSIS

Debt Administration

As of June 30, 2019, the University had \$143.8 million in outstanding capital improvement debt payable and installment purchase payable, representing a decrease of \$8.3 million, or 5.5 percent, from the prior fiscal year.

The following summarizes the outstanding long-term debt by type for the fiscal years ended June 30:

Long-Term Debt, at June 30 **(In Millions)**

	<u>2019</u>	<u>2018</u>
Capital Improvement Debt	\$ 142.8	\$ 150.6
Installment Purchase Payable	<u>1.0</u>	<u>1.5</u>
Total	<u><u>\$ 143.8</u></u>	<u><u>\$ 152.1</u></u>

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

FLORIDA INTERNATIONAL UNIVERSITY

A COMPONENT UNIT OF THE STATE OF FLORIDA MANAGEMENT'S DISCUSSION AND ANALYSIS

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

Florida's economy strengthened in the 2018 calendar year, growing by 3.5 percent, 0.6 percent higher than the national average. General revenue collections for the 2018-19 fiscal year grew by 7 percent over the prior year, the largest gain since the 2012-13 fiscal year. However, the State is forecasting a 1.4 percent reduction in general revenue for the 2019-20 fiscal year attributed mainly to the loss of Indian Gaming Revenue as the Seminole Tribe stopped revenue sharing with the State, and less corporate income tax due to Federal law changes. The State projects the general revenue growth rate will rebound to 4.3 percent in the 2020-21 fiscal year. Estimates indicate there are sufficient funds to cover critical needs and other high priority expenditures through the 2020-21 fiscal year resulting in surpluses of \$1,452.9 million and \$289.3 million in the 2019-20 and 2020-21 fiscal years, respectively, followed by a shortfall of \$486 million in the 2021-22 fiscal year.

The Governor signed Senate Bill 190 (SB 190) into law in the 2019 legislative session, which establishes additional requirements around carry forward balances, capital projects, and eligibility for the Florida Bright Futures Scholarship Program among many other issues. Some of the new requirements around carry forward balances include increasing the minimum carry forward balance from 5 percent to 7 percent; requiring a Board of Trustees spending plan for carry forward balances in excess of the 7 percent minimum; specifying requirements and authorized expenditures in the carry forward spending plan; and requiring the university chief financial officer to certify the unexpended amount of carry forward balances. Additionally, SB 190 requires the BOG to maintain a prioritized list of capital projects and defines the methodology for prioritizing these projects for funding. Lastly, a key update to Florida Bright Futures Scholarship Program is the change in eligibility requirements for high school students graduating in the 2020-21 academic year and thereafter to a test score equivalent to a minimum percentile rather than a fixed score, effectively raising the eligibility requirements.

The Legislature provided no additional performance based funding for the 2019-20 fiscal year, and as such, the amount remains unchanged with a State investment of \$265 million and SUS investment of base funds of \$295 million. FIU placed sixth among public universities in the State with 87 points and received a total of \$64.4 million, a reduction of \$9.3 million compared with the prior year's allocation. This reduced amount reflects the additional non-recurring appropriation received in the prior year for being ranked in the top three public universities in the State. For the first time in recent years, the Legislature approved a system-wide recurring budget reduction of \$35 million, of which FIU's share was \$4.6 million. FIU received other appropriations of \$15 million in operational support, \$2.6 million for health and risk management pass-throughs, and \$2.5 million in special, non-recurring appropriations. As with prior years, tuition rates at all levels remain unchanged for the 2019-20 fiscal year.

As outlined in the 2025 strategic plan FIU continues to inspire and intensify learner success for our students and advance our academic standing through accelerated research and innovation while encouraging diversity, flexibility, and efficiency through institutional practices. FIU students will embody the intellect, culture, and technological agility to lead the next generation and succeed in the new reality of a rapidly changing workforce.

REQUESTS FOR INFORMATION

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

FLORIDA INTERNATIONAL UNIVERSITY**A COMPONENT UNIT OF THE STATE OF FLORIDA****STATEMENT OF NET POSITION****AS OF JUNE 30, 2019**

	University	Component Units
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 6,414,772	\$ 24,718,516
Investments	391,063,850	910,442
Accounts Receivable, Net	46,774,631	8,511,776
Loans and Notes Receivable, Net	462,957	-
Due from State	66,125,419	-
Due from Component Units/University	3,759,939	669,141
Inventories	369,966	-
Other Current Assets	55,041	1,754,846
Total Current Assets	515,026,575	36,564,721
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	67,613	-
Restricted Investments	14,525,431	291,777,576
Loans and Notes Receivable, Net	1,248,144	8,863,471
Depreciable Capital Assets, Net	856,424,995	16,174,303
Nondepreciable Capital Assets	129,432,912	78,326
Due from Component Units/University	7,900,490	-
Other Noncurrent Assets	-	17,369,408
Total Noncurrent Assets	1,009,599,585	334,263,084
Total Assets	1,524,626,160	370,827,805
DEFERRED OUTFLOWS OF RESOURCES		
Other Postemployment Benefits	5,533,667	-
Pensions	124,708,483	-
Accumulated Decrease in Fair Value of Hedging Derivatives	-	2,007,567
Deferred Amount on Bond Debt Refundings	-	206,486
Total Deferred Outflows of Resources	130,242,150	2,214,053
LIABILITIES		
Current Liabilities:		
Accounts Payable	27,631,276	2,230,836
Construction Contracts Payable	1,846,351	-
Salaries and Wages Payable	14,147,862	-
Deposits Payable	2,500,210	-
Due to State	280,529	-
Due to Component Units/University	629,141	3,466,805
Unearned Revenue	12,249,514	1,214,323
Other Current Liabilities	533,636	215,547
Long-Term Liabilities - Current Portion		
Bonds Payable	-	1,445,000
Capital Improvement Debt Payable	7,534,413	-
Notes Payable	-	910,000
Installment Purchase Payable	489,646	-
Compensated Absences Payable	3,622,617	-
Liability for Self-Insured Claims	26,616	-
Other Postemployment Benefits Payable	2,939,000	-
Net Pension Liability	1,299,600	-
Total Current Liabilities	75,730,411	9,482,511

FLORIDA INTERNATIONAL UNIVERSITY

A COMPONENT UNIT OF THE STATE OF FLORIDA

STATEMENT OF NET POSITION (CONTINUED)

AS OF JUNE 30, 2019

	University	Component Units
Liabilities (Continued)		
Noncurrent Liabilities		
Bonds Payable	-	25,820,000
Capital Improvement Debt Payable	135,217,643	-
Notes Payable	-	2,035,000
Installment Purchase Payable	495,802	-
Compensated Absences Payable	45,364,749	-
Due to Component Units/University	-	7,900,490
Other Postemployment Benefits Payable	268,236,000	-
Unearned Revenues	53,240,211	155,000
Liability for Self-Insured Claims	186,585	-
Other Long-Term Liabilities	2,273,352	11,490,354
Net Pension Liability	238,726,068	-
Total Noncurrent Liabilities	743,740,410	47,400,844
Total Liabilities	819,470,821	56,883,355
DEFERRED INFLOWS OF RESOURCES		
Other Postemployment Benefits	55,692,191	-
Pensions	20,721,292	-
Total Deferred Inflows of Resources	76,413,483	-
NET POSITION		
Net Investment in Capital Assets	842,120,403	12,764,719
Restricted for Nonexpendable:		
Endowment	-	179,637,406
Restricted for Expendable:		
Debt Service	2,877,323	-
Loans	673,957	-
Capital Projects	19,146,912	-
Other	20,564,004	113,540,580
Unrestricted	(126,398,593)	10,215,798
TOTAL NET POSITION	\$ 758,984,006	\$ 316,158,503

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, 2019

	<u>University</u>	<u>Component Units</u>
REVENUES		
Operating Revenues:		
Student Tuition and Fees, Net of Scholarship Allowances of \$176,130,120	\$ 279,923,164	\$ -
Federal Grants and Contracts	99,409,008	-
State and Local Grants and Contracts	8,378,665	-
Nongovernmental Grants and Contracts	18,427,561	-
Sales and Services of Educational Departments	1,285,236	-
Sales and Services of Auxiliary Enterprises	115,241,636	-
Sales and Services of Component Units	-	10,476,144
Gifts and Donations	-	24,440,791
Interest on Loans and Notes Receivable	69,436	-
Other Operating Revenues	26,241,364	5,920,859
Total Operating Revenues	<u>548,976,070</u>	<u>40,837,794</u>
EXPENSES		
Operating Expenses:		
Compensation and Employee Benefits	689,071,345	-
Services and Supplies	207,303,974	45,234,370
Utilities and Communications	16,342,565	354,704
Scholarships, Fellowships, and Waivers	115,229,201	-
Depreciation	48,795,302	808,198
Self-Insurance Claims	39,570	-
Total Operating Expenses	<u>1,076,781,957</u>	<u>46,397,272</u>
Operating Loss	<u>(527,805,887)</u>	<u>(5,559,478)</u>
NONOPERATING REVENUES (EXPENSES)		
State Noncapital Appropriations	322,359,500	-
Federal and State Student Financial Aid	173,355,127	-
Noncapital Grants, Contracts, and Gifts	24,588,509	-
Investment Income	16,991,839	14,317,416
Other Nonoperating Revenues	1,708,132	5,391,941
Loss on Disposal of Capital Assets	(152,891)	-
Interest on Capital Asset-Related Debt	(6,485,304)	(1,441,547)
Other Nonoperating Expenses	(877,518)	(2,254,302)
Net Nonoperating Revenues	<u>531,487,394</u>	<u>16,013,508</u>
Income Before Other Revenues	<u>3,681,507</u>	<u>10,454,030</u>
Capital Grants, Contracts, Donations, and Fees	4,733,283	-
Increase in Net Position	8,414,790	10,454,030
Net Position, Beginning of Year	750,569,216	347,340,240
Adjustment to Beginning Net Position	-	(41,635,767)
Net Position, Beginning of Year, as Restated	<u>750,569,216</u>	<u>305,704,473</u>
Net Position, End of Year	<u>\$ 758,984,006</u>	<u>\$ 316,158,503</u>

FLORIDA INTERNATIONAL UNIVERSITY**A COMPONENT UNIT OF THE STATE OF FLORIDA****STATEMENT OF CASH FLOWS****FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	University
CASH FLOWS FROM OPERATING ACTIVITIES	
Student Tuition and Fees, Net	\$ 279,718,548
Grants and Contracts	128,161,099
Sales and Services of Educational Departments	1,285,236
Sales and Services of Auxiliary Enterprises	115,272,797
Interest on Loans and Notes Receivable	67,056
Payments to Employees	(655,116,496)
Payments to Suppliers for Goods and Services	(222,417,282)
Payments to Students for Scholarships and Fellowships	(115,229,201)
Payments on Self-Insured Claims	(25,334)
Loans Issued to Students	(4,216,946)
Collection on Loans to Students	4,282,640
Other Operating Receipts	9,759,750
Net Cash Used by Operating Activities	(458,458,133)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Noncapital Appropriations	322,359,500
Federal and State Student Financial Aid	173,355,127
Noncapital Grants, Contracts, and Gifts	25,018,963
Federal Direct Loan Program Receipts	254,210,691
Federal Direct Loan Program Disbursements	(252,227,778)
Operating Subsidies and Transfers	339,374
Net Change in Funds Held for Others	132,450
Other Nonoperating Receipts	363,049
Other Nonoperating Disbursements	(383,200)
Net Cash Provided by Noncapital Financing Activities	523,168,176
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
State Capital Appropriations	6,235,438
Capital Grants, Contracts, Donations, and Fees	3,710,215
Other Receipts for Capital Projects	1,345,083
Capital Subsidies and Transfers	(319,130)
Purchase or Construction of Capital Assets	(38,731,099)
Principal Paid on Capital Debt	(8,013,565)
Interest Paid on Capital Debt	(6,784,726)
Net Cash Used by Capital and Related Financing Activities	(42,557,784)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	936,558,898
Purchase of Investments	(966,501,326)
Investment Income	7,269,967
Net Cash Used by Investing Activities	(22,672,461)
Net Decrease in Cash and Cash Equivalents	(520,202)
Cash and Cash Equivalents, Beginning of Year	7,002,587
Cash and Cash Equivalents, End of Year	\$ 6,482,385

FLORIDA INTERNATIONAL UNIVERSITY

A COMPONENT UNIT OF THE STATE OF FLORIDA

STATEMENT OF CASH FLOWS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

University**RECONCILIATION OF OPERATING LOSS
TO NET CASH USED BY OPERATING ACTIVITIES**

Operating Loss	\$ (527,805,887)
Adjustments to Reconcile Operating Loss to Net	
Cash Used by Operating Activities:	
Depreciation Expense	48,795,302
Changes in Assets, Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources:	
Receivables, Net	(16,584,876)
Inventories	56,173
Other Assets	372,842
Accounts Payable	633,159
Salaries and Wages Payable	676,308
Deposits Payable	(1,225,837)
Compensated Absences Payable	1,628,137
Other Postemployment Benefits Payable	(6,159,000)
Unearned Revenue	3,331,904
Liability for Self-Insured Claims	14,237
Pension Liability	15,491,157
Deferred Outflows of Resources Related to Other Postemployment Benefits	457,446
Deferred Outflows of Resources Related to Pensions	(5,427,521)
Deferred Inflows of Resources Related to Other Postemployment Benefits	16,419,366
Deferred Inflows of Resources Related to Pensions	10,868,957
NET CASH USED BY OPERATING ACTIVITIES	\$ (458,458,133)

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

Unrealized gains on investments were recognized as an increase to investment income on the statement of revenues, expenses, and changes in net position, but are not cash transactions for the statement of cash flows.	\$ 9,631,323
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.	\$ (152,891)
Donations of capital assets were recognized on the statement of revenues, expenses and changes in net position, but are not cash transactions for the statements of cash flows.	\$ 1,189,069

FLORIDA INTERNATIONAL UNIVERSITY

A COMPONENT UNIT OF THE STATE OF FLORIDA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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 six citizen members and the Board of Governors appoints five citizen members. These members are confirmed by the Florida Senate and serve staggered terms of five 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 authorizes 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.
- The Florida International University Academic Health Center Health 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 \$135,624 and \$10,005, respectively. The amounts represent less than one 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.

FLORIDA INTERNATIONAL UNIVERSITY

A COMPONENT UNIT OF THE STATE OF FLORIDA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Basis of Presentation

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

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

Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues, expenses, and 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, whereby revenues are recognized when earned and expenses are recognized when incurred, and follow GASB standards of accounting and financial reporting.

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

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

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

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

FLORIDA INTERNATIONAL UNIVERSITY

A COMPONENT UNIT OF THE STATE OF FLORIDA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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

Cash and Cash Equivalents

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

Concentration of Credit Risk – Component Units

Financial instruments that potentially subject the Foundation to concentration of credit risk consist principally of cash and cash equivalents in banks, investments, and promises to give.

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

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

Capital Assets

University capital assets consist of land, works of art and historical treasures, construction in progress, buildings, infrastructure and other improvements, furniture and equipment, library resources, leasehold improvements, and computer software. These assets are capitalized and recorded at cost at the date of acquisition or at estimated fair 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 \$7,679,891. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, ranging from five to 40 years.

Depreciable assets of the Finance Corporation are stated at cost and are net of accumulated depreciation of \$62,050. Depreciation is provided using the straight-line method over the estimated useful lives of five years for the assets.

Depreciable assets of the Health Care Network are stated at cost and are net of accumulated depreciation of \$400,394. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, ranging from five to 15 years.

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Noncurrent Liabilities

Noncurrent liabilities include capital improvement debt payable, installment purchase payable, compensated absences payable, other postemployment benefits payable, unearned revenues, liability for Self-Insured Claims, other long-term liabilities, and net pension liabilities that are not scheduled to be paid within the next fiscal year. Capital improvement debt is reported net of unamortized premiums 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 position 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's and the HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and the HIS plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

2. REPORTING CHANGES

The University implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, which amends GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, paragraph 119; and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, paragraphs 10 and 12. This statement improves the information that is disclosed in the notes to government financial statements related to debt, including direct borrowings and direct placements, and clarifies which liabilities governments should include when disclosing information related to debt. This Statement also requires that additional essential information related to debt be disclosed in notes to financial statements.

The Florida Legislature passed, and the Governor signed into law Chapter 2018-004, Laws of Florida, a provision that changed Section 1004.28, Florida Statutes, which addresses University's direct-support organizations (DSO). With this change the University Board of Trustees is required to approve all DSO's board members. Under current accounting guidance, a key factor in determining whether a DSO should report under the FASB versus GASB is board control. With the change in Florida Statutes, the University has control of the boards of the DSO's and the FASB reported model is no longer appropriate. The Foundation reported under FASB prior to the legislative change and converted from FASB to GASB reporting model for the 2018-19 fiscal year.

3. ADJUSTMENT TO BEGINNING NET POSITION

The beginning net position of the Foundation was decreased by \$42,147,744 as a result of the change in the financial accounting framework as discussed in Note 2. The adjustment in net position was due to an adjustment for endowment pledges receivable, net of allowance and discount of \$42,099,972 and a decrease in debt issuance costs of \$47,772.

The beginning net position of the Health Care Network was increased by \$511,977 as the result of fees that had been previously recorded as a liability.

The adjustments to the beginning net position of the Foundation and Health Care Network are presented in the following table:

<u>Description</u>	<u>Component Units</u>
Florida International University Foundation, Inc.	\$ (42,147,744)
The Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc.	511,977
Total Adjustments to Component Units Beginning Net Position	<u><u>\$ (41,635,767)</u></u>

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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	\$ (384,851,477)
Auxiliary Funds	258,452,884
Total	<u><u>\$ (126,398,593)</u></u>

As shown in the following schedule, this deficit can be attributed 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>	<u>Amount</u>
Total Unrestricted Net Position Before Recognition of Long-Term Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources	\$	\$ 374,484,318
Amount Expected to be Financed in Future Years:		
Compensated Absences Payable	43,510,910	
Other Post Employment Benefits Payable and Related Deferred Outflows of Resources and Deferred Inflows of Resources	321,333,524	
Net Pension Liability and Related Deferred Outflows of Resources and Deferred Inflows of Resources	<u>136,038,477</u>	
Total Amount Expected to be Financed in Future Years		<u>(500,882,911)</u>
Total Unrestricted Net Position		<u><u>\$ (126,398,593)</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 University's Board of Trustees as authorized by law.

Investments set aside to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital assets are classified as restricted.

The University categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. The University's investment in money market funds are reported at amortized cost of \$146,934,981 according to GASB Statement No. 72.

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The University's recurring fair value measurements as of June 30, 2019 for SBA debt service accounts, certain corporate equities and certain fixed income and bond mutual funds are valued using quoted market prices (Level 1 inputs), certain corporate equities and certain fixed income and bonds, and commodities which are valued using a matrix pricing model (Level 2 inputs), investments with the State Treasury which are valued based on the University's share of the pool, investments in bank loans (fixed income), and other investments (Level 3 inputs), and investments in limited partnerships and private equities which are valued based on net asset value (NAV). The University's investment in money market funds are reported at amortized cost of \$146,934,981 according to GASB Statement No. 72.

The University's investments at June 30, 2019, are reported at fair value, as follows:

<u>Investments by Fair Value Level</u>	<u>Amount</u>	<u>Fair Value Measurement Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
External Investment Pool				
State Treasury Special Purpose Investment Account	\$ 10,239,156	\$ -	\$ -	\$ 10,239,156
SBA Debt Service Accounts	2,875,362	2,875,362	-	-
Mutual Funds				
Equities	23,681,150	8,743,888	14,937,262	-
Fixed Income and Bond Mutual Funds	153,455,391	42,772,646	98,131,070	12,551,675
Commodities	11,036,945	-	11,036,945	-
Other Investments	8,426,833	-	-	8,426,833
Total Investments by Fair Value Level	209,714,837	\$ 54,391,896	\$ 124,105,277	\$ 31,217,664
Investments Measured at the Net Asset Value (NAV)				
Mutual Funds				
Limited Partnerships	33,934,968			
Equities	15,004,495			
Total Investments Measured at the NAV	48,939,463			
Total Investments Measured at Fair Value	\$ 258,654,300			

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>
Mutual Funds				
Limited Partnerships	\$ 33,934,968	\$ -	Quarterly/Annually	90 Days
Equities	15,004,495	6,926,880	Illiquid	N/A
Total Investments Measured at the NAV	\$ 48,939,463			

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 17 business 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. Distributions are received through the liquidation of underlying assets of the funds.

FLORIDA INTERNATIONAL UNIVERSITY**A COMPONENT UNIT OF THE STATE OF FLORIDA****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2019****External Investment Pools**

The University reported investments at fair value totaling \$10,239,156 at June 30, 2019, 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 AA-f by Standard & Poor's, had an effective duration of 2.71 years and fair value factor of 1.0103 at June 30, 2019. 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 \$2,875,362 at June 30, 2019, 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 six 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, 2019, are as follows:

University Debt Investment Maturities					
Type of Investment	Investment Maturities (In Years)				
	Fair Market Value	Less Than 1	1-5	6-10	More Than 10
Short Term Bond Fund	\$ 10,696,043	\$ 1,454,991	\$ 9,241,052	\$ -	\$ -
Bond Index Fund	32,076,603	277,677	15,995,630	9,937,164	5,866,132
TIPS Index Fund	39,080,618	7,816	15,792,478	17,465,128	5,815,196
Core Fixed Income	31,668,748	3,500,886	11,193,712	11,074,464	5,899,686
Credit Fixed Income	27,381,704	3,702,584	6,600,313	8,436,232	8,642,575
Secured Bank Loans	12,551,675	267,057	4,495,458	7,789,160	-
Total	\$ 153,455,391	\$ 9,211,011	\$ 63,318,643	\$ 54,702,148	\$ 26,223,589

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Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2019, the securities held in the fixed income and bond mutual funds had credit quality ratings by a nationally-recognized rating agency (i.e., Standard & Poor's or Moody's), as follows:

University Debt Investment Credit Quality Ratings

Type of Investment	Fair Value	AAA / Aaa	AA / Aa	A	BBB / Baa to Not Rated
Short Term Bond Fund	\$ 10,696,043	\$ 4,727,864	\$ 374,348	\$ 1,850,350	\$ 3,743,481
Bond Index Fund	32,076,603	21,786,829	1,121,939	3,558,146	5,609,689
TIPS Index Fund	39,080,618	39,080,618	-	-	-
Core Fixed Income	31,668,748	20,660,185	285,570	3,257,380	7,465,613
Credit Fixed Income	27,381,704	2,080,944	2,296,221	9,571,116	13,433,423
Secured Bank Loans	12,551,675	-	-	-	12,551,675
Total	\$ 153,455,391	\$ 88,336,440	\$ 4,078,078	\$ 18,236,992	\$ 42,803,881

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 has no formal policy on concentration of credit risk.

Discretely Presented Component Unit Investments

The Foundation's investments at June 30, 2019, are reported at fair value as follows:

Investments by Fair Value Level	Amount	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Domestic Equities	\$ 6,915,068	\$ 6,915,068	\$ -	\$ -
Global Equities	28,082,670	28,082,670	-	-
Fixed Income	38,651,419	38,651,419	-	-
Real Assets	6,728,512	6,728,512	-	-
Land Held for Investments	1,411,550	-	-	1,411,550
Total Investments by Fair Value Level	\$ 81,789,219	\$ 80,377,669	\$ -	\$ 1,411,550
Investments Measured at the Net Asset Value (NAV)				
Domestic Equities	36,543,119			
Global Equities	59,055,997			
Fixed Income	1,200			
Real Assets	3,883,959			
Hedge Funds	60,747,119			
Private Investments	47,008,904			
Total Investments Measured at the NAV	207,240,298			
Total Investments Measured at Fair Value	\$ 289,029,517			

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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	\$ 36,543,119	\$ -	Monthly/Quarterly	5 - 45 Days
Global Equities	46,199,108	-	Monthly/Quarterly	6 - 60 Days
Emerging Markets	12,856,889	-	Monthly	7 - 30 Days
Fixed Income:				
Global Bonds	1,200	-	Monthly	10 Days
Real Assets:				
Natural Resource Equities	3,883,959	-	Monthly	30 Days
Hedge Funds:				
Long/Short Equity	39,308,883		Monthly - Every 3 Years	30 - 180 Days
Event Driven/Open Mandate	11,931,105		Quarterly - Annually	30 - 90 Days
Global Macro	9,507,131		Daily - Monthly	2 - 14 Days
Private Investments:				
Private Equity	25,717,012	23,482,991	Illiquid	N/A
Venture Capital	21,291,892	1,465,000	Illiquid	N/A
Total Investments Measured at the NAV	\$ 207,240,298	\$ 24,947,991		

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.

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.

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.

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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, 2019, the Finance Corporation money market mutual investments were rated AAAM by Standard and 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, 2019, approximately \$302,407,000 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 amortized cost of \$3,658,501 at June 30, 2019, which is generally the equivalent of fair value. 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, 2019, are held with Regions Morgan Keegan and are invested in Fidelity money market funds. According to the bond indenture, the Finance Corporation can invest the bond proceeds in these investment vehicles; there are no stated limitations on the amount that can be invested in any one issuer. The short term nature of the investments is due to liquidity needs, since those funds are being used for 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, 2019, is 26 days while the WAL is 98 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, 2019, the University reported the following amounts as accounts receivable:

<u>Description</u>	<u>Amount</u>
Student Tuition and Fees	\$ 31,027,614
Contracts and Grants	15,075,575
Other	671,442
Total Accounts Receivable, Net	<u><u>\$ 46,774,631</u></u>

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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 \$9,760,782 and \$1,530,350, respectively, at June 30, 2019.

7. DUE FROM STATE

The amount due from State consists of \$19,158,289 of Public Education Capital Outlay, \$13,624,299 of Capital Improvement Fee Trust Fund, and \$33,342,831 of General Revenues allocation 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, 2019. 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.

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NOTES TO FINANCIAL STATEMENTS**JUNE 30, 2019****9. CAPITAL ASSETS**

Capital assets activity for the fiscal year ended June 30, 2019, is shown in the following table:

Description	Beginning Balance	Additions	Reductions	Ending Balance
Nondepreciable Capital Assets:				
Land	\$ 30,689,426	\$ -	\$ -	\$ 30,689,426
Works of Art and Historical Treasures	5,600,474	1,070,750	-	6,671,224
Construction in Progress	87,385,922	20,986,679	16,300,339	92,072,262
Total Nondepreciable Capital Assets	\$ 123,675,822	\$ 22,057,429	\$ 16,300,339	\$ 129,432,912
Depreciable Capital Assets:				
Buildings	\$ 1,173,211,278	\$ 5,260,515	\$ -	\$ 1,178,471,793
Infrastructure and Other Improvements	35,474,503	13,272,716	-	48,747,219
Furniture and Equipment	146,105,261	9,881,255	5,822,480	150,164,036
Library Resources	121,578,268	4,823,792	244,281	126,157,779
Leasehold Improvements	752,567	-	-	752,567
Computer Software	3,544,320	32,354	131,178	3,445,496
Total Depreciable Capital Assets	1,480,666,197	33,270,632	6,197,939	1,507,738,890
Less, Accumulated Depreciation:				
Buildings	385,160,641	28,178,768	-	413,339,409
Infrastructure and Other Improvements	18,073,373	1,930,469	-	20,003,842
Furniture and Equipment	104,413,701	10,725,940	5,694,603	109,445,038
Library Resources	97,578,748	7,610,037	244,281	104,944,504
Leasehold Improvements	516,349	65,921	-	582,270
Computer Software	2,820,829	284,167	106,164	2,998,832
Total Accumulated Depreciation	608,563,641	48,795,302	6,045,048	651,313,895
Total Depreciable Capital Assets, Net	\$ 872,102,556	\$ (15,524,670)	\$ 152,891	\$ 856,424,995

FLORIDA INTERNATIONAL UNIVERSITY**A COMPONENT UNIT OF THE STATE OF FLORIDA****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2019****10. CURRENT UNEARNED REVENUE**

Unearned revenue includes Public Education Capital Outlay appropriations for which the University had not yet received approval from the Florida Department of Education, as of June 30, 2019, to spend the funds.

Unearned revenue at June 30, 2019 also includes contracts and grant payments received in advance, nonrefundable admission fees, prepaid stadium rental income received from the Finance Corporation, athletic revenues, deferred rent, conference center fees, reservation system fees, and land use fees revenues received prior to fiscal year-end related to subsequent accounting periods.

As of June 30, 2019, the University reported the following amounts as current unearned revenue:

Description	Amount
Contracts and Grants	\$ 4,782,741
State Capital Appropriations	4,046,808
Admission Fees	1,484,640
Stadium Rental Income	1,304,083
Athletic Revenues	219,016
Deferred Rent	186,409
Conference Center Fees	101,720
Reservation System Fees	71,716
Land Use Fees	52,381
Total Current Unearned Revenue	\$ 12,249,514

11. LONG-TERM LIABILITIES

Long-term liabilities of the University at June 30, 2019, include capital improvement debt payable, installment purchase payable, compensated absences payable, other postemployment benefits payable, the long-term portion of unearned revenue, liability for self-insured claims, net pension liability, and other long-term liabilities.

Long-term liabilities activity for the fiscal year ended June 30, 2019, is shown below:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Capital Improvement Debt Payable	\$ 150,581,478	\$ -	\$ 7,829,422	\$ 142,752,056	\$ 7,534,413
Installment Purchase Payable	1,469,013	-	483,565	985,448	489,646
Compensated Absences Payable	47,359,227	5,298,112	3,669,973	48,987,366	3,622,617
Other Postemployment Benefits Payable	277,334,000	19,270,305	25,429,305	271,175,000	2,939,000
Unearned Revenue	36,334,903	18,448,181	1,542,873	53,240,211	-
Liability for Self-Insured Claims	198,964	38,654	24,417	213,201	26,616
Net Pension Liability	224,534,511	155,493,411	140,002,254	240,025,668	1,299,600
Other Long-Term Liabilities	2,250,717	22,635	-	2,273,352	-
Total Long-Term Liabilities	\$ 740,062,813	\$ 198,571,298	\$ 178,981,809	\$ 759,652,302	\$ 15,911,892

FLORIDA INTERNATIONAL UNIVERSITY

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NOTES TO FINANCIAL STATEMENTS**JUNE 30, 2019****Capital Improvement Debt Payable.**

The University had the following capital improvement debt payable outstanding at June 30, 2019:

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	\$ 11,597,263	3.00 - 5.00	2025
2012A Student Apartments	53,655,000	47,382,518	3.00 - 4.25	2041
2015A Student Apartments Refunding	<u>29,105,000</u>	<u>23,784,201</u>	3.00 - 5.00	2034
Total Student Housing Debt	<u>104,970,000</u>	<u>82,763,982</u>		
Parking Garage Debt:				
2009B Parking Garage	28,915,000	25,110,000	5.50 - 6.875	2039
2013A Parking Garage	<u>45,415,000</u>	<u>34,878,074</u>	3.00 - 5.25	2043
Total Parking Garage Debt	<u>74,330,000</u>	<u>59,988,074</u>		
Total Capital Improvement Debt	<u>\$ 179,300,000</u>	<u>\$ 142,752,056</u>		

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

The University has pledged a portion of future housing rental revenues, traffic and parking fees, and an assessed transportation fee per student to repay \$179,300,000 of capital improvement (housing and parking) revenue bonds issued by the Florida Board of Governors on behalf of the University. Proceeds from the bonds provided financing to construct parking garages and student housing facilities. The bonds are payable solely from housing rental income, parking fees, and assessed transportation fees per student and are payable through 2043. The University has committed to appropriate each year from the housing rental income, parking fees, and assessed transportation fees per student amounts sufficient to cover the principal and interest requirements on the debt. Total principal and interest remaining on the debt is \$215,152,411, and principal and interest paid for the current year totaled \$14,298,605. During the 2018-19 fiscal year, housing rental income totaled \$31,056,234, and parking fees totaled \$15,900,926, comprised of traffic and parking fees totaling \$4,990,003, and assessed transportation fees totaling \$10,910,923.

FLORIDA INTERNATIONAL UNIVERSITY**A COMPONENT UNIT OF THE STATE OF FLORIDA****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2019**

Annual requirements to amortize all capital improvement debt outstanding as of June 30, 2019, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
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	6,770,000	5,214,893	11,984,893
2025-2029	32,680,000	21,699,154	54,379,154
2030-2034	31,415,000	14,797,838	46,212,838
2035-2039	27,700,000	7,520,974	35,220,974
2040-2043	12,990,000	1,319,812	14,309,812
Subtotal	140,865,000	74,287,411	215,152,411
Net Premiums and Losses on Bond Refundings	1,887,056	-	1,887,056
Total	<u>\$ 142,752,056</u>	<u>\$ 74,287,411</u>	<u>\$ 217,039,467</u>

Installment Purchase Payable

The University has entered into an installment purchase agreement for the purchase of equipment totaling \$2,425,770. The stated interest rate is 1.2515 percent.

The installment purchase agreement contains a provision that, in the event of default, outstanding amounts become immediately due if the University is unable to make payment.

Future minimum payments remaining under the installment purchase agreement and the present value of the minimum payments as of June 30, 2019, are as follows:

Fiscal Year Ending June 30	Amount
2020	\$ 499,686
2021	499,686
Total Minimum Payments	999,372
Less, Amount Representing Interest	13,924
Present Value of Minimum Payments	<u>\$ 985,448</u>

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JUNE 30, 2019

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, 2019, the estimated liability for compensated absences, which includes the University's share of the Florida Retirement System and FICA contributions, totaled \$48,987,366. The current portion of the compensated absences liability, \$3,622,617, is the amount expected to be paid in the coming fiscal year, and represents a historical percentage of leave used applied to the total accrued leave liability.

Other Postemployment Benefits Payable

The University follows GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for certain postemployment healthcare benefits administered by the State Group Health Insurance Program.

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 meets the criteria in paragraph 4 of GASB Statement No. 75. The OPEB Plan contribution requirements and benefit terms necessary for the funding of 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 \$271,175,000 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date. At June 30, 2018, the University's proportionate share, determined by its proportion of total benefit payments made, was 2.57 percent, which was the same as its proportionate share measured as of June 30, 2017.

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JUNE 30, 2019

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	2.60 percent
Salary Increases	Varies by FRS class
Discount Rate	3.87 percent
Healthcare Cost Trend Rates	8.8 percent for 2019, decreasing to an ultimate rate of 3.8 percent for 2075 and years later for all employees in the Preferred Provider Option (PPO) Plan.
PPO Plan	
HMO Plan	6.2 percent for 2019, decreasing to an ultimate rate of 3.8 percent for 2075 and years later for all employees in the Health Maintenance Organization (HMO) Plan.
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 Projected Scale BB.

The demographic actuarial assumptions for retirement, disability incidence, salary merit scales, and withdrawal used in the June 30, 2018 valuation are consistent with the assumptions used in the July 1, 2016 valuation of the FRS Plan.

In 2019, amounts reported as changes of assumptions resulted primarily from the discount rate used to determine the OPEB liability increasing from 3.58 percent to 3.87 percent.

Sensitivity of the University's Proportionate Share of the Total OPEB Liability to Changes in the Discount Rate. The following 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 (2.87 percent) or 1 percentage point higher (4.87 percent) than the current rate:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
University's proportionate share of the total OPEB liability	\$ 329,820,000	\$ 271,175,000	\$ 225,518,000

Sensitivity of the University's Proportionate Share of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following 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 is 1 percentage point lower (7.8 percent decreasing to 2.8 percent) or 1 percentage point higher (9.8 percent decreasing to 4.8 percent) than the current rate:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
University's proportionate share of the total OPEB liability	\$ 219,355,000	\$ 271,175,000	\$ 340,725,000

FLORIDA INTERNATIONAL UNIVERSITY**A COMPONENT UNIT OF THE STATE OF FLORIDA****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2019****OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the fiscal year ended June 30, 2019, the University recognized OPEB expense of \$13,659,866. At June 30, 2019, the University reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ -	\$ 54,605,870
Changes in proportion and differences between University benefit payments and proportionate share of benefit payments	2,594,667	1,086,321
Transactions subsequent to the measurement date	2,939,000	-
Total	\$ 5,533,667	\$ 55,692,191

Of the total amount reported as deferred outflows of resources related to OPEB, \$2,939,000 resulting from transactions 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30	Amount
2020	\$ (8,325,023)
2021	(8,325,023)
2022	(8,325,023)
2023	(8,325,023)
2024	(8,325,023)
Thereafter	(11,472,409)
Total	\$ (53,097,524)

Unearned Revenue

Long-term unearned revenue at June 30, 2019, 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 to the fiscal year-end related to subsequent accounting periods.

As of June 30, 2019, the University reported the following amounts as long-term unearned revenue:

Description	Amount
State Capital Appropriations	\$ 26,548,181
Stadium Rental Income	16,844,408
National Institute of Health Grant	7,600,000
Land Use Fees	1,856,426
Other Unearned Revenue	391,196
Total Unearned Revenue	\$ 53,240,211

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Net Pension Liability

As a participating employer in the Florida Retirement System, the University recognizes its proportionate share of the collective net pension liabilities of the FRS cost-sharing multiple-employer defined benefit plans. As of June 30, 2019, the University's proportionate share of the net pension liabilities totaled \$240,025,668.

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. The \$13 million original principal amount was issued under a variable rate structure with a final maturity date of May 1, 2022. The variable rate on fifty percent of the original issue, \$6.5 million, was synthetically fixed at 4.63 percent through February 1, 2015, by way of an interest rate swap agreement with a commercial bank. 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, 2019, the outstanding principal balance due under this note payable was \$3 million. For the year ended June 30, 2019, total interest incurred and paid was \$133,583.

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 five year tax exempt qualified loan. After the initial five 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 five year period. The Foundation agrees to pay interest at a rate of 67 percent of the one-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, 2019, are shown in the following table:

Fiscal Year Ending June 30	Amount
2020	\$ 910,000
2021	960,000
2022	<u>1,075,000</u>
Total	<u><u>\$ 2,945,000</u></u>

FLORIDA INTERNATIONAL UNIVERSITY**A COMPONENT UNIT OF THE STATE OF FLORIDA****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2019****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 two percent simple interest and the loan is scheduled to mature on June 1, 2036.

Estimated principal and interest payments for the life of the amounts due to the University based on the balances as of June 30, 2019, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
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	387,725	119,181	506,906
2025-2029	2,137,223	474,363	2,611,586
2030-2034	2,498,265	246,539	2,744,804
2035-2036	935,828	26,497	962,325
Total	\$ 7,387,623	\$ 1,415,926	\$ 8,803,549

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 three-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, 2019, was \$27,265,000.

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 \$2,748,059 and is included in restricted investments.

FLORIDA INTERNATIONAL UNIVERSITY**A COMPONENT UNIT OF THE STATE OF FLORIDA****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2019**

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 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, 2019, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
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	1,730,000	927,363	2,657,363
2025-2029	9,950,000	3,417,172	13,367,172
2030-2032	9,410,000	945,112	10,355,112
Total	\$ 27,265,000	\$ 9,682,867	\$ 36,947,867

13. DERIVATIVE FINANCIAL INSTRUMENTS – DISCRETELY PRESENTED COMPONENT UNITS

The Finance Corporation entered into derivative instruments (i.e., interest rate swap agreement) 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 Series 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 three-month LIBOR. The interest rate swap agreement has a maturity date of March 1, 2033.

Fair Value. As of June 30, 2019, the Finance Corporation interest rate swap agreement has a derivative liability of \$3,339,186 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, 2019.

As of June 30, 2019, the fair value of the Series 2007A ineffective interest rate swap agreement was \$1,331,619, 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 refunded Series 2009A bonds reflects a higher rate due to not terminating this interest rate swap agreement. Accordingly, the fair value of \$1,331,619 of the ineffective Series 2007A interest rate swap agreement is being amortized over the remaining life of the refunded Series 2009A bonds.

FLORIDA INTERNATIONAL UNIVERSITY**A COMPONENT UNIT OF THE STATE OF FLORIDA****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2019**

The synthetic instrument method evaluates the effectiveness 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 outflow of resources in the amount of \$2,007,567.

Credit Risk. As of June 30, 2019, 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 and Poor's, and BBB+ by Fitch Ratings at June 30, 2019.

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 three-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 and Poor's; or c) "BBB" as determined by Fitch Ratings.

Swap Payments and Associated Debt. Using rates as of June 30, 2019, 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		
2020	\$ 995,000	\$ 637,736	\$ 321,997	\$ 1,954,733
2021	1,040,000	604,127	302,543	1,946,670
2022	1,090,000	568,997	284,951	1,943,948
2023	1,135,000	532,179	266,512	1,933,691
2024	1,185,000	493,840	249,343	1,928,183
2025-2029	6,800,000	1,829,776	506,028	9,135,804
2030-2033	6,635,000	572,882	609,034	7,816,916
Total	\$ 18,880,000	\$ 5,239,537	\$ 2,540,408	\$ 26,659,945

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 (SMSC) 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 \$43,542,080 for the fiscal year ended June 30, 2019.

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 six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or at 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.

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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 five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight 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>
<i>Regular Class members initially enrolled before July 1, 2011</i>	
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
<i>Regular Class members initially enrolled on or after July 1, 2011</i>	
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
<i>Senior Management Service Class</i>	2.00
<i>Special Risk Class</i>	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 three 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 three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

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Contributions. The Florida Legislature establishes contribution rates for participating employers and employees.

Contribution rates during the 2018-19 fiscal year were:

Class	Percent of Gross Salary	
	Employee	Employer (1)
Florida Retirement System, Regular	3.00	8.26
Florida Retirement System, Senior Management Service	3.00	24.06
Florida Retirement System, Special Risk	3.00	24.50
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	14.03
Florida Retirement System, Reemployed Retiree	(2)	(2)

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

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

The University's contributions to the Plan totaled \$19,721,988 for the fiscal year ended June 30, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2019, the University reported a liability of \$186,930,731 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The University's proportionate share of the net pension liability was based on the University's 2017-18 fiscal year contributions relative to the total 2017-18 fiscal year contributions of all participating members. At June 30, 2018, the University's proportionate share was 0.620609276 percent, which was an increase of 0.038242796 from its proportionate share measured as of June 30, 2017.

For the year ended June 30, 2019, the University recognized pension expense of \$38,523,406. In addition, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 15,835,843	\$ 574,767
Change of Assumptions	61,079,872	-
Net Difference Between Projected and Actual Earnings on FRS Plan Investments	-	14,442,678
Changes in Proportion and Differences Between University FRS Contributions and Proportionate Share of FRS Contributions	14,552,796	-
University FRS Contributions Subsequent to the Measurement Date	19,721,988	-
Total	\$ 111,190,499	\$ 15,017,445

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The deferred outflows of resources related to pensions totaling \$19,721,988, 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, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2020	\$ 30,387,618
2021	19,993,876
2022	3,994,707
2023	12,167,593
2024	8,398,713
Thereafter	1,508,559
Total	\$ 76,451,066

Actuarial Assumptions. The total pension liability in the July 1, 2018, 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	7.00 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, 2018, 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.

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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:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1 %	2.9 %	2.9 %	1.8 %
Fixed Income	18 %	4.4 %	4.3 %	4.0 %
Global Equity	54 %	7.6 %	6.3 %	17.0 %
Real Estate (Property)	11 %	6.6 %	6.0 %	11.3 %
Private Equity	10 %	10.7 %	7.8 %	26.5 %
Strategic Investments	6 %	6.0 %	5.7 %	8.6 %
Total	100 %			
Assumed Inflation - Mean			2.6 %	1.9 %

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

Discount Rate. The discount rate used to measure the total pension liability was 7.00 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 2018 valuation was updated from 7.10 percent to 7.00 percent.

Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following table presents the University's proportionate share of the net pension liability calculated using the discount rate of 7.00 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 (6.00 percent) or 1 percentage point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
University's Proportionate Share of the Net Pension Liability	\$ 341,156,425	\$ 186,930,731	\$ 58,837,175

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.

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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, 2019, 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, 2019, 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 three 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 \$2,887,500 for the fiscal year ended June 30, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2019, the University reported a liability of \$53,094,937 for its proportionate share of the net pension liability. The current portion of the net pension liability is the University's proportionate share of benefit payments expected to be paid within one year, net of the University's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The University's proportionate share of the net pension liability was based on the University's 2017-18 fiscal year contributions relative to the total 2017-18 fiscal year contributions of all participating members. At June 30, 2018, the University's proportionate share was 0.501647523 percent, which was an increase of 0.012757148 from its proportionate share measured as of June 30, 2017.

For the fiscal year ended June 30, 2019, the University recognized pension expense of \$5,018,674. 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	\$ 812,860	\$ 90,206
Change of Assumptions	5,904,813	5,613,641
Net Difference Between Projected and Actual Earnings on HIS Plan Investments	32,049	-
Changes in Proportion and Differences Between University HIS Contributions and Proportionate Share of HIS Contributions	3,880,762	-
University HIS Contributions Subsequent to the Measurement Date	2,887,500	-
Total	\$ 13,517,984	\$ 5,703,847

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The deferred outflows of resources totaling \$2,887,500 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, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2020	\$ 1,798,480
2021	1,795,779
2022	1,273,981
2023	569,621
2024	(418,157)
Thereafter	<u>(93,067)</u>
Total	<u>\$ 4,926,637</u>

Actuarial Assumptions. The total pension liability at July 1, 2018, 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	3.87 percent

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

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

Discount Rate. The discount rate used to measure the total pension liability was 3.87 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 2018 valuation was updated from 3.58 percent to 3.87 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 3.87 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 (2.87 percent) or 1 percentage point higher (4.87 percent) than the current rate:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
University's Proportionate Share of the Net Pension Liability	\$ 60,472,022	\$ 53,094,937	\$ 46,945,709

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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 of Florida Comprehensive Annual Financial Report.

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

Allocations to the Investment Plan member accounts during the 2018-19 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Compensation</u>
Florida Retirement System, Regular	6.30
Florida Retirement System, Senior Management Service	7.67
Florida Retirement System, Special Risk Regular	14.00

For all membership classes, employees are immediately vested in their own contributions and are vested after one 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 five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2019, 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.

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

The University's Investment Plan pension expense totaled \$3,716,506 for the fiscal year ended June 30, 2019.

State University System Optional Retirement Program

Section 121.35, Florida Statutes, provides for an Optional Retirement Program (Program) for eligible university instructors and administrators. The Program is designed to aid State universities in recruiting employees by offering more portability to employees not expected to remain in FRS for eight 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, 3.5 percent to cover the unfunded actuarial liability of the FRS pension plan, and 0.01 percent to cover administrative costs for a total of 8.65 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 \$22,093,871 and employee contributions totaled \$13,231,472 for the 2018-19 fiscal year.

16. CONSTRUCTION COMMITMENTS

The University's construction commitments at June 30, 2019, were as follows:

Project Description	Total Commitment	Completed to Date	Balance Committed
SIPA II Building	\$ 15,201,439	\$ 50,130	\$ 15,151,309
University City Prosperity Project (1)	12,247,766	6,226,745	6,021,021
User Paid Construction Projects	16,733,995	11,432,837	5,301,158
Parkview Housing Phase II	5,000,000	527,886	4,472,114
Subtotal	49,183,200	18,237,598	30,945,602
Projects with Balance Committed Under \$3 Million	93,890,366	73,834,664	20,055,702
Total	<u>\$ 143,073,566</u>	<u>\$ 92,072,262</u>	<u>\$ 51,001,304</u>

Note: (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.

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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 the Florida International University Foundation, Inc. related party transaction note following this note.

Future minimum lease commitments for noncancelable operating leases are as follows:

Fiscal Year Ending June 30	Amount
2020	\$ 6,611,754
2021	6,695,687
2022	5,724,525
2023	2,950,979
2024	2,233,572
2025-2029	7,395,315
2030-2034	6,053,937
Total Minimum Payments Required	\$ 37,665,769

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 \$1,669,315 for the year ended June 30, 2019.

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.

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The following schedule by years presents management's best estimate of future minimum rental payments for this noncancelable operating lease as of June 30, 2019:

Fiscal Year Ending June 30	Amount
2020	\$ 1,418,000
2021	1,418,000
2022	1,418,000
Total Minimum Payments Required	\$ 4,254,000

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:

Fiscal Year Ending June 30	Amount
2020	\$ 1,304,083
2021	1,304,083
2022	1,304,083
2023	1,304,083
2024	1,304,083
2025-2029	6,520,416
2030-2033	5,107,660
Total Minimum Payments Required	\$ 18,148,491

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19. GIFT AGREEMENT - FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. - RELATED PARTY TRANSACTION

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 \$3.4 million during the 2018-19 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 \$0.4 million during the 2018-19 fiscal year for utilities, repairs, and maintenance expenses for buildings used by the Wolfsonian.

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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 2018-19 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 \$78 million for named windstorm and flood through February 14, 2019, and decreased to \$68.5 million starting February 15, 2019. 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 three 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 2017-18 and 2018-19 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, 2018	\$ 173,992	\$ 49,389	\$ (24,417)	\$ 198,964
June 30, 2019	198,964	38,654	(24,417)	213,201

FLORIDA INTERNATIONAL UNIVERSITY**A COMPONENT UNIT OF THE STATE OF FLORIDA****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2019****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 academic departments 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:

Functional Classification	Amount
Instruction	\$ 329,568,311
Research	144,826,708
Public Services	11,357,418
Academic Support	114,627,123
Student Services	75,612,345
Institutional Support	105,338,412
Operation and Maintenance of Plant	65,105,628
Scholarships, Fellowships, and Waivers	115,229,201
Depreciation	48,795,302
Auxiliary Enterprises	66,321,509
Total Operating Expenses	\$ 1,076,781,957

FLORIDA INTERNATIONAL UNIVERSITY**A COMPONENT UNIT OF THE STATE OF FLORIDA****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2019****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

	Housing Facility Capital Improvement Debt	Parking Facility Capital Improvement Debt
Assets		
Current Assets	\$ 24,886,451	\$ 9,338,046
Capital Assets, Net	128,181,858	98,596,889
Other Noncurrent Assets	<u>16,428</u>	<u>3,506,630</u>
Total Assets	<u>153,084,737</u>	<u>111,441,565</u>
Liabilities		
Current Liabilities	4,934,266	3,738,498
Noncurrent Liabilities	<u>78,565,634</u>	<u>57,008,501</u>
Total Liabilities	<u>83,499,900</u>	<u>60,746,999</u>
Net Position		
Net Investment in Capital Assets	45,417,875	39,289,049
Restricted - Expendable	16,428	3,478,542
Unrestricted	<u>24,150,534</u>	<u>7,926,975</u>
Total Net Position	<u>\$ 69,584,837</u>	<u>\$ 50,694,566</u>

FLORIDA INTERNATIONAL UNIVERSITY

A COMPONENT UNIT OF THE STATE OF FLORIDA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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

	Housing Facility Capital Improvement Debt	Parking Facility Capital Improvement Debt
Operating Revenues	\$ 31,056,234	\$ 15,900,926
Depreciation Expense	(3,785,575)	(2,915,382)
Other Operating Expenses	(17,901,916)	(8,846,905)
Operating Income	<u>9,368,743</u>	<u>4,138,639</u>
Nonoperating Revenues (Expenses):		
Nonoperating Revenue	705,607	347,592
Interest Expense	(3,173,016)	(3,296,170)
Net Nonoperating Expenses	<u>(2,467,409)</u>	<u>(2,948,578)</u>
Income Before Transfers	6,901,334	1,190,061
Net Transfers	-	(121,144)
Capital Grants	-	557,137
Increase in Net Position	6,901,334	1,626,054
Net Position, Beginning of Year	62,683,503	49,068,512
Net Position, End of Year	<u><u>\$ 69,584,837</u></u>	<u><u>\$ 50,694,566</u></u>

Condensed Statement of Cash Flows

	Housing Facility Capital Improvement Debt	Parking Facility Capital Improvement Debt
Net Cash Provided (Used) by:		
Operating Activities	\$ 13,493,951	\$ 7,113,552
Noncapital Financing Activities	33,561	10,025
Capital and Related Financing Activities	(15,112,054)	(7,418,784)
Investing Activities	298,428	(563,900)
Net (Decrease) in Cash and Cash Equivalents	(1,286,114)	(859,107)
Cash and Cash Equivalents, Beginning of Year	1,945,851	2,267,079
Cash and Cash Equivalents, End of Year	<u><u>\$ 659,737</u></u>	<u><u>\$ 1,407,972</u></u>

FLORIDA INTERNATIONAL UNIVERSITY**A COMPONENT UNIT OF THE STATE OF FLORIDA****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2019****23. DISCRETELY PRESENTED COMPONENT UNITS**

The University has four 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 remaining three component units comprise one hundred percent of the transactions and account balances of the aggregate discretely presented component units' columns of the financial statements.

The following financial information is from the most recently available audited financial statements for the component units:

Condensed Statement of Net Position				
Direct-Support Organizations				
	Florida International University Foundation, Inc.	FIU Athletics Finance Corporation	Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc.	Total
Assets				
Current Assets	\$ 24,949,030	\$ 3,105,071	\$ 8,510,620	\$ 36,564,721
Capital Assets, Net	16,053,904	47,450	151,275	16,252,629
Other Noncurrent Assets	297,892,988	20,117,467	-	318,010,455
Total Assets	338,895,922	23,269,988	8,661,895	370,827,805
Deferred Outflows of Resources	-	2,214,053	-	2,214,053
Liabilities				
Current Liabilities	4,707,204	1,859,135	2,916,172	9,482,511
Noncurrent Liabilities	10,341,168	30,011,427	7,048,249	47,400,844
Total Liabilities	15,048,372	31,870,562	9,964,421	56,883,355
Net Position				
Net Investment in Capital Assets	12,565,994	47,450	151,275	12,764,719
Restricted Nonexpendable	179,637,406	-	-	179,637,406
Restricted Expendable	113,540,580	-	-	113,540,580
Unrestricted	18,103,570	(6,433,971)	(1,453,801)	10,215,798
Total Net Position	\$ 323,847,550	\$ (6,386,521)	\$ (1,302,526)	\$ 316,158,503

FLORIDA INTERNATIONAL UNIVERSITY

A COMPONENT UNIT OF THE STATE OF FLORIDA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

**Condensed Statement of Revenues, Expenses,
and Changes in Net Position
Direct-Support Organizations**

	Florida International University Foundation, Inc.	FIU Athletics Finance Corporation	Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc.	Total
Operating Revenues	\$ 26,728,035	\$ 4,132,671	\$ 9,977,088	\$ 40,837,794
Depreciation Expense	(723,023)	(21,900)	(63,275)	(808,198)
Other Operating Expenses	<u>(37,676,221)</u>	<u>(2,225,919)</u>	<u>(5,686,934)</u>	<u>(45,589,074)</u>
Operating (Loss) Income	<u>(11,671,209)</u>	<u>1,884,852</u>	<u>4,226,879</u>	<u>(5,559,478)</u>
Net Nonoperating Revenues (Expenses)				
Investment Income	14,239,211	78,205	-	14,317,416
Interest Expense	(133,583)	(1,153,652)	(154,312)	(1,441,547)
Other Nonoperating Expenses	<u>5,391,941</u>	<u>-</u>	<u>(2,254,302)</u>	<u>3,137,639</u>
Net Nonoperating Revenues (Expenses)	<u>19,497,569</u>	<u>(1,075,447)</u>	<u>(2,408,614)</u>	<u>16,013,508</u>
Increase in Net Position	<u>7,826,360</u>	<u>809,405</u>	<u>1,818,265</u>	<u>10,454,030</u>
Net Position, Beginning of Year	358,168,934	(7,195,926)	(3,632,768)	347,340,240
Adjustment to Beginning Net Position (1)	<u>(42,147,744)</u>	<u>-</u>	<u>511,977</u>	<u>(41,635,767)</u>
Net Position, Beginning of Year, as Restated	<u>316,021,190</u>	<u>(7,195,926)</u>	<u>(3,120,791)</u>	<u>305,704,473</u>
Net Position, End of Year	<u><u>\$ 323,847,550</u></u>	<u><u>\$ (6,386,521)</u></u>	<u><u>\$ (1,302,526)</u></u>	<u><u>\$ 316,158,503</u></u>

Note: (1) Foundation conversion from FASB to GASB, primarily adjustment for endowment net assets. Health Care Network reclassification of revenue incorrectly recorded as a liability.

24. SUBSEQUENT EVENTS

To achieve debt service savings from lower interest rates, the Board of Governors is issuing revenue refunding bonds. Sale and issuance of the \$19,805,000 State of Florida, Board of Governors, Florida International University Parking Facility Revenue Refunding Bonds, Series 2019A, will be used to defease all of the outstanding State of Florida, Board of Governors, Florida International University Parking Facility Revenue Bonds Series 2009B Build America Bonds, maturing in the years 2020 through 2039. The sale and issuance was completed on July 2, 2019.

FLORIDA INTERNATIONAL UNIVERSITY
OTHER REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE UNIVERSITY'S PROPORTIONATE SHARE OF THE TOTAL OTHER
POSTEMPLOYMENT BENEFITS LIABILITY

	<u>2018 (1)</u>	<u>2017 (1)</u>
University's Proportion of the Total Other Postemployment Benefits Liability	2.57 %	2.57 %
University's Proportionate Share of the Total Other Postemployment Benefits Liability	\$ 271,175,000	\$ 277,334,000
University's Covered Payroll	\$ 402,854,082	\$ 388,298,438
University's Proportionate Share of the Total Other Postemployment Benefits Liability as a Percentage of its Covered Payroll	67.31 %	71.42 %

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

Notes to Required Supplementary Information:

No assets are accumulated in a trust that meets the criteria in paragraph four of GASB Statement No. 75 to pay related benefits. The University's June 30, 2019, proportionate share of the total OPEB liability decreased slightly from the prior fiscal year as a result of changes to assumptions as discussed below.

Changes in Assumptions. In 2019, amounts reported as changes of assumptions resulted primarily from the discount rate used to determine the OPEB liability increasing from 3.58 percent to 3.87 percent.

FLORIDA INTERNATIONAL UNIVERSITY
OTHER REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
FLORIDA RETIREMENT SYSTEM PENSION PLAN

	2018 (1)	2017 (1)	2016 (1)	2015 (1)	2014 (1)	2013 (1)
University's Proportion of the FRS Net Pension Liability	0.62%	0.58%	0.58%	0.57%	0.53%	0.38%
University's Proportionate Share of the FRS Net Pension Liability	\$ 186,930,731	\$ 172,260,097	\$ 145,845,435	\$ 73,303,925	\$ 32,080,257	\$ 65,503,841
University's Covered Payroll (2)	\$ 402,854,082	\$ 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	46.40 %	44.36 %	39.34 %	20.62 %	9.65 %	21.43 %
FRS Plan Fiduciary Net Pension as a Percentage of the FRS Total Pension Liability	84.26 %	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.

Notes to Required Supplementary Information:

Change of Assumptions. The long-term expected rate of return was decreased from 7.10 percent to 7.00 percent, and the active member mortality assumption was updated.

FLORIDA INTERNATIONAL UNIVERSITY
OTHER REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF UNIVERSITY CONTRIBUTIONS -
FLORIDA RETIREMENT SYSTEM PENSION PLAN

	<u>2019 (1)</u>	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
Contractually Required FRS Contribution	\$ 19,721,988	\$ 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>(19,721,988)</u>	<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>	<u>\$ -</u>
University's Covered Payroll (2)	\$ 426,454,567	\$ 402,854,082	\$ 388,298,438	\$ 370,763,486	\$ 355,458,891	\$ 332,597,433
FRS Contributions as a Percentage of Covered Payroll	4.62 %	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 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.

Notes to Required Supplementary Information:

Change of Assumptions. The long-term expected rate of return was decreased from 7.10 percent to 7.00 percent, and the active member mortality assumption was updated.

FLORIDA INTERNATIONAL UNIVERSITY
OTHER REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
HEALTH INSURANCE SUBSIDY PENSION PLAN

	2018 (1)	2017 (1)	2016 (1)	2015 (1)	2014 (1)	2013 (1)
University's Proportion of the HIS Net Pension Liability	0.50%	0.49%	0.48%	0.47%	0.45%	0.42%
University's Proportionate Share of the HIS Net Pension Liability	\$ 53,094,937	\$ 52,274,414	\$ 56,235,698	\$ 48,191,110	\$ 42,007,145	\$ 36,379,258
University's Covered Payroll (2)	\$ 156,730,885	\$ 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	33.88 %	31.05 %	38.08 %	34.40 %	32.10 %	30.73 %
HIS Plan Fiduciary Net Pension as a Percentage of the HIS Total Pension Liability	2.15 %	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.

Notes to Required Supplementary Information:

Change of Assumptions. The municipal rate used to determine total pension liability increased from 3.58 percent to 3.87 percent.

FLORIDA INTERNATIONAL UNIVERSITY
OTHER REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF UNIVERSITY CONTRIBUTIONS -
HEALTH INSURANCE SUBSIDY PENSION PLAN

	<u>2019 (1)</u>	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
Contractually Required HIS Contribution	\$ 2,887,500	\$ 2,720,447	\$ 2,587,349	\$ 2,473,222	\$ 1,806,322	\$ 1,539,022
HIS Contributions in Relation to the Required HIS Contribution	<u>(2,887,500)</u>	<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>	<u>\$ -</u>
University's Covered Payroll (2)	\$ 168,088,711	\$ 156,730,885	\$ 168,353,927	\$ 147,667,524	\$ 140,089,301	\$ 130,882,051
HIS Contributions as a Percentage of Covered Payroll	1.72 %	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.

Notes to Required Supplementary Information:

Change of Assumptions. The municipal rate used to determine total pension liability increased from 3.58 percent to 3.87 percent.



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Florida International University, a component unit of the State of Florida, and its aggregate discretely presented component units as of and for the fiscal year ended June 30, 2019, 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 23, 2020, 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,



Sherrill F. Norman, CPA
Tallahassee, Florida
March 23, 2020
Audit Report No. 2020-181

FIU, BEFORE
I GO, I JUST
WANTED TO
TELL YOU: YOU
WERE FANTASTIC.
ABSOLUTELY FANTASTIC.
AND YOU KNOW
WHAT? ..
SO WAS I.





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THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Facilities Committee
June 16, 2020

ATHLETICS UPDATE

Report *(For Information Only – no action required)*

Pete Garcia, *Executive Director of Sports and Entertainment*

Fundraising Report

FIU Foundation, Inc.
Unaudited Preliminary Recap
Through the Period Ended March 31, 2020 (in thousands)

	Budget	Actual	Variance
Revenues	\$383	\$887	\$504

- Favorable variance due to Ocean Bank Convocation Naming Rights received in Q1 yet budgeted in Q4. Tennis Center Renovation contributions were also a driver, these funds will be passed through to the renovation project. Men's Basketball and Baseball Programs received unbudgeted donations for their programs.

Athletics Finance Corporation

FIU Athletics Finance Corporation
Unaudited Preliminary Recap
Through the Period Ended March 31, 2020 (in thousands)

	Budget	Actual	Variance
Revenues	\$2,979	\$3,401	\$422
Expenses	\$1,533	\$1,828	\$(295)

- Year-to-date Net Income excluding debt service interest and principal was \$2,462.
 - Primary drivers include:
 - Favorable revenue as of Q2 is attributed to Direct Support Organization contribution in the amount of \$268k, as contributions were not budgeted until Q4, along with unanticipated revenue due to Miami FC. Also, total conference distribution sent was \$238k over original budget. Football ticket sales are down compared to budget, as we anticipated more season ticket sales due to the University of Miami game, but that did not materialize, as more people opted to by single game tickets, which does not go through the Athletics Finance Corporation.
 - Unfavorable expenses due to stadium improvements done prior to Football Season commencing, along with Miami FC operating expenses, not included in the original budget.
- The debt coverage covenant requirement is forecasted to be met for the period ending June 30, 2020.



THE FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES
Finance and Facilities Committee
June 16, 2020

Business Services Report as of May 28, 2020 for Third Quarter FY 19-20

HIGHLIGHTS AND NEW SERVICES

In March 2020, FIU transitioned to a remote learning and working environment in response to the Coronavirus (COVID-19) pandemic.

- Effective March 16, 2020, in accordance with state and local guidelines, most FIU faculty and staff transitioned to working remotely. Most recently, remote work was extended until at least Monday, July 6. The University remains fully operational.
- All on- and off-campus events have been canceled or are taking place virtually through July 1, 2020. Summer classes are online and remote.

As a result of this pandemic, the Office of Business Services has played a pivotal role in several aspects:

Meal Plan Refunds	Refunds to over 2,000 students were processed in the Spring semester on behalf of Chartwells totaling \$813K. Refunds were prorated to students who stopped using their meal plans after the remote learning period started and were posted in students' accounts effective April 20, 2020.
Virtual Commencement	Over 6,000 student photos were provided by the FIU OneCard office as part of the assemblage of the virtual commencement videos for family and friends to enjoy.
Vendor Assistance	In an effort to ameliorate the economic impact for an extended period of time, OBS reached out to our local business partners to assess the impacts to their businesses. OBS is in the process of evaluating applications submitted by vendors requesting relief.
Repopulation Taskforce	Business Services is working with all business partners in developing a repopulation plan to be submitted to the University-wide Taskforce that follows all County guidelines for reopening and ensuring the community's health and safety.

Food Services	Food service operations were significantly reduced once the University transitioned to remote learning and work. Chartwells construction of food venues proceeded and is underway for the following projects:
	Modesto A. Maidique Campus (MMC)
Chili's	Indoor renovation and menu expansions opened in Fall 2019. The outside patio renovations, including a walkway to SASC, will begin Summer 2020.
Starbucks MANGO	Required brand refresh of furniture finishes and equipment to begin Summer 2020 for a Fall 2020 opening to include expanded menu offerings.
GC Various	Enhancements of dining services in seven venues in the Graham Center will be commencing Summer 2020 and opening during Fall 2020. Venues include Jamba Juice, Pollo Tropical, Café Bustelo, Subway, Sergio's, and the addition of local partners Pincho Factory and Caribbean Crave.
Salty Donut	The Salty Donut opened a pop-up location at FIU in February and will be stationed outside of DM at MMC once a week. Students and staff were very pleased with the new addition of these delicious donuts to the variety on campus.
	Engineering Campus (EC)
EC Campus Kitchen	Continued repairs to the exhaust hood system is ongoing, expected completion in Summer 2020 with a full menu roll out for Fall 2020.
	Biscayne Bay Campus (BBC)
Chick-Fil-A BBC	Construction to begin Summer 2020 with plans for Fall 2020 opening.
Vicky Café	This successful local brand will be opening in AHC1. Construction began Spring 2020 to be completed and ready for Fall 2020 opening.



Business Services Report as of May 28, 2020 for Third Quarter FY 19-20

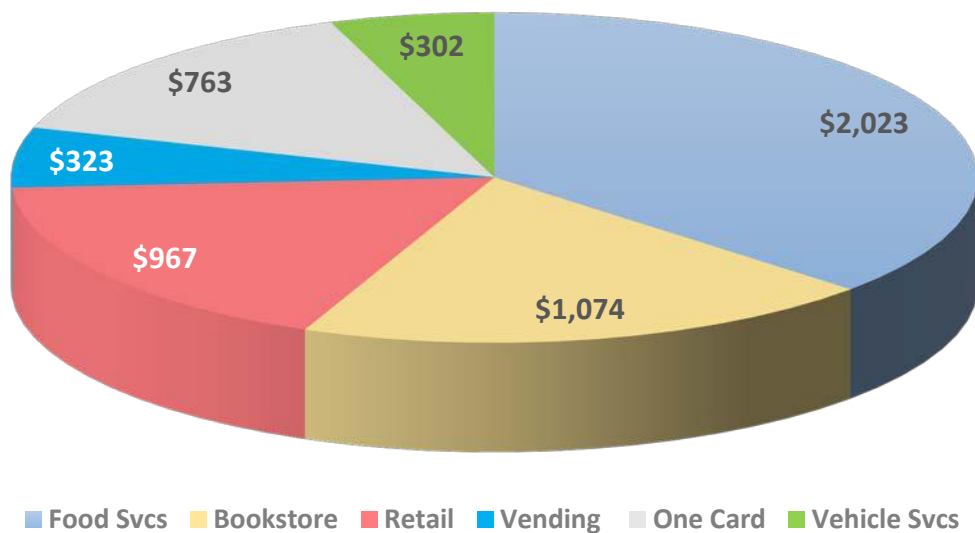
QUICK FACTS



The Office of Business Services (OBS) oversees over 60 food and retail venues, beverage and snack vending, FIU One Card program, fleet services, multi-use facilities, property management and advertising. Detailed information for all services, including hours of operation, may be found at shop.fiu.edu and on the FIU Mobile App under the “Places” link.

Revenue: Through the third quarter ended March 31, 2020, OBS managed sales operations of \$32M, representing \$5.5M in revenue and support to FIU.

Operating Revenues by Business Segment \$5.45M
For the period ended March 31, 2020 (in \$000s)



Business Services Report as of May 28, 2020 for Third Quarter FY 19-20

FOOD SERVICES

Food Services sales of \$18M generated revenues to FIU of \$2.02M, comprised of mainly commissions which remain down -12% when compared to the prior year. This is attributed primarily to food venue closures from construction, specifically at Panera, Chili's, GL Starbucks, Roary's Bay Café, and at the EC Campus Kitchen. Food Services sales also generated support to FIU of \$150K, at plan for the current year, but significantly less than the prior year. The prior year recognized a one-time signing bonus of \$2M as compared with the annual contractual support of \$150K. COVID-19 impacts on food services commissions is -\$81K through March 31, 2020.

BOOKSTORE

Bookstore sales of \$9.5M generated revenues to FIU of \$1.07M, comprised of mainly Barnes & Noble merchandise commissions which trail behind plan and prior year both by -3%. This is offset by Herff Jones commencement and ring sales which have outperformed both plan and prior year by 2%. Positive store performance was mainly attributed to the store renovation and improved selection and variety. COVID-19 impacts on Bookstore commissions is -\$43K through March 31, 2020.

VENDING

Vending sales of \$1.0M generated revenues and support to FIU of \$323K, down -4% as compared to plan and down -5% to prior year. The snack vending contract expires in May 2020 and the current provider will continue operations on a month-to-month basis. A new five-year agreement has been finalized with Pepsi Co.



Pepsi Co. Beverage vending sales of \$522K translate into \$172K of commissions, representing a nominal variance of -2% from prior year and -1% from plan. There are 137 machines across MMC, BBC, and EC.



Right Choice Snack vending sales of \$523K translate into \$175K of commissions, up 4% from prior year and 5% from plan. There are 101 snack vending machines across MMC, BBC, and EC.

COVID-19 impacts on vending commissions is -\$26K through March 31, 2020.

Business Services Report as of May 28, 2020 for Third Quarter FY 19-20

RETAIL OPERATIONS



Retail operations sales of \$1.67M generated revenue \$967K from license fees and commissions, up 6% from plan and 10% from the prior year.

License Fees Rental income of \$865K is 6% ahead of plan and up 11% from prior year, mainly from a favorable timing difference in the collection of certain rents ahead of schedule. OBS manages 18 internal and external users across MMC and BBC and is exploring opportunities in PG-6 for expansion.

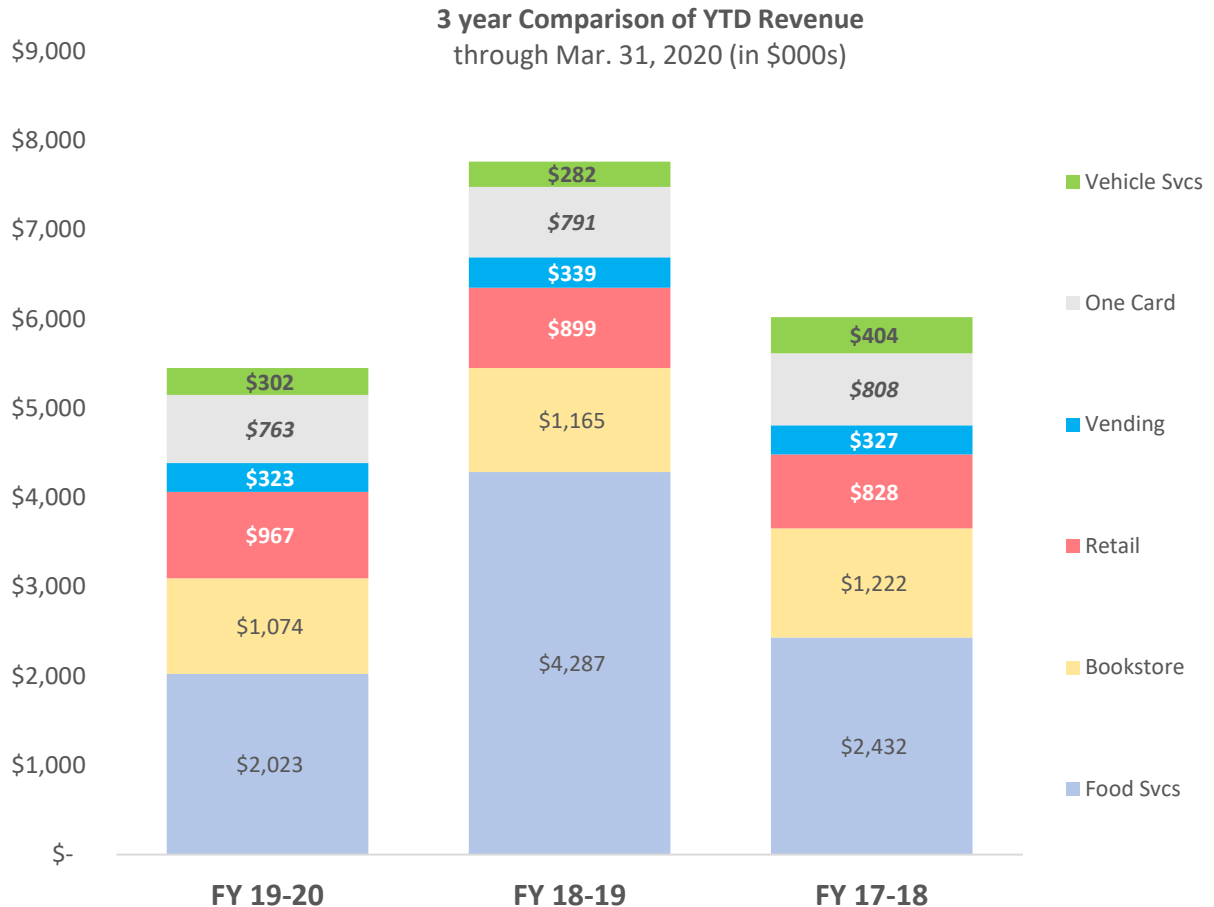
Commissions Commissions from retailers of \$102K are -4% behind plan and -11% from prior year. Commissions come from contracts with College Optical Express, Golden Touch, GT Eco carwash, Pharmabox, RICOH Copy Center and Santi's Salon.

Sale of Services Sales from bus shelter ads managed by MSS Media Services and shop venues event space rentals totaled \$7K, are -20% ahead of plan, and -4% from prior year. The contract with MSS Media expires in FY 19-20 and is currently being renegotiated.

COVID-19 impacts on retail operations is -\$10K through March 31, 2020.

Business Services Report as of May 28, 2020 for Third Quarter FY 19-20

3-YEAR COMPARISON OF YEAR-TO-DATE FIU REVENUE



Through the third quarter ended March 31, 2020, \$32M in sales generated revenue and support to FIU of \$5.5M, -12% behind plan and down -29% when compared to the prior year. This year-over-year variance is attributed mainly to the one-time signing bonus of \$2M received at the conclusion of a competitive solicitation process, to operate as FIU's food service provider at MMC and BBC for a 10-year period that began on August 3, 2018.



**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Facilities Committee
June 16, 2020**

EMERGENCY MANAGEMENT STATUS REPORT AS OF MAY 15, 2020

Report *(For Information Only – no action required)*

Training and Exercises

On February 27, 2020, members of the executive team and Emergency Operations Center (EOC) staff participated in an emerging infectious disease tabletop exercise in the EOC. On March 3 and 6, 2020, face-to-face EOC meetings were held to discuss University actions surrounding COVID-19.

Since March 13, 2020 the EOC has been partially activated and operating virtually.

FIU Alert Emergency Notification System Test

The spring test of FIU Alert was conducted on January 22, 2020. A summary report of the test is attached.



Emergency Notification System

January 22, 2020

University-Wide Emergency Notification Test

Department of Emergency Management

Test Overview

On January 22, 2020 at approximately 11:00 a.m., the FIU Police Department initiated a university-wide test of FIU Alert, the University's emergency notification system. Voice calls, text messages, voice over internet protocol phones, callboxes, outdoor speakers, FIU email, social media in the form of Facebook and Twitter, electronic message boards, and the main webpage for FIU were utilized to send the FIU Alert. The FIU Alert message that was sent read as follows:

FIU ALERT! This is a test of the FIU emergency notification system. This is only a test.

Immediately following the test, an email containing a survey was sent to the FIU community to gauge the effectiveness of the FIU Alert emergency notification system. The results are below.

FIU Alert Performance Evaluation Data

FIU Alert Results

System Performance	Attempted	Delivered
Voice calls to cell phones	59,058	59,058 ¹
Text messages to cell phones	58,853	58,853 ²
Voice over internet protocol phones, outdoor speakers, callboxes	Not Successful	Not Successful
FIU email		Successful
Facebook		Not Successful
Twitter		Successful
Electronic message boards (EMB)		Partially Successful
FIU Alert Page		Not Successful

¹ Voice calls fail because of hang ups by the user, bad phone numbers, busy signals and no answers.

² Text messages fail because of bad phone numbers, rejection by the carrier because of account settings or no verification of delivery by the carrier.

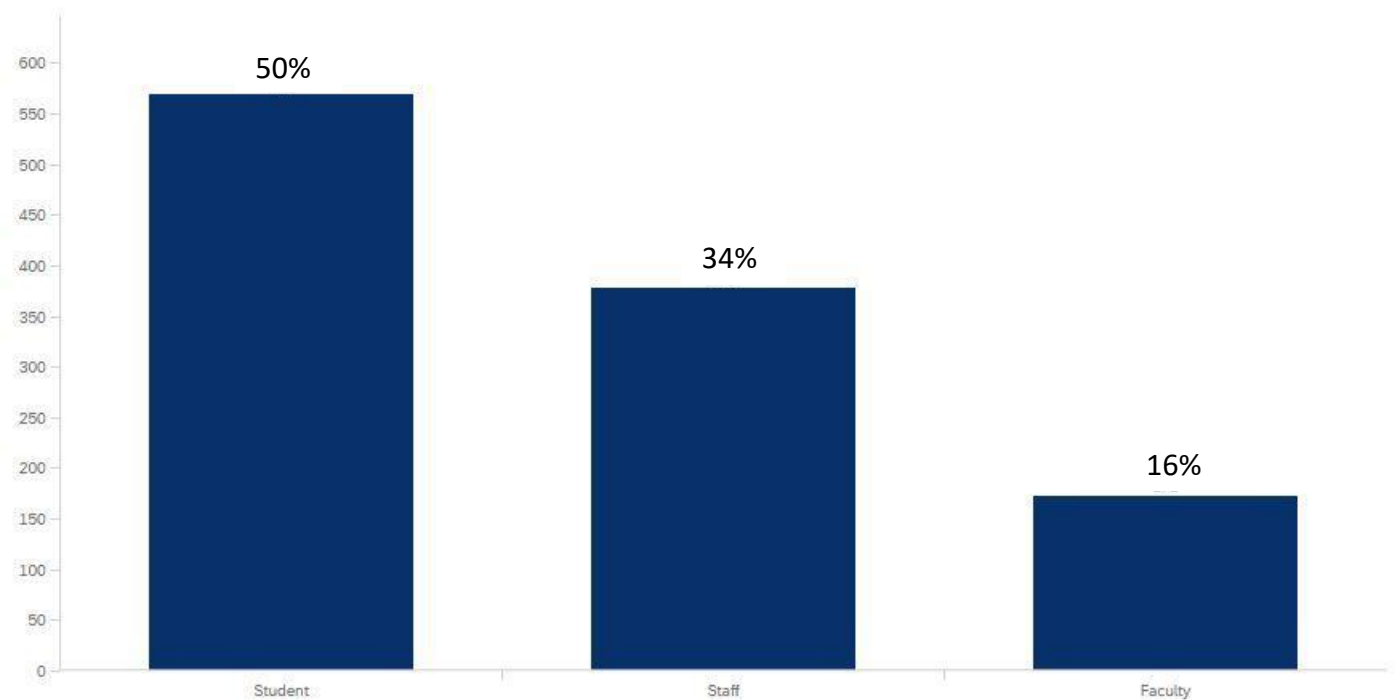
Issues and Solutions

- InformaCast devices across all FIU campuses were not activated. This was the result of a software limitation within the InformaCast system. InformaCast was unable to activate the FIU Alerts webpage while simultaneously activating voice over internet phones, speakers, and callboxes.
 - As a temporary solution, dispatchers have been instructed to send a separate notification specifically for the web page whenever an alert is to be issued. This will allow all alerting mechanisms to function.
 - A permanent solution has been found in upgrading the InformaCast system. The InformaCast system upgrade will be implemented and tested on February 3, 2020.
- Some electronic message boards displayed a message with inaccurate information stating that a “severe weather warning has been issued for an area of North Dakota.” This resulted from previous small-scale tests of the electronic message boards where AppArmor provided a test geocode for display devices.
 - The incorrect geocode has been identified and replaced with the correct code.
- The Facebook page was not activated to display an alert message. This resulted as the FIU Facebook page administrator who allowed AppArmor the permission to post messages had left their previous position.
 - FIU Department of Emergency Management now has administrative access to the FIU Facebook page, and will ensure that AppArmor’s Facebook permissions remain in place.
- The FIU Alert Page was not triggered as the result of an incomplete URL that had been entered into the AppArmor System.
 - FIU DEM confirmed and corrected the URL for activating the FIU Alert web page.

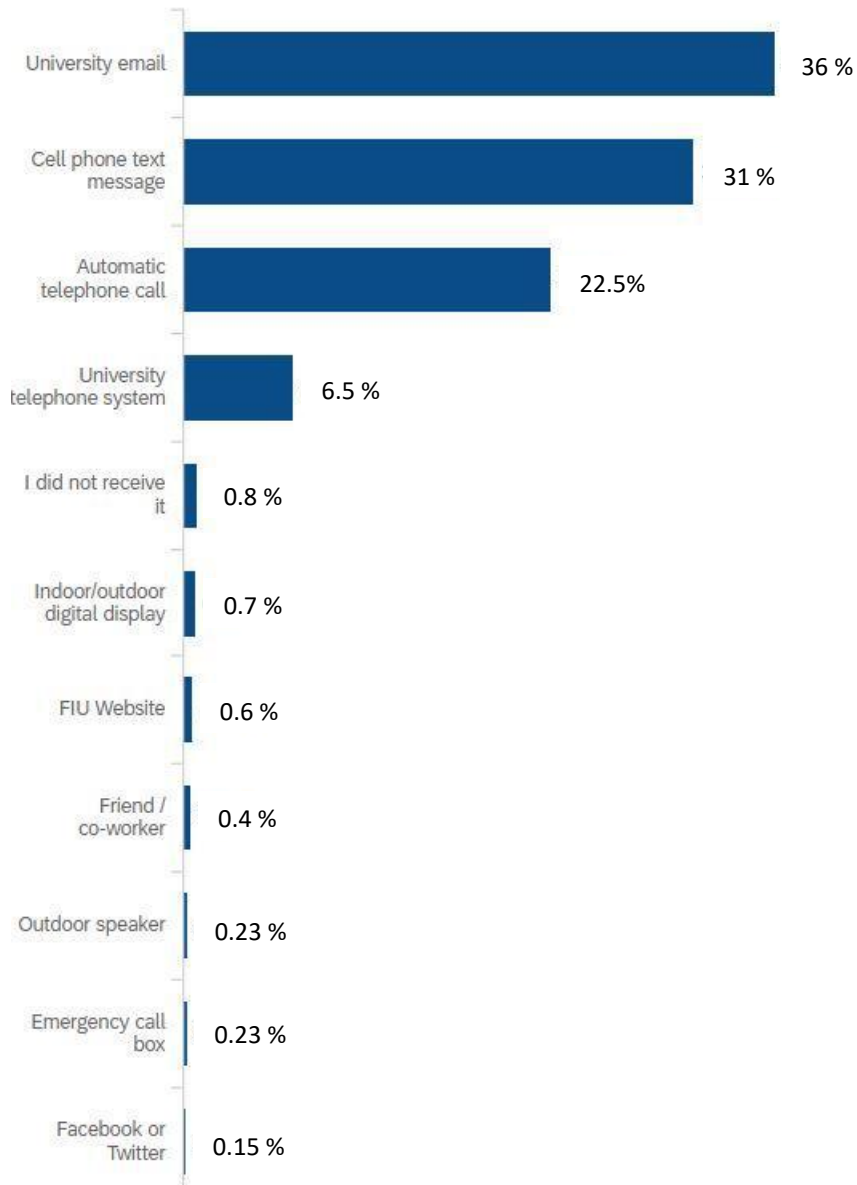
Survey Results

Total respondents to survey: 1,118

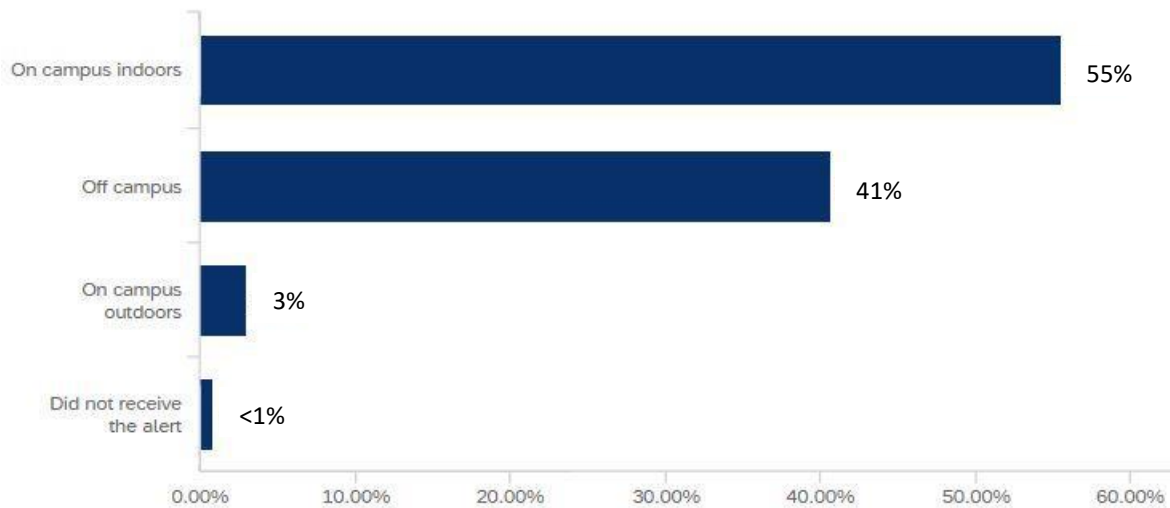
1 - What best describes your affiliation to Florida International University?



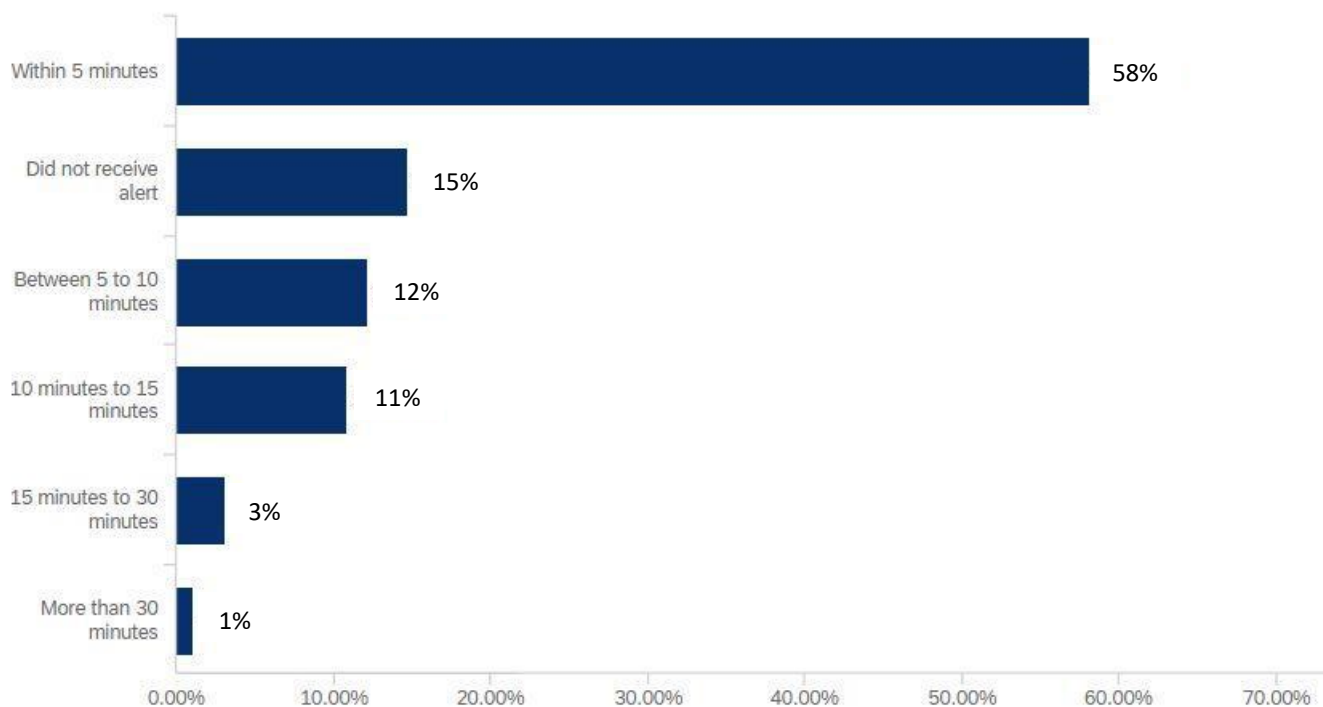
2 - How did you receive the test message? (Mark all that apply)



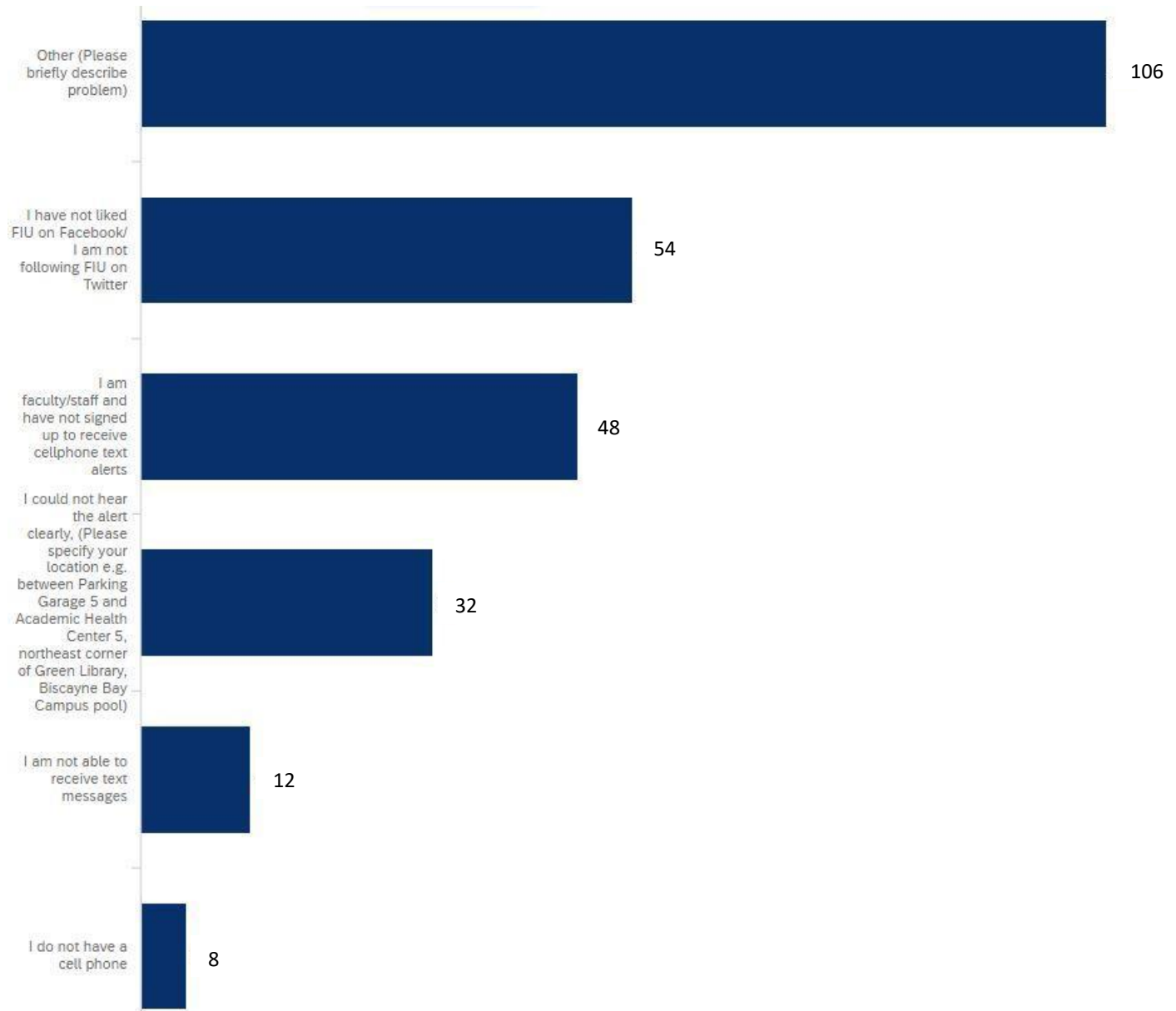
3 - On January 22nd, 2020 at 11:00 a.m., the University conducted a University-wide test of the FIU Alert emergency notification system. Where were you located when the test alert was sent out?



4 - If you did receive the cell phone text message, how long after 11:00 a.m. did you receive the message?



5 - If you had difficulties receiving the alert, which best describes why? (Mark all that apply)



Sample responses for "Other (Please briefly describe the problem)"

"I did not receive an alert through my desk phone (348-8051). As a Person of Interest (POI) I am unable to register for cell phone or text message alerts which often leaves me in situations where I would not receive the alert in a timely manner. This should be resolved so that POI's can receive alerts

"I am an online student living on the west coast of Florida. Why am I also bombarded with alerts about FIU campus emergencies? Just an email would be fine."

"The call came into my phone as a spam call. I normally would not pick those up."

"I used to receive alerts through text messages when I had two-step verification sign-in, but recently opted out. I don't know if that's the reason why I didn't receive one this time around, but it might be worth it to look into that"

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THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Facilities Committee
June 16, 2020

FACILITIES AND CONSTRUCTION UPDATE AS OF MAY 19, 2020

Report *(For Information Only – no action required)*

Projects Completed

- **Multi-Purpose Practice Fields (BT-916)** - \$9.9M; multiple funding sources. A/E – Stantec; CM – Moss Construction. The project installed two (2) full-sized practice fields, one natural grass and the other artificial turf, and a 3,500 gsf scalable multi-purpose field support building (FSB). It also built a faculty-designed wetlands expansion south of the preserve. A \$529K change order to replace a portion of SW 113th Avenue asphalt from Parkview to the crosswalk northwest of the Recreation Center with traffic pavers, approved as part of the FIU Board of Trustees (BOT) Carry-Forward expenditure plan, was completed on June 28, 2019. An additional \$126K change order installed 13 retractable traffic-rated stainless-steel bollards for improved safety at the intersection of SW 113th Avenue and SW 11th Street and at the intersection of SW 113th Avenue and SW 14th Street. The bollard installation was completed on March 1, 2020. *(Since this project has been completed, this entry will be removed from future Board of Trustees reports).*

Projects under Construction

- **University City Prosperity Project (UCPP) (BT-904)** - \$14.7M TIGER Grant project budget; multiple funding sources. Design/Build Team – MCM+FIGG. FIU has received \$9.5M from builder's risk and surety insurance companies as part of the settlement agreement, and \$3,288,582 of expired 2013 TIGER funds have been restored for use through 2024 by the Further Consolidated Appropriations Act, 2020. On May 5, 2020, the Florida Department of Transportation (FDOT) formally notified the Federal Highway Administration (FHWA) that it accepts FIU's request that FDOT manage the design and construction of a new FIU pedestrian bridge. In that letter, FDOT confirmed that Governor DeSantis has lifted the hold on the use of TIGER grant funds for use on the new bridge project. On May 13, 2020, the FIU project team met with FDOT to discuss scope development and design consultant selection for the new bridge project. MCM has submitted as-built drawings to the Miami-Dade Water and

Sewer Department (MDWASD) and is waiting for permit closure. FIU's contractor submitted Maintenance of Traffic (MOT) drawings to FDOT on May 8, 2020 and removed the temporary MOT measures on May 15, 2020 in preparation for restoration of permanent traffic measures. FIU has completed the survey for the canal cross-section and will survey areas of the canal for placement of rip rap and grading in order to close the U.S. Army Corps of Engineers (USACE) and South Florida Water Management District (SFWMD) open permits. FIU has contracted with a continuing service general contractor to clear the construction staging site and install fencing around the standing structures. Delivery date to close existing staging site and permits: August 1, 2020. FDOT projected completion date for the new bridge is 2025.

- **BBC Aquatic Center Pool Repairs (BT-928) Minor Project FM# 180321 (Phase 2) -** \$2.1M CITF and Auxiliary funded project budget split in two phases: Phase 1 (\$1.1M); Phase 2 (\$973K). CITF funding: \$2M; Auxiliary funding: \$91K. A/E - Alleguez Architecture; CM - Thornton Construction. Phase 2 of the project consists of completing the balance of the previously identified structural repairs to the Aquatic Center support facilities, including concrete and equipment repair to both filter pits and structural repairs to the pool equipment room. Additional work includes replacing both pool liners, replacement of the lower pool deck, and replacement of the chain link fence surrounding the Aquatic Center. Work began on February 13, 2020 with structural repairs to the equipment room and pool liner replacement scheduled to complete in June. Structural repair work under the pool deck and electrical upgrades continue. Waterproofing work on the lower pool deck will begin on June 1, 2020. Project delivery date: July 2020.
- **PG-5 Emergency Operations Center Expansion (BT-923) -** \$8.3M E&G-CF, Auxiliary, and Treasury funded project budget. A/E - PGAL; CM - Biltmore. The expansion will add 10,669 square feet of occupied space and renovate 2,140 square feet on the second floor of PG-5 adjacent to the existing space utilized by FIU Police and Emergency Management to provide a large emergency operations center, food storage and service operations, equipment storage, offices, conference rooms, and meeting breakout rooms. The renovated space will be reconfigured to provide a locker room, showers, laundry service space, and offices that are needed during emergency events. Emergency Management personnel were relocated to a temporary location in PC 334 on January 21, 2020 and Public Safety parking for 23 vehicles relocated to the third floor of PG-5 on February 21, 2020. Construction began with demolition of the ground floor slab and footing construction for the additional column supports. HVAC coordination with the existing EOC spaces and rough plumbing installation is ongoing. Once utility coordination and relocation work are complete, demo will begin in the second-floor expansion area. Delivery date: May 2021.
- **Parkview II Housing (BT-892) -** \$91.4M project consisting of \$87.5M bond proceed and Housing Auxiliary funding for the building and \$3,869,695 E&G CF funding for road and utility relocation. A/E - Perkins+Will; CM - Moss & Associates. The project

includes construction of a new 697 private bedroom style residence hall on the Modesto A. Maidique campus (MMC). The project received Florida Board of Governors (BOG) approval in January 2020. The 100% construction documents for the road and utility relocation, foundations, and off-site work are under review for permitting. The 100% construction documents for the building submitted to FIU on March 23, 2020 are under internal review and will be submitted for permitting in mid-June. Moss has committed to the construction budget amount of \$77,253,492. Auger cast test pile work began on April 15, 2020 as part of the preconstruction phase and production piles are scheduled to start June 1, 2020. Delivery date: April 2022.

Projects in Design

- **Frost Museum of Science Batchelor Environmental Center at FIU (BT-913) (Phase II)** - \$1.8M privately funded project budget. A/E - MC Harry & Associates; CM - Stobs Brothers Construction. To date, \$200K has been received for Phase II design services. Combined with Phase I funding of \$2.2M already received, \$2.4M of the \$5M commitment has been released to FIU. Phase II will be a classroom and lab building (approximately 3,000 gsf), with the remaining animal holding areas to be added at a future date when additional grant funding is received by the Frost Museum. The \$1.3M equipment budget for the project was reduced to increase the Phase II construction budget to \$1.1M for the building only; the budget will require an additional contribution of \$245,719 from the Frost Museum. Transfer of the project funding balance will be necessary once agreement is reached on the GMP to proceed with construction. 95% Construction Documents have been submitted for review. The project has been on hold since May 2017 pending resolution of gift agreement terms and new program requirements. Delivery date: TBD. *(No change from previous report).*
- **International Center for Tropical Botany (BT-914) at The Kampong** - \$6.0M privately funded project budget. A/E - MC Harry; CM - Thornton Construction. The project will construct a new 16,553 gsf facility on a site immediately adjacent to the National Tropical Botanical Garden (NTBG) property in Coconut Grove to house educational, lab, and office spaces. The project was delayed for four (4) years as FIU negotiated with the City of Miami and neighbors on the terms of the warrant application and restrictive covenant agreement. After achieving final agreement in October 2019, FIU resumed the design process. The 50% construction documents were received on April 2, 2020. On May 6, 2020 Thornton provided their 50% CD construction cost estimate which is \$1.2M over the original construction budget of \$4,479,721 in 2017. The construction cost estimate is under review and strategies to bring the project within budget are being explored. The 100% construction documents are due on June 5, 2020. Delivery date: TBD.

- **School of International and Public Affairs (SIPA) Phase II (BT-887)** - \$39.45M project consisting of \$12,701,439 PECO funding, \$15,000,000 private donation, \$250,000 SIPA cash contribution, \$5,534,299 FIU Online contribution, and \$900,000 E&G CF (current shortfall: \$5,064,262 will be raised with additional private donations). A/E - Harvard Jolly; CM - Thornton Construction. The project includes classrooms, conference facilities, offices, language and technology labs, negotiation and mediation facilities, experimental teaching space for SIPA, and offices, student technical support spaces and E-SPORT Gaming for FIU Online. PECO funding for the project was received in June 2017 with the condition that all private funds be expended before any PECO monies. The Green Family Foundation accelerated its \$15M donation, completing the full amount in December 2018. SIPA Dean John F. Stack, Jr. is leading the fundraising initiative for the remaining private funds. The final program was approved July 24, 2018 for an 84,858 gsf building, encompassing 48,445 gsf of built-out space, including 14,563 gsf for FIU Online, leaving 36,413 gsf of shell space for future build-out when additional funding is received. Harvard Jolly submitted 50% construction documents on May 8, 2020 for FIU's review and comments. The 100% DD cost estimate from the CM was also delivered on May 8, 2020 and is under review. The amount of funding received will determine how much space will remain shelled. The CM has estimated that funding to complete the build-out of the 4th and 5th floors must be received no later than June 2021 to avoid impacting the construction schedule of the project and any cost escalation. Delivery date: May 2022 (tentative).

Projects in Planning Stage

- **Hotel, Conference and Alumni Center** - Public-Private Partnership (P3) project. Developer/Operator - TBD; Architect - TBD; CM - TBD. The BOG approved the project on March 27, 2019. Award to the successful Invitation to Negotiate (ITN) respondent (Concord-Benchmark) is pending the successful finalization of fully executed Development, Operating and Sublease agreements, including design, construction, and operating cost estimates. Developer and FIU continue active negotiations. Any material change to the proposed terms approved by the BOG would require review by the BOT and resubmission to the BOG. Delivery date: TBD.
- **Engineering Building (Phase I and II) (BT-919)** - \$150.0M project consisting of \$105.0M PECO funding and \$45.0M private donations. A/E - TBD; CM - TBD. The project to build a new engineering building at MMC will include classrooms, teaching labs, study space, research labs, offices, and computer and instructional media spaces. To date, \$30,641,537 has been authorized; another \$8,266,104 in FY21-22 PECO funding is pending submission of the FY20-21 budget to the Governor and the Governor's subsequent approval. The program committee has been analyzing and consolidating space needs for a revised concept to build the Phase 1 building for

\$38.9M, anticipating as much as 70% of shell space to be built out with future appropriations or sponsored research grant funding. Working with faculty, Facilities Planning has completed the revised program estimate. Future programming meetings will concentrate on the comprehensive space analysis for this new approach. Delivery date: Dependent on funding.

- **Graham Center Expansion (BT-921)** - \$35.9M CITF funded project. A/E – TBD; CM – TBD. The project will add approximately 69,400 gsf to the existing building, increasing the current ballroom footprint and adding breakout rooms, green rooms, lounges, and storage space. The highlight will be a new and larger grand ballroom facility to meet current and projected needs. To date, \$16,301,389 in CITF funding has been received. The entire FY20-21 CITF funding allocation of \$7,002,807 will be applied to the project, resulting in a projected total of \$23,304,196. The Johnson Consulting firm completed a demand study to verify the program. Presentation of the study and programming decisions are pending. Delivery date: TBD.
- **PG-6 Classroom and Retail Expansion (BT-924)** - \$3.7M Auxiliary funded preliminary project budget. A/E – MCHarry; CM – TBD. The project will convert 15,425 gsf of parking garage space in PG-6 to weather-tight conditioned space for 6,635 sf of circulation area, 1,435 sf of unfinished retail space to support the future Miami-Dade County bus terminal, 935 sf of restrooms and 930 sf of storage, with 5,490 sf of space to be assigned. 100% construction documents were completed through a previous minor project. The project has been re-scoped to focus on the immediate known requirements for the future Miami-Dade County bus terminal: the rest rooms and the central access corridor. Future needs for research space and retail will be addressed separately once requirements are better defined. Progress on development of the construction project is contingent on successful negotiation of the agreement with Miami-Dade County. Delivery date: TBD. *(No change from previous report).*
- **CasaCuba (BT-925)** - \$34.3M project (increasing to \$48.8M after considering the \$14.5M required maintenance endowment) based on private donations, and other philanthropic sources such as a \$750K National Endowment for the Humanities grant, and a \$2M Knight Foundation grant (\$400K received to date); \$1,620,228 raised to date. A/E – TBD; CM – TBD. The project will build a 63,477 gsf facility at the SW 16th Street entrance to MMC, including 40,000 gsf of auditorium and exhibition space; 5,500 gsf of classrooms; 5,600 gsf of teaching and research labs; and 12,000 gsf of office, computer and campus support space. The project will create a dynamic center hosting open lectures, academic conferences, digital exhibits and research presentations, engaging museums, historical societies, and other academic and cultural institutions through meaningful partnerships. CasaCuba will help preserve and showcase FIU's wealth of Cuba-related intellectual and cultural resources for the benefit of the community, with a special emphasis on sharing and expanding its notable Cuba Collections. On April 18, 2019 the BOT approved an amendment to the Campus

Master Plan and proceeding to the design phase in order to support fundraising efforts. The program was approved on June 14, 2019. The National Endowment for the Humanities (NEH) grant requires studies to confirm compliance with environmental and historic preservation requirements. The historic and cultural preservation report from Janus Research is complete, and a draft of the NEPA Environmental Assessment has been posted on multiple web sites for public review and comment. The Architect/Engineer (A/E) shortlist meeting was held on April 13, 2020 with presentations by the five finalists scheduled for June 1, 2020. Delivery date: TBD.

- **Trish and Dan Bell Chapel (BT-927)** - \$9.0M privately funded preliminary project budget. A/E - TBD; CM - TBD. The project will build a multi-faith chapel on MMC on S.W. 14th Street, northwest of the Ronald W. Reagan Presidential House. The chapel will accommodate the plurality of faiths and perspectives at FIU and serve as a multi-faith gathering place for worship, contemplation, spiritual strengthening and mutual understanding. Initial program requirements are for the chapel to hold up to 250 people and include meeting space for students and leaders in FIU's multi-faith community as well as those teaching spiritual/religious subjects. The program committee was finalized on June 4, 2019 and the final program was completed and signed on December 6, 2019. The first installment of \$500K from the \$5M Bell family gift was received at the end of February. Proceeding to the design phase is dependent upon a fully funded and executed East Loop Realignment (BT-929) project to create the requisite space at the site for the chapel. Delivery date: TBD.
- **East Loop Road Realignment (BT-929)** - \$6.53ME&G-CF funded project. A/E - TBD; CM - TBD. The project will realign part of the loop road to enhance traffic flow and improve turning radii for large vehicles servicing the Graham Center. This project will create a larger available site area east of the Graham Center Ballrooms for expansion of the Graham Center as well as bus and VIP pick up and drop off access during Graham Center events. Realignment of the road will also create the space required to accommodate the Trish and Dan Bell Chapel project. The program committee was finalized on September 27, 2019 and the program was approved and signed on April 16, 2020. The project needs to be approved in the FY20-21 FCO Plan and funding allocated. Delivery date: TBD.
- **Herbert and Nicole Wertheim Performing Arts Center (WPAC) Rotunda Enclosure (BT-930)** - Privately funded project. Preliminary budget estimate depends on scope specified by the Program Committee. A/E - TBD; CM - TBD. The project will enclose the open-air pavilion of the Performing Arts Center creating a climate-controlled area for events and performances. Programming is underway with the Program Committee holding its kick-off meeting on March 17, 2020. Delivery date: TBD.

Encls: New Minor Projects established 1/1/2020 - 4/30/2020.

New Project Change Orders established 1/1/2020 - 4/30/2020.



FM New Minor Projects over \$500,000 established 1/1/20 through 4/30/20 (a)

Purpose: Information to BOT

	FM#	Project	Requester	Date Established	A/E	Construction	Total Budget		Funding Source
1	19-1106	Greek Housing I Code Assessment/Renovations	Auxiliary & Enterprise Development	12/11/2019	n/a	Multiple Vendors	\$ 690,702.70	**	Auxiliary
2	19-0116	EC Restrooms Renovations	FMD	12/12/2019	Alleguez	PENDING	\$ 1,316,361.59	*	E&G CF
3	20-0105	GL Escalator Upgrade/Modernization	FMD	1/24/2020	n/a	ThyssenKrupp	\$ 852,034.70	*	E&G CF
4	15-0612	MMC/BBC Acid Dilution Tanks Removal	FMD	1/17/2020	Stantec	DPR Construction	\$ 1,016,869.00	**	PECO
5	18-0531	BBC HM Room 135 Renovations	Academic Affairs	1/17/2019	Alleguez	Thornton Construction	\$ 972,348.83	**	E&G CF
6	18-1207	OE 3rd Floor HVAC Renovations	FMD	3/26/2020	SGM Engineering	Thornton Construction	\$ 1,343,184.99	*	E&G CF/PECO
							\$ 6,191,501.81		

(a) "Established" is defined as funded or contracted for design and/or construction during the reporting period.

* Funding approved via BAA request

** Indicates that the project went over \$500,000 upon construction being awarded.



FM Change Orders over \$50K 1/1/20 through 4/30/20 (a)

Purpose: Information to BOT

BT/FM#	Project	Vendor	Contract No.	Original Amount	Current Amount	CO#	Date Approved	Amount	Description	Funding Source
1 18-0321	BBC Aquatic Center Pool Repairs	Thornton Construction	382	\$ 906,580.01	\$ 1,810,467.84	2	2/11/2020	\$ 903,887.83	To commence Phase II of the construction repairs.	CITF
2 19-1017	CP Mold Remediation	Pure Air Control Services	407	\$ 252,631.40	\$ 372,952.40	1	2/17/2020	\$ 120,321.00	CO#1 for additional rooms requiring environmental cleaning.	E&G CF
3 17-1216	Medina Aquarius Re-Roofing Project	D Torr General Contractors	372	\$ 274,232.73	\$ 615,853.45	5	2/18/2020	\$ 341,620.72	CO#5 for the complete removal and replacement of the existing roof.	Auxiliary
4 19-1017	CP Mold Remediation	Pure Air Control Services	407	\$ 388,874.90	\$ 518,977.40	3	2/21/2020	\$ 130,102.50	CO#3 for additional cleaning, including the addition of 5 more rooms (375/385/391/393/395) and drywall removal required in Room 385.	E&G CF
5 18-0317	MMC Diesel Fuel Storage Tanks	Thornton Construction	385	\$ 1,111,417.00	\$ 1,165,406.67	1	2/25/2020	\$ 53,989.67	CO#1 REV 5 for electrical changes including new light poles, relays for generator backup power, filtration system to clean the sitting fuel, relocate existing central panelboard & controls to new location, and provide temp. power to existing tank to maintain continuity of usage during the construction phase.	Auxiliary
6 18-0802	OE 277-287 Animal Care Facility Ductwork	Turner Construction	399	\$ 483,622.00	\$ 536,289.00	1	4/6/2020	\$ 52,667.00	CO#1 to correct unforeseen conditions encountered at open penetrations at the perimeter walls, existing access panels not usable, discovered a concealed roof hatch that must now meet code compliance and discovered concealed plumbing drains that need replaced.	Auxiliary
7 18-0401	VH Structural Repairs	Thornton Construction	339	\$ 745,570.07	\$ 847,728.37	9	4/9/2020	\$ 102,158.30	CO#9 to correct water infiltration found at the edges of the existing exposed walkway causing substantial structural damage to the building.	PECO
								\$ 1,704,747.02		

(a) Change orders over \$50,000 on minor projects and change orders over 5% of authorized budget for major projects.

FIU FOUNDATION, INC.

**SUMMARY OF REVENUES AND EXPENSES
& INVESTMENTS**

March 31, 2020

FIU FOUNDATION, INC.
Summary of Revenues and Expenses *
For the Month Period Ended March 31, 2020
(In Thousands of Dollars)

	Actuals			Budget	Fav (Unfav) Variance
	University (Donor Designated)	Foundation (Unrestricted)	Total		
REVENUES:					
Cash Contributions	\$ 19,266	\$ -	\$ 19,266	\$ 17,629	\$ 1,637
Investment Returns, net of fees	(14,118)	(5,106)	(19,224)	13,967	(33,191) [1]
MARC Building	-	1,418	1,418	1,276	142
Foundation Subsidiaries	-	170	170	166	4
Annual Revenues & Fees	-	688	688	811	(123)
TOTAL REVENUES	5,148	(2,830)	2,318	33,849	(31,531)
EXPENSES:					
Support to University:					
Scholarships & Programs	18,170	-	18,170	16,769	(1,401)
Building Funds	75	-	75	3,082	3,007
Operational Support	-	865	865	1,008	143
Total Support to University	18,245	865	19,110	20,859	1,749
Operational:					
MARC Building	-	373	373	354	(19)
Foundation Subsidiaries	-	223	223	1,127	904
Administrative Operating Expenses	-	3,787	3,787	5,364	1,577
Other Expenses	-	137	137	217	80
Total Operational	-	4,520	4,520	7,062	2,542
TOTAL EXPENSES	18,245	5,385	23,630	27,921	4,291 [2]
EXCESS REVENUES OVER EXPENSES	\$ (13,097)	\$ (8,215)	\$ (21,312)	\$ 5,928	\$ (27,240)

*Summary of Revenues and Expenses reflects revenues on a cash basis and expenses on an accrual basis.

[1] The unfavorable variance of \$33.2 million in investment returns is based on an actual return for the fiscal year to date of -8.0% versus a budgeted return fiscal year to date of 4.9% (yielding a 6.5% annual budgeted rate of return).

[2] The favorable variance is mainly attributable to the timing of expenses related to building funds and environmental remediation work related to FEH V. Also, advancement operating expenses were lower than budgeted due to cancelled events, reduced travel and delays in hiring due to COVID 19.

Florida International University Foundation
Preliminary Performance Summary
As of March 31, 2020

Asset Class/Composite	Market Value (\$000s)	% of Total Managed Assets	Policy Target	Policy Ranges	Current Month	Calendar Year to Date	Fiscal Year to Date	Ann. Since Inception
Global Public Equity	39,201	14.8%			-17.3	-26.4	-18.6	2.1
U.S. Public Equity	32,196	12.1%			-17.2	-24.7	-17.4	4.3
Non-U.S. Developed Public Equity	29,222	11.0%			-15.1	-22.4	-16.2	2.2
Emerging Markets Public Equity	17,666	6.7%			-17.5	-26.5	-22.6	0.0
Total Public Equity	118,285	44.6%	37.5%		-16.8	-24.9	-18.3	3.4
<i>Total Private Equity</i>	51,608	19.5%	28.0%		---	---	---	---
Total Public & Private Equity	169,893	64.0%	65.5%	55.0%-85.0%	-12.2	-18.7	-12.4	4.3
Total Hedge Funds	38,281	14.4%			-5.8	-6.2	-3.6	4.0
Other Diversifying Investments	7,770	2.9%			-1.0	0.5	6.7	8.1
Hedge Funds and Other Diversifying Investments	46,050	17.4%	19.5%	0.0%-25.0%	-5.1	-5.2	-2.1	4.1
High Quality Bonds & Cash	49,346	18.6%	15.0%	6.0%-25.0%	1.4	5.4	6.7	5.3
Total Managed Assets Net of CA Fees	265,289	100.0%			-8.8	-12.7	-8.1	4.1
Total Assets Net of CA Fees	274,245	--			-8.7	-12.5	-8.0	4.0



THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Facilities Committee
June 16, 2020

SAFETY AND ENVIRONMENTAL COMPLIANCE REPORT AS OF MAY 15, 2020

Report *(For Information Only – no action required)*

There are no issues to report in this quarter

**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

Finance and Facilities Committee

June 16, 2020

TREASURY REPORT (For quarter ending March 31, 2020)

Report (For Information Only – no action required)

OVERVIEW

The University's total liquidity position of \$386.4 million was 2.9 times the University's debt position of \$163.6 million at the end of FY 2020 3Q. Including direct support organization ("DSO") debt, the liquidity to total debt ratio was 2.4 times. These results are better compared to the end of FY 2019 3Q, where the liquidity to University debt and the liquidity to total debt ratios were 2.5 times and 2.1 times, respectively.

LIQUIDITY

Real Days Payable

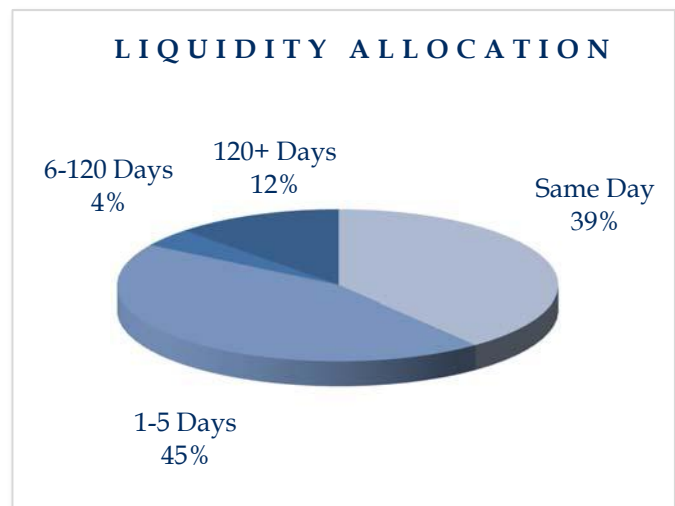
At the end of FY 2020 3Q, \$323.9 million, or 83.8 percent, of the liquidity position was accessible within 5 business days (see *Liquidity Allocation* chart for detail). At the end of FYTD 2020 3Q, the University had 68 real days payable¹ ("RDP") versus 65 RDP at the end of FYTD 2019 3Q. The increase in RDP was largely due to the portfolio returns over the trailing 1-year period.

Sources

The University started the fiscal year with \$169.1 million in cash balances². Total FYTD 2020 3Q inflows (state and operational) were \$936.5 million as compared to \$916.0 Million for FYTD 2019 3Q. On average, \$4.8 million flowed into the University each business day in FYTD 2020 3Q and \$4.7 million in FYTD 2019 3Q.

Uses

FYTD 2020 3Q, the University used \$942.7 million as compared to \$909.2 million in the same period last fiscal year. The FYTD 2020 3Q velocity cash outflow was \$4.8 million per day \$4.7 million in FYTD 2019 3Q. The University ended FY 2020 3Q with \$163.0 million in cash balances.



¹ Real Days Payable represents the available balance of liquid funds divided by the average cash outflows of the University. The calculation uses the available balance in the University's bank accounts plus the market value of investments that are accessible within 5 business days as its balance of liquid funds.

² Cash includes Working Capital Pool assets and cash balances in the concentration bank account.

Stress Tests/Performance Simulations

The University Office of the Treasurer (“Treasury”) analyzes the effect of negative market performance on its liquidity position through both value-at-risk (VAR) analysis and Monte Carlo simulation analyses.

VAR analysis, completed quarterly, estimates the maximum potential loss during a specific time period at a given level of confidence. VAR uses the historical behavior of each asset class over various time horizons (five years, ten years, full history). Our VAR analysis predicts that there is a five percent probability that the portfolio (as of the FYTD 2020 3Q ending balance) could have unrealized losses of up to \$8.0 million and one percent probability of up to \$17.1 million of unrealized losses within a twelve-month period. This risk exposure is slightly higher than FYTD 2019 3Q (\$6.4 million and \$15.8 million).

The University conducts monthly performance simulations of the portfolio under various market scenarios. At the end of FY 2020 3Q, a 100 bps rise in the 10 year Treasury Bond rate would result in a \$2.5 million (0.6 percent) unrealized gain. Liquidity, as measured by 5-day accessibility, would drop to 76.2 percent, or \$298.1 million, of the total current available cash and investment balances. RDP would fall to 62 days based on current fiscal year outflows.

A 25 percent decline in the equity markets would result in a -\$7.0 million (-1.9 percent) unrealized loss. Liquidity, as measured by 5-days accessibility, would decrease slightly to \$324.4 million or 87.1 percent of the total current available cash and investment balances. RDP would remain steady at 68 days based on fiscal year outflows in this stress scenario.

Bottom decile of overall portfolio performance would result in a -\$6.4 million (-2.0 percent) unrealized loss. Liquidity, as measured by 5-day accessibility would drop to \$284.6 million or 76.2 percent of the total current available balances. Furthermore, RDP would drop 59 days.

Forecast and Budget

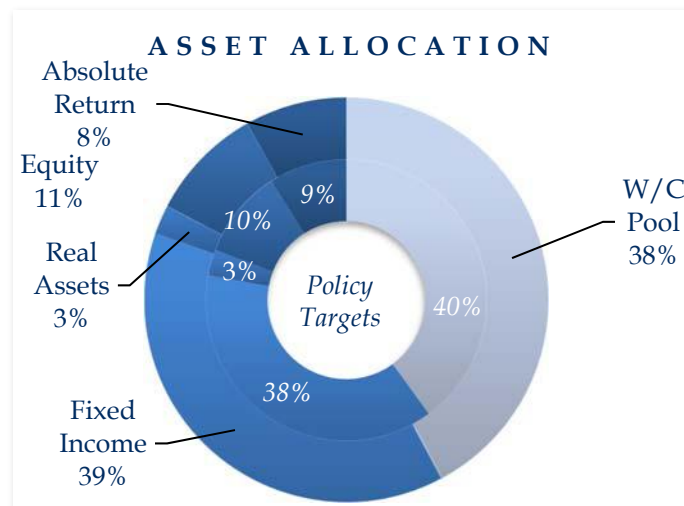
Actual balances at the end of FY 2020 3Q were 4.5 percent higher than the rolling forecast, -8.0 percent lower than the budget, and 4.3 percent higher than prior year. For the next quarter, the University should experience a gradual decline in the cash and investment balances lasting through the end of the fourth quarter of FY 2020.

INVESTMENTS

Composition

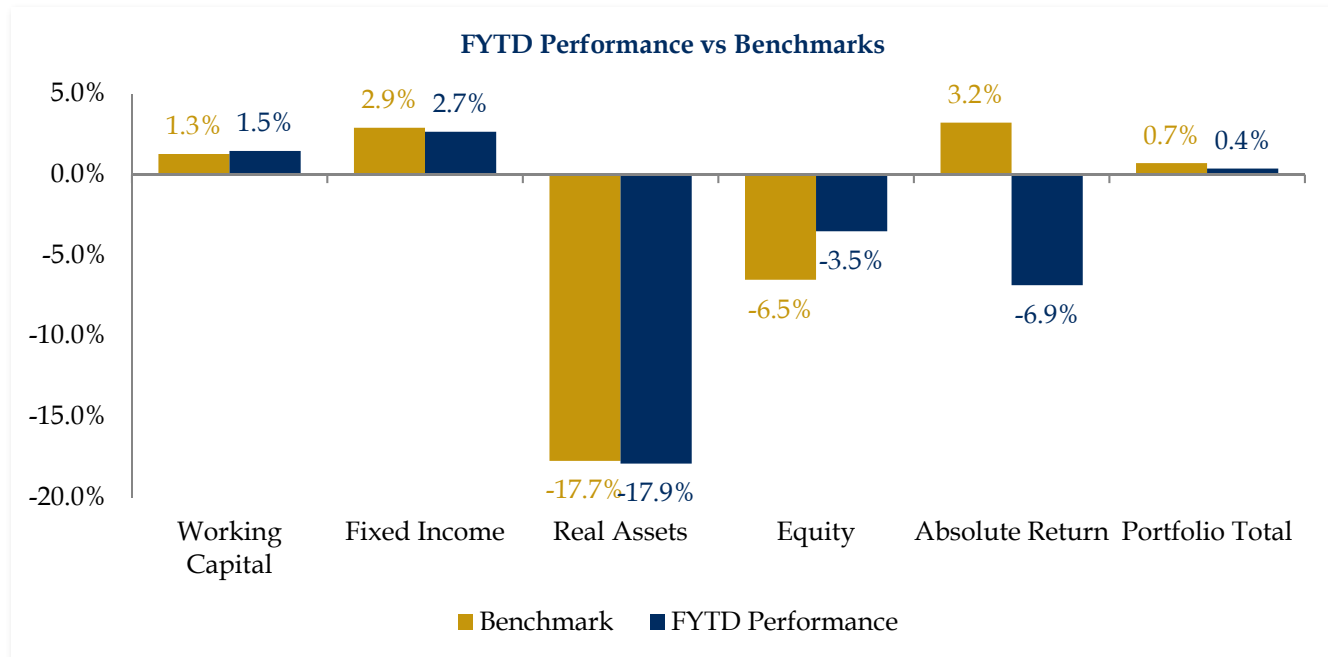
Asset allocations at the end of FY 2020 3Q remained within policy guidelines (See *Asset Allocation* chart for quarter end detail).

At the end of FY 2020 3Q, the market value of the University’s operating funds portfolio and cash was \$386.4 million. This balance reflects an increase of \$6.5 million or 1.7 percent, from the previous quarter. The increase reflects the quarter-to-quarter seasonal increase in cash flows, partially offset by the 3Q investment returns. The total portfolio market value was \$16.1 million higher than the market value at the end of FY 2019 3Q. The increase was due to strong year over year investment performance and higher positive cash flows.



Performance

FIU's operating portfolio continues to outperform the State Treasury investment pool ("SPIA"), returning 3.9 percent since inception versus the SPIA's 2.5 percent for the same period. At the end of FY 2020 3Q, the portfolio returned 0.4 percent. This compares unfavorably to a 2.9 percent return at the end of FY 2019 3Q. The Strategic Capital and Reserve Pools returned -0.8 percent while the Working Capital Pool gained 1.5 percent. Returns from the SPIA totaled 2.5 percent at the end of FY 2020 3Q (see *FY Performance vs. Benchmarks* chart for additional performance detail by asset class).



The Working Capital Pool was slightly higher and the Strategic/Reserve Pools were lower than their respective benchmarks. All asset classes in the Strategic/Reserve Pools were in line with their benchmarks with the exception of Equity and Absolute Return. The Equity asset class outperformed and the Absolute Return asset class underperformed their respective benchmarks. The outperformance in the Equity asset class was due to the portfolio's investments in private markets.

DEBT

Total Outstanding

The University and DSOs ended FY 2020 3Q with \$163.6M million in outstanding debt versus \$180.4M million at the end of FY 2019 3Q. The weighted average interest rate for the University and DSO issuances was 4.2% percent.

Bond Refunding

The University and the Athletics Finance Corporation (AFC), has refunded/modified a number of outstanding bond series. The refundings/modification are projected to save the University and AFC \$15.5 million in interest expense over the term of the issuances. As of March 31, 2020, \$4.5 million of interest savings have been realized from the refunding/modification activities. The University and AFC are expected to save \$0.7 million in interest expense in FY 2020 and \$4.2 million over the next 5 years.

Rating Agencies

The University anticipates that it will hold ratings review meetings with each of the rating agencies throughout 4Q, relating to the Parkview II bond issuance. We also anticipate that we will release voluntary disclosures, to the markets, for the Housing and Parking Systems. The disclosures will provide projections of the impact that the Coronavirus pandemic will have on each of the systems.

Period Ending March 31, 2020

OVERVIEW

Liquidity/University Debt	2.85
Liquidity/Total Debt	2.36

Liquidity Position

Cash + W/C Pool	\$ 163,002
Strategic + Reserve Pools	223,394
Total	\$ 386,396

Debt Position

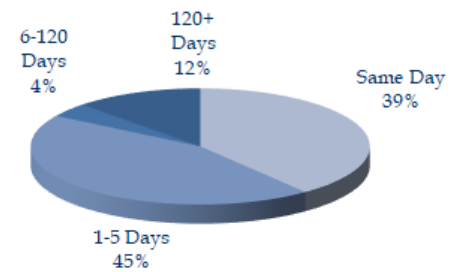
University Debt	\$ 135,560
DSO Debt	28,083
Total	\$ 163,643

LIQUIDITY
Availability

Same Day	\$ 152,154
1-5 Days	171,747
6-120 Days	15,216
120+ Days	47,280
Total	\$ 386,396

Real Days Payable (<5 Days)

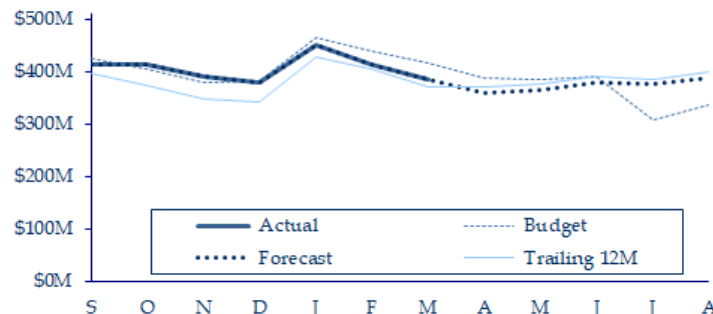
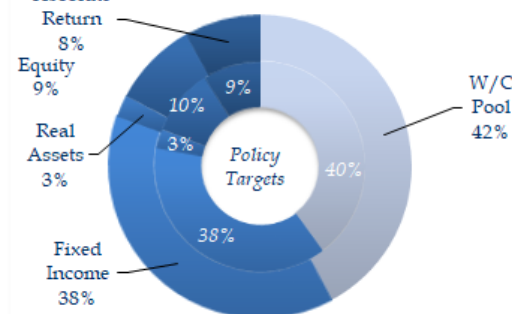
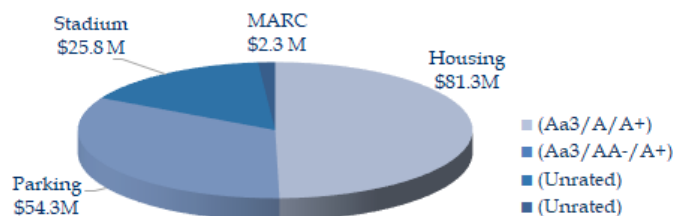
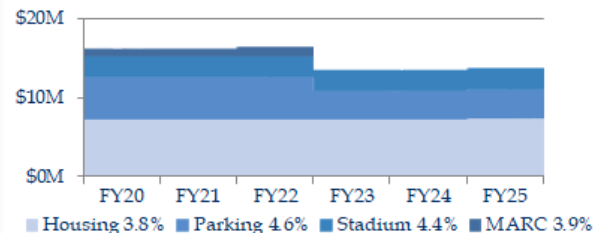
MTD Outflows	81
QTD Outflows	59
YTD Outflows	68

LIQUIDITY ALLOCATION

LIQUIDITY SOURCES AND USES

Sources	MTD	QTD	YTD
Opening W/C Pool Balance	\$ 178,620	\$ 143,614	\$ 167,855
Opening Cash Balance	882	636	1,290
From State	33,883	93,723	278,657
From Operations	37,457	275,913	657,890
Uses			
To Payroll	(53,870)	(177,902)	(513,777)
To Operations	(23,765)	(84,417)	(237,481)
To Students	(10,206)	(88,565)	(191,433)
Cash + W/C Pool	\$ 163,002	\$ 163,002	\$ 163,002

INVESTMENTS

Cash + W/C Pool	Balance	FYTD	Last 1Y
W/C Pool	\$ 162,716	1.5%	2.2%
Cash	286	0.0%	0.0%
Strategic + Reserve Pools			
Fixed Income	147,405	2.7%	5.9%
Real Assets	9,062	-17.9%	-19.4%
Equity	35,319	-3.5%	-1.2%
Absolute Return	31,608	-6.9%	4.8%
Total	\$ 386,396	-0.8%	1.8%

CASH + INVESTMENTS FORECAST

ASSET ALLOCATION

DEBT
OUTSTANDING DEBT

ANNUAL DEBT SERVICE


<u>OPERATING FUNDS</u>	<u>MARKET VALUE¹</u>	<u>BOOK VALUE</u>	<u>INCOME EARNED²</u>
<u>Working Capital³</u>	\$163.0M	\$163.0M	\$2.4M
Fixed Income	\$147.4M	\$140.4M	\$2.2M
Equity	\$35.3M	\$32.8M	\$0.2M
Real Assets	\$9.1M	\$17.8M	\$0.0M
Absolute Return	\$31.6M	\$23.7M	\$0.0M
<u>Total Strategic/Reserve</u>	\$223.4M	\$214.7M	\$2.5M
<u>Total Operating Funds</u>	\$386.4M	\$377.7M	\$4.8M

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THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Facilities Committee
June 16, 2020

Subject: Quarterly report of the purchasing transactions greater than or equal to \$500,000 and less than \$1,000,000 from January 17, 2020 through May 8, 2020.

Report *(for informational purposes only – no Committee action is needed)*

Purchase Order No.	Competitive Solicitation Number or Exemption	Competitive Solicitation Title or Agreement Type	Vendor	Department / PO Description	Current Expiration Date	PO Amount FY 20 (YTD)
0000200220	Exception under BOG Regulation 18.001(6)(d)(11) - Advertising, except for media placement services.	PO # 0000200220	Facebook Inc	COB Chapman Graduate School / Ads for Facebook and Instagram	06/30/2020	\$980,608.00
0000198422	Exception under BOG Regulation 18.001(6)(d)(18) - Purchases for Resale	State Contracts: St Johns County Schools Bid# 2019-03 expires 6-30-21 Broward County Schools Bid#16-168E (Crestron)	Smileys Audio Visual Inc	Business Project Mgmt. Office / Change order to increase Audio Visual BPO for the Computer Store	06/30/2021	\$975,000.00
0000154432	Approved by ORED. This is a subaward agreement and approval was obtained when entering into the subaward.	Subaward No 800004907-02UG	Georgia Tech Research Corporation	CIARA / Project Title IRNC: RXP: Atlantic Wave - SDX: A distributed Intercontinental Experimental SDX	03/31/2020	\$971,368.26
0000199664	ITN45-004	Fleet Services	First Vehicle Services Inc	Business Services / Change order to increase First Vehicle Services (FY 19-20). Contracted to service & maintain all vehicles for FIU (fleet)	3/16/2021	\$820,000.00

Purchase Order No.	Competitive Solicitation Number or Exemption	Competitive Solicitation Title or Agreement Type	Vendor	Department / PO Description	Current Expiration Date	PO Amount FY 20 (YTD)
0000200208	Exception under BOG Regulation 18.001(6)(d)(11) - Advertising, except for media placement services.	PO # 0000200208	Google LLC	COB Chapman Graduate School/Google Ads to promote some of the programs of Chapman Graduate School of Business	06/30/2020	\$726,500.00
0000198405	Exception under BOG Regulation 18.001(6)(d)(18) - Purchases for Resale	PO # 0000198405	The Douglas Stewart Company Inc	Business Project Mgmt. Office / Change order to increase Blanket PO for the computer store.	06/30/2020	\$650,000.00
0000176743	Approved by ORED. This is a subaward agreement and approval was obtained when entering into the subaward.	Subaward No 000054	Iowa State University of Science and Technology	Civil and Environ Engineering / ISU- change order requisition for PO # 176743	03/31/2021	\$621,000.00
0000209258	ITN-2019-00023	Three Component Particle Image Velocimetry (PIV) System / PUR-02815	LAVision Inc	International Hurricane Center / Acquisition and commissioning of the three-component particle image velocimetry (PIV) system to include 24-month warranty after delivery, system integration, and training (the services)	1/27/2022	\$609,140.25
0000200219	Exception under BOG Regulation 18.001(6)(d)(11) - Advertising, except for media placement services.	PO # 0000200219	LinkedIn Corporation	COB Chapman Graduate School/LinkedIn Ads	06/30/2020	\$572,084.00

Purchase Order No.	Competitive Solicitation Number or Exemption	Competitive Solicitation Title or Agreement Type	Vendor	Department / PO Description	Current Expiration Date	PO Amount FY 20 (YTD)
0000176746	Approved by ORED. This is a subaward agreement and approval was obtained when entering into the subaward.	Subaward No. 800007349/000023	Nevada System of Higher Education	Civil and Environ Engineering / Subaward No 800007349 Project title: ABC-UTC	03/31/2021	536,200.00
0000211269	Piggyback Agreement 18ITN-02AJ	Online Proctored Testing Services / FIU Contract# PUR-03076	Honorlock LLC	Provost and Exec VP Acad Aff / HonorLock for University Wide Use Proctoring Services	12/11/2021	500,000.00

THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Facilities Committee
June 16, 2020

Subject: Quarterly report of the purchasing transactions greater than \$1,000,000 from January 17, 2020 through May 8, 2020.

Report *(for informational purposes only – no Committee action is needed)*

Purchase Order No.	Competitive Solicitation Number or Exemption	Competitive Solicitation Title or Agreement Type	Vendor	Department / PO Description	Current Expiration Date	PO Amount FY 20 (YTD)
0000211970	Exception under BOG Regulation 18.001(6)(d)(12) - Services or commodities provided by governmental agencies, another University in the State University System, direct support organizations of the university, political subdivisions or other independent colleges and universities.	PO # 0000211970	State Board of Administration of Florida	Housing Central / FIU Housing Revenue Bonds, Principal, and Interest	06/1/2020	\$5,845,343.25
0000211969	Exception under BOG Regulation 18.001(6)(d)(12) - Services or commodities provided by governmental agencies, another University in the State University System, direct support organizations of the university, political subdivisions or other independent colleges and universities.	PO # 0000211969	State Board of Administration of Florida	Parking and Transportation / Series 2019A and 2013A Principal, Interest on indebtedness payment	06/1/2020	\$4,027,705.00

Purchase Order No.	Competitive Solicitation Number or Exemption	Competitive Solicitation Title or Agreement Type	Vendor	Department / PO Description	Current Expiration Date	PO Amount FY 20 (YTD)
0000198394	Exception under BOG Regulation 18.001(6)(d)(17) - Purchases from an Annual Certification List developed by each University	PO # 0000198394	Oracle America Inc	Panthersoft / Oracle Consolidate Support and License updates up to last quarter in June	04/04/2021	\$2,069,251.95
0000204428	RFP 90-012	Grounds Maintenance, PUR # 00628	Aramark Management Services LP	Groundskeeping /Grounds keeping Services for 2019-2020 at MMC, BBC and RCL – Bay Vista Housing up to June 2020	06/30/2020	\$1,899,274.08
0000164879	Approved by ORED. This is a subaward agreement and approval was obtained when entering into the subaward.	Subaward agreement # 800006849-01UG	Temple University	Institute of Neuroimmune Pharm / Grant related to project "Nanotechnology based gene Editing to eradicate HIV Brain reservoir in Drug Abusers"	05/31/2021	\$1,276,238.00
0000200043	Exception under BOG Regulation 18.001(6)(d)(10) - Training and education services	Teaching Services Agreement	A M Rywlin MD and Associates PA	COM Deans Office, COM Pathology / Administrative and Clinical Pathology services for the period of 07/01/2019 to 06/30/2020	06/30/2021	\$1,125,000.00

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THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Facilities Committee
June 16, 2020

CASACUBA BUILDING UPDATE AS OF JUNE 1, 2020

FUNDRAISING FOR NEW CASACUBA FACILITY

DONOR	PLEDGES	CASH
National Endowment for the Humanities*	\$ 750,000	\$ 750,000
Knight Foundation	\$ 2,000,000	\$ 400,000
Other Donors	\$ 1,107,644	\$ 470,228
Planned Gifts	\$ 918,000	\$ 0
TOTAL	\$4,775,644	\$1,620,228

**As a Federal agency award, this is a cost-reimbursement grant; the full amount has been obligated.*

Highlights since last report: Cash increased by approximately \$137,000. A verbal commitment for a \$500,000 gift was made publicly in early March. The gift agreement is in process and the amount is not reflected in the above totals.

FACILITIES UPDATE

- Facility Program Document approved June 14, 2019
- Architect/Engineer Selection Committee approved July 30, 2019
- National Historic Preservation Act (106 NHPA) Study was completed and approved
- First draft of National Environmental Policy Act (NEPA) Assessment Study has been received and is pending public comment and review
- Advertisement for Architect/Engineer was posted December 17, 2019
- Eligible Architect/Engineer Qualifications Submittals (15) received January 31, 2020
- Architect/Engineer Selection Committee conducted shortlist meeting April 13, 2020
- Architect/Engineer interviews/presentations with shortlisted firms (5) were conducted June 1, 2020 and the architectural firm René González Architects (RGA) was recommended to the President

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