



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

FIU, Modesto A. Maidique Campus, Graham Center Ballrooms

**Tuesday, April 15, 2025
9:00 AM**

Chair: Marc D. Sarnoff

Vice Chair: Dean C. Colson

Members: Alan Gonzalez, Jesus Lebeña, Alberto R. Taño, Roger Tovar

AGENDA

1. **Call to Order and Chair's Remarks** Marc D. Sarnoff
2. **Approval of Minutes** Marc D. Sarnoff
3. **Action Item: Committee Final Approval | Full Board Information Only**
 - 3.1 **Approval of Contracts greater than or equal to \$1,000,000 and less than \$3,000,000:** Aime Martinez
 - 3.1.1 Education Management Solutions LLC
 - 3.1.2 Hammes Company Healthcare, LLC
4. **Action Items**
 - FF1. **Proposed Amendment to Regulation FIU-1111 Employee Debt Collection** Aime Martinez
 - FF2. **University Depositories, Amendment to Signature Authority, and Authorization to Transfer Funds** Aime Martinez
 - FF3. **Naming of the FIU Softball Stadium as "Baptist Health Softball Stadium"** Scott Carr
5. **Discussion Item: No Action Required**
 - 5.1 **Review of FIU Financial Statements Audits for Fiscal Year Ended June 30, 2024** Aime Martinez
6. **New Business** Marc D. Sarnoff
7. **Concluding Remarks and Adjournment** Marc D. Sarnoff

The next FIU Board of Trustees Finance and Facilities Committee Meeting is scheduled for June 12, 2025

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Meeting Book - 04.15.25 - Finance and Facilities Committee Meeting

1. Call to Order and Chair's Remarks

Marc D. Sarnoff

2. Approval of Minutes

Marc D. Sarnoff

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3. Action Item: Committee Final Approval I Full Board Information Only

3.1 Approval of Contracts greater than or equal to \$1,000,000 and less than \$3,000,000
Aime Martinez

3.1.1 Education Management Solutions LLC

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4. Action Items

FF1. Proposed Amendment to Regulation FIU-1111 Employee Debt Collection
Aime Martinez

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FF2. University Depositories, Amendment to Signature Authority, and Authorization to Transfer Funds
Aime Martinez

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FF3. Naming of the FIU Softball Stadium as “Baptist Health Softball Stadium”
Scott Carr

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5. Discussion Item: No Action Required

5.1 Review of FIU Financial Statements Audits for Fiscal Year Ended June 30, 2024
Aime Martinez

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6. New Business
Marc D. Sarnoff

7. Concluding Remarks and Adjournment
Marc D. Sarnoff



April 15, 2025

Subject: Approval of Minutes of Meeting held February 13, 2025

Proposed Committee Action:

Approval of Minutes of the Finance and Facilities Committee meeting held on February 13, 2025.

Background Information:

Committee members will review and approve the Minutes of the Finance and Facilities Committee meeting held on February 13, 2025.

Supporting Documentation:

Minutes: Finance and Facilities Committee meeting,
February 13, 2025

Facilitator/Presenter:

Marc D. Sarnoff, *Chair, Finance and Facilities Committee*

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Finance and Facilities Committee

February 13, 2025

FIU, Modesto A. Maidique Campus, Graham Center Ballrooms

MINUTES

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 Marc D. Sarnoff at 9:57 AM on Thursday, February 13, 2025.

General Counsel Carlos B. Castillo conducted roll call of the Finance and Facilities Committee members and verified a quorum. Present were Trustees Marc D. Sarnoff, *Committee Chair*; Dean C. Colson, *Committee Vice Chair*; Alan Gonzalez; Alberto R. Taño; and Roger Tovar, *Board Chair*.

The following Board members were also in attendance: Trustees Noël C. Barengo; Francesa Casanova; Carlos A. Duarte, *Board Vice Chair*; George Heisel; Jesus Lebeña; Alexander M. Peraza; and Yaffa Popack.

Committee Chair Sarnoff welcomed all Trustees and members of the University administration.

2. Approval of Minutes

Committee Chair Sarnoff asked if there were any additions or corrections to the minutes of the Finance and Facilities Committee meeting held on November 21, 2024. Hearing none, a motion was made and unanimously passed to approve the minutes of the Finance and Facilities Committee meeting held on November 21, 2024.

3. Action Item (*Committee Action; Full Board Information Only*)

3.1 Approval of Contracts greater than or equal to \$1,000,000 and less than \$3,000,000:

1) EAB Global, Inc.; and 2) Podium Education, Inc.

Senior Vice President for Finance and Administration and Chief Financial Officer Aime Martinez presented the contracts with EAB Global, Inc. and Podium Education, Inc. for Committee review and approval. She noted that Educational Advisory Board Global Inc. ("EAB") provides consulting services and is part of a membership that provides decision tools, strategic insights and advice based on research of member institutions. She highlighted the following services that EAB has provided during the initial term: 360 degree listening tour that developed a comprehensive report providing guidance on the optimal structure for the Math Department; on-campus presentation with enrollment leaders equipping them with actionable strategies to effectively recruit Gen Z students, attract adult learners and drive enrollment growth; working with department chairs, deans and administrators of FIU Online to enhance their programs competitiveness; and providing strategic

advice based on research of member institutions to University areas, including the Division of Human Resources, Student Affairs, the Division of Information Technology, Auxiliary and Enterprise Development, and University Advancement. Sr. VP and CFO Martinez stated that a prior two (2) term contract that ended in December 2024 with EAB totaled \$581,000. She noted that the current renewal is for a three (3) year term beginning December 2024 through December 2027 with a total spend of \$938,000. She added that the total spend for five (5) years is \$1.5M.

Sr. VP and CFO Martinez commented that the contract with Podium Education Inc. is being requested by FIU Global and the Office of Education Abroad to provide student access to the Global Career Accelerator Program, which is a for-credit, online program that equips college students with soft skill development in communication, collaboration, and industry-leading intercultural competency training in real-world experience. She added that participating students will pay credit hour tuition in addition to the \$1,600 participation fee and will earn an Intercultural Specialist Badge upon completion. Sr. VP and CFO indicated that the contract with Podium Education Inc. is for five years, beginning May 2024 through May 2029. She remarked that since the inception of the agreement, approximately 190 students participated for a cost of \$336,600 and that if the current level of enrollment is sustained, the University could spend up to an additional \$2.4M. She pointed out that the contract is funded by Continuing Education auxiliary funds and allows for an automatic renewal for three (3) years unless either party provides the other party with written notice of non-renewal at least six (6) months prior to the end of the then-current term.

In response to Committee Chair Sarnoff, Sr. VP and CFO Martinez confirmed that the funding sources for the contracts with EAB and Podium Education, Inc. are unrestricted funds, and neither contract is funded from Education and General (E&G). Committee Chair Sarnoff requested that moving forward, in addition to including the funding sources for proposed contracts, it also be identified whether said funding sources are restricted funds. In response to Board Vice Chair Carlos A. Duarte, Provost and Executive Vice President Elizabeth M. Bejar commented that the membership with EAB is comprehensive, utilized University-wide, and has helped to support student development. Board Vice Chair Duarte commented that as the Committee reviews contracts, it is beneficial to understand the impact of those investments to the University. Responding to Board Vice Chair Duarte regarding the contract with Podium Education, Inc., Sr. VP and CFO Martinez pointed out that the University is subsidizing \$200 of the student participation fee for the Global Career Accelerator Program.

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, a motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee (i) approve, as listed and described in the Board materials, the University entering into the contracts and purchase orders and/or change orders to the purchase orders and (ii) authorize the University President or his designee to execute, on behalf of the University, the aforementioned contracts, purchase orders, and/or change orders.

4. Discussion Items

4.1 Financial Performance Review, Second Quarter FY 2024-2025

Sr. VP and CFO Martinez commented that operating revenues were below estimates by \$9.4M or 1% and that operating expenses were below estimates by \$31.9M or 4.1% with an overall net favorable variance of \$22.5M. She indicated that total investment earnings for the University and Direct Support Organizations were \$32.8M or \$11.7M above plan. She added that the University returns were 2.6% and the FIU Foundation returns were 3.4%.

In terms of revenues, Sr. VP and CFO Martinez commented that student financial aid was below expectations, primarily due to the shortfall of \$19.8M in Pell Grant awards. She noted that Pell Grant budget estimates were based off the Student Aid Index (SAI) modeling tool, which is created by the National Association of Student Financial Aid Administrators (NASFAA). Sr. VP and CFO Martinez indicated that the tool had intended to estimate SAI trends based on prior year data and, due to that limitation, had to make several assumptions that skewed individual SAI from what would be calculated based on 2024-25 data. She added that NASFAA has since discontinued its SAI modeling tool given that the Department of Education has cleared its Institutional Student Information Record (ISIR) backlog and institutions now have access to actual 2024-25 data and official student aid indexes. She indicated that the modeling tool does not add value and is no longer used by FIU. Sr. VP and CFO Martinez noted that the University budgeted that it would award 22,287 students, but 19,057 students were eligible for summer and fall 2024. She added that there are only 324 less eligible students or 1.7% this year when compared to the prior year. She remarked that this did not negatively affect enrollment. She pointed out that sponsored research also fell below expectations by \$2.9M mainly in federal and state-sponsored projects. Sr. VP and CFO Martinez highlighted the following revenues which exceeded expectations: E&G and student fees, \$7.7M, as a result of higher student credit hour enrollment; auxiliaries, \$4.6M, primarily due to a \$3.8M contribution for the new dining facility in housing; and Direct Support Organizations (DSOs), \$.8M, due to greater revenues in the FIU Athletics Finance Corporation resulting from the Pitbull Stadium naming rights and higher net patient revenue in the FIU HealthCare Network. She mentioned that if the assumptions in the financial aid estimates were removed, actual revenues would have exceeded the budget by \$10.2M.

In terms of expenses, Sr. VP and CFO Martinez indicated that the University realized savings of \$31.9M when compared to budget. She noted that Sponsored Research exceeded planned expenditures by \$5.3M. She added that higher commitments and investments made from Facilities and Administration (F&A) funds totaled \$9.8M, which was offset by lower research expenditures of \$4M and less DSO reimbursements of \$.5M. She commented on the following expenses, in which less was spent than budgeted: Student Financial Aid, \$20.1M; and \$17.1M in vacant positions and lower expenses from E&G, auxiliaries and student fees, and DSOs.

In response to Board Vice Chair Duarte, Sr. VP and CFO Martinez stated that the University provided across the board merit-based salary increases to collective bargaining employees as well as to staff and faculty from preeminent funds.

4.2 Update on Student Residence Facility Program and Cost at the Modesto A. Maidique Campus

Sr. VP and CFO Martinez noted that Board Chair Roger Tovar and Board Vice Chair Duarte have collaborated closely with the team to increase the size of the new student residence facility project. She recognized Mr. David Harper, Executive Vice President of Zyscovich, representing the architect firm designing the project. Sr. VP and CFO Martinez stated that the University has limited on-campus housing and that with 54,764 degree seeking students, only 7.7% of that population are living on campus, which is the lowest ratio in the State University System. She noted that even after opening Tamiami Hall, the University had a waiting list this past fall of 1,330 students. She indicated that Brailsford and Dunlavey estimated immediate demand for 1,400 additional beds, despite the off-campus housing located in the city of Sweetwater that currently offers over 5,200 beds. She commented that in February 2024, the Board of Trustees approved a project that consisted of 816 total beds, at a cost of \$184.5M, resulting in debt issuance of \$182.3M to open by fall 2027. Sr. VP and CFO Martinez added that the University is now proposing 1,174 beds for a total project cost estimate of \$238.3M with the cost per bed reduced to \$202,994, but due to the increased project size, it will more than likely open fall of 2028. She remarked that the project includes a \$20M cash contribution from Housing reserves and the debt issue will total \$237.8M.

Sr. VP and CFO Martinez commented that top firms for construction manager have been shortlisted, and the University should receive a guaranteed maximum price by November 2025. She added that the University anticipates seeking approvals from the Board of Trustees by December 2025 and the Board of Governors by March 2026. She noted that the issuance of bonds is anticipated by June 2026, construction to begin by July 2026, and the facility to open by fall 2028. Sr. VP and CFO Martinez described the financing structure, which consists of \$238M in revenue bonds, \$20M cash contribution, expected interest earnings of \$11.5M, and issuance costs of approximately \$5M. She indicated that construction costs will total \$238M, assuming 24 months of capitalized interest and that the term of the bonds is for 30 years, fixed and tax-exempt debt, assuming a conservative estimated rate of 5.25% as required by the Division of Bond Finance.

Sr. VP and CFO Martinez stated that when projecting the financial performance of the Housing system, including the new project, the University can meet the debt service coverages with the previously approved rate increases and the increased size. She commented that while the debt service coverage ratio is currently 1.77, a temporary drop to 1.32 is anticipated once the proposed student residence is open. In terms of the projections for the standalone building, Sr. VP and CFO Martinez stated that, assuming 95% occupancy levels, \$15.5M in revenues are projected in year one and \$16.4M by 2029-30. She noted that due to the rate and cost of construction driving the excess expenditures over revenues, debt service coverage will not meet the target 1.2 coverage as a standalone project, but in the later years it will eventually have positive performance.

Board Chair Tovar commented that increasing the project size has driven efficiencies by lowering the cost per bed. He added that additional on-campus housing also helps to address the increasing cost of living in South Florida and maintaining affordability for the University's students is critical. He stated that typically first year students are prioritized in terms of housing, but that on-campus housing is also in high demand for returning students.

Sr. VP and CFO Martinez presented project renderings, which highlighted multiple street and exterior views. She noted that the proposed location is behind the Patricia and Phillip Frost Art Museum and southeast of the 13-floor Tamiami Hall residence facility and will encompass 14 floors with an elevation of 17 floors on the south side. She commented that the student residence facility will feature 1,174 beds mainly consisting of four (4) bedrooms with two (2) bathrooms, a shared living area, and a kitchen. Sr. VP and CFO Martinez remarked that the facility will have one (1) main lobby as the primary point of entry and exit, one (1) lounge per floor of approximately 41-person capacity for a total of 12,765 square feet, 2,020 sq. ft. of available retail space, a central laundry facility, offices and a warehouse to store supplies and furniture. She added that the facility will also include a maker space, which will be a dedicated area where students can gather to create, design, and build, encouraging creativity and problem-solving through practical application.

5. Reports

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

6. New Business

No new business was raised.

7. Concluding Remarks and Adjournment

With no other business, Finance and Facilities Committee Chair Marc D. Sarnoff adjourned the meeting of the Florida International University Board of Trustees Finance and Facilities Committee on Thursday, February 13, 2025 at 10:44 AM.

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April 15, 2025

Subject: Approval of Contract greater than or equal to \$1,000,000 and less than \$3,000,000:
Contract #PUR-09256, Supplier: Education Management Solutions LLC

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, as described below, the University entering into the contracts and purchase orders and/or change orders to the purchase orders and (ii) authorize the University President or his designee to execute, on behalf of the University, the aforementioned contracts and/or purchase orders.

Background Information:

Contract PUR-09256 Renewal of TotalCAREiQ™ Platinum Agreement with Education Management Solutions, LLC (EMS). This contract is being requested by the Florida International University (FIU) Herbert Wertheim College of Medicine (HWCOC). The TotalCAREiQ™ Platinum Agreement between Education Management Solutions, LLC (EMS) and FIU provides a comprehensive and strategic framework for maintaining, supporting, and optimizing the EMS system installed at the FIU HWCOC Clinical Simulation Lab. This agreement is designed to uphold the highest standards in medical simulation training, ensuring seamless operation, compliance, and efficiency.

Key Benefits for FIU HWCOC

I. Uninterrupted Training and Learning Experience

- The agreement guarantees continuous functionality of the EMS system, allowing FIU's medical students and faculty to engage in high-fidelity simulation exercises without disruptions.
- By ensuring system reliability, students gain hands-on experience with real-world medical scenarios, enhancing their preparedness for clinical practice.

II. Comprehensive System Maintenance & Support

- The agreement includes diagnosis, repair, and replacement of both software and hardware components, ensuring that all systems operate at peak performance.
- Advanced equipment replacement ensures that faulty components are swiftly addressed, minimizing downtime and ensuring an uninterrupted training environment.
- Remote preventative health checks and on-site technical support help detect and resolve potential issues before they impact operations.

III. Cutting-Edge Technology and Continuous Improvement

- The agreement covers software updates, ensuring that FIU benefits from the latest advancements in simulation technology, improved user interfaces, and enhanced system functionalities.
- EMS provides continuing education opportunities for FIU faculty and staff, keeping them well-versed in system capabilities and emerging best practices in medical simulation.
- FIU staff gain access to EMS's specialized training center, providing hands-on learning to maximize the system's potential in training future healthcare professionals.

IV. Operational Efficiency and Compliance

- The agreement aligns with FIU's internal protocols and state regulations, ensuring adherence to compliance requirements while streamlining operations within the Simulation Center.
- By keeping the EMS system fully functional, the agreement supports data security, regulatory reporting, and accreditation requirements critical to HWCOM's success.

Impact on the FIU HWCOM Clinical Simulation Center's Goals

The FIU HWCOM Clinical Simulation Lab is dedicated to enhancing medical education by providing immersive, technology-driven training environments that replicate real clinical settings.

This agreement directly contributes to its mission by:

- **Maximizing System Uptime:** Ensuring that students and faculty have access to fully operational simulation technology at all times.
- **Improving Student Learning Outcomes:** Supporting competency-based education by enabling realistic patient simulations, skill assessments, and scenario-based training.
- **Advancing Medical Research and Innovation:** Providing a stable technological platform that facilitates research in medical education and training methodologies.
- **Enhancing Faculty and Staff Support:** Empowering educators with the latest tools, training, and support to effectively integrate simulation into medical curricula.

By investing in the TotalCAREiQ™ Platinum Agreement, FIU's HWCOM is reinforcing its commitment to high-quality medical education, ensuring that students receive exceptional hands-on training, and maintaining its position at the forefront of healthcare simulation and innovation. Additionally, we estimate an upgrade to the Hardware Camera System at an approximate cost of \$60,000, which will enhance the simulation lab's technological capabilities and ensure continued alignment with the institution's training and operational needs.

Procurement method Exception under BOG Regulation 18.001(6)(d)(17) – Purchases from an Annual Certification List developed by each university. FIU's Annual Certification for Sole Source/Exceptional Purchases Category 5: *The acquisition of computer hardware or software that is available only from a single source or that is necessary to perform with existing software and hardware. This includes software licenses, web-based solutions, internet database subscriptions, hardware upgrades and associated maintenance agreements.*

- **Term**
 - **Initial Term:** January 1, 2021 – December 31, 2024 (PUR-03260)
 - **Renewal Term:** January 1, 2025 – December 31, 2027 (PUR-09256)
- **Cost:** \$1,616,519.06 (PUR-03260 \$902,797.06 executed in 2020, and PUR-09256 renewal pricing \$653,722 plus an estimated additional \$60,000 for replacement of cameras.)
- **Unrestricted Funds:** E&G 240 and 241

Supporting Documentation: Contract Summary Page
EMS Maintenance and Support Agreement, 2015
PUR-03260 TotalCAREiQ Platinum Maintenance and Support Agreement, November 6, 2020
PUR-03260 Addendum, November 23, 2020
PUR-09256 Renewal of Maintenance and Support Agreement
PUR-09256 Addendum
Funding Certification Form

Facilitator/Presenter: Aime Martinez

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**Contract #PUR-09256 for Educational Management Solutions LLC (EMS) for FIU Herbert Wertheim
College of Medicine**

Supplier : Educational Management Solutions LLC

Supplier Contact: Michael Brookhouser
Title: Sr. Regional Vice President, Account
Management
Phone number: (610)701-7002 x247
Email: Michael.Brookhouser@ems-works.co

Initial Term

January 01, 2021 – December 31, 2024 (PUR-03260)

Renewal Term

January 01, 2025 – December 31, 2027 (PUR-09256)

TotalCAREiQ Platinum will take effect on January 1, 2025, and will continue for three (3) years or until termination or expiration under this Agreement.

General Scope of Work

TotalCAREiQ™ Platinum Agreement between Education Management Solutions, LLC (EMS) and Florida International University (FIU) includes providing comprehensive maintenance and support services for the EMS system installed at FIU's HWCOC Clinical Simulation Lab. This encompasses diagnosis, repair, and replacement of both software and hardware components, advanced replacement of equipment, remote preventative health checks, help desk and system troubleshooting services, and on-site technical support. Additionally, the agreement covers software updates, continuing education opportunities for FIU staff, and access to EMS's training center. The agreement aims to ensure the optimal performance and longevity of the EMS system to keep our Clinical Simulation management platform running at peak capacity while adhering to FIU's internal protocols and state regulations.

Renewal Pricing

Year 1 January 01, 2025 – December 31, 2025 \$211,499.00

Year 2 January 01, 2026 – December 31, 2026 \$217,844.00

Year 3 January 01, 2027 - December 31, 2027 \$224,379.00

Renewal Pricing Total: \$653,722.00. Plus an estimated additional \$60,000 for replacement of cameras.

Insurance Requirement:

FIU, as a public body corporate entity, warrants and represents that it is self-funded for liability insurance, with said protection being applicable to officers, employees, servants, and agents while acting within the scope of their employment by FIU. Any provision requiring FIU to provide or acquire insurance coverage other than such self-insurance shall not be effective. Vendor shall have and maintain the types and amounts of insurance that, at minimum, will cover Vendor's (or subcontractor's) exposure in performing the Agreement and name FIU as additional insured and be primary and non-contributory on Vendor's policies (except for workers' compensation & professional liability).

All policies shall be in a form and with deductible limits reasonably satisfactory to FIU, with insurance companies reasonably approved by FIU and authorized to do business in the State of Florida. Certificates of all insurance shall be deposited with FIU prior to the date of the Agreement. All insurance policies and certificates shall contain a provision that will not be cancelled without giving FIU thirty (30) days' written notice prior to the effective date of cancellation. Timely renewal certificates will be provided to FIU as coverage renews. Vendor, for and on behalf of itself and each of its insurers, hereby waives any and all rights of subrogation against FIU for any loss or damage arising from any cause covered by any insurance re- quired to be carried under the Agreement by any other insurance actually carried by Vendor. Vendor shall provide copies of any insurance policies upon request by FIU. If the professional liability coverage is provided on a claims-made basis, then such insurance shall continue for three (3) years following the expiration or termination of the Agreement. The insurance shall have a retroactive date of placement by the effective date of the Agreement. If the coverage is canceled or non-renewed and not replaced with another similar claims- made policy form, the Vendor must purchase Extended Reporting ("Tail") coverage for a minimum of three (3) years following the expiration or termination of the Agreement

Termination: Upon giving at least thirty (30) days' written notice to Vendor, FIU may terminate the Agreement, at any time, with no further obligation to Vendor, other than to pay for any goods received or services rendered in compliance with the Agreement prior to the effective date of termination. FIU shall not be liable for any early termination charges.

Department Contact Information

Name and Department: Johanna Diaz – Procurement Manager - HWCOM Finance and Administration

Phone: 305-348-4547

Email: johdiaz@fiu.edu

Purchasing Contact

Name: Jacob Zade – Procurement Services- Office of the Controller FIU

Phone: 305-348-4320

Email: ypinasza@fiu.edu



Smarter Simulation. Better Outcomes.

TOTALCARE GOLD LEVEL

MAINTENANCE AND SUPPORT AGREEMENT

This **Maintenance and Support Agreement** (Agreement), made February 2, 2015 will take effect for maintenance and support service period beginning January 1, 2015 by and between Education Management Solutions, Inc., (EMS), a Pennsylvania corporation, located at the Oaklands Corporate Center, 436 Creamery Way, Suite 300, Exton, PA 19341, and

The Florida International University Board of Trustees
11200 SW 8th ST
Miami FL 33199

BACKGROUND

The Background of this Agreement is that EMS has installed at the Client's facility an EMS system consisting of propriety software and equipment as listed in Exhibit A: Software and Equipment List under Project numbers 11037, 13026 and 14038 pursuant to an EMS System Purchase Agreement. The Client intends to utilize the EMS system in connection with its training and educational services to employees and students. As part of the System Purchase Agreement, EMS and the Client have entered into a Software License Agreement (License Agreement) relating to the licensing of software (Software) and operation of the system incorporating the Equipment. The Client desires to engage EMS to provide Maintenance and Support Services for the system (**M&S**), and EMS has agreed to provide such **M&S** under the terms hereof.

NOW, THEREFORE, intending to be legally bound, EMS shall provide to the Client the **M&S** described in this Agreement and the Client will pay the fees therefore under the terms set forth below.

Maintenance and Support

1. Diagnoses, Repair or Replacement

- a. Software: The EMS **TOTALCARE** level of Software Support under this Agreement includes diagnosis, repair or replacement of the Software installed by EMS, as set forth herein.
- b. Hardware: The EMS **TOTALCARE GOLD** level of Hardware Support under this Agreement includes diagnosis, repair and replacement of the Equipment purchased and installed by EMS, as set forth in this Agreement.
 - i. Coverage for PC-based Equipment and Servers is included during the term of this Agreement for up to four years from Project Acceptance. EMS recommends replacement of these items at that time.

- ii. Coverage for Other Equipment is included during the term of this Agreement for up to six years from Project Acceptance. EMS recommends replacement of these items at that time.
- iii. If diagnosis indicates system failure is caused by Equipment beyond the recommended replacement period, EMS will arrange for repair or replacement of the equipment and will invoice the Client for the cost of the equipment and shipping costs.
 1. The equipment will not be replaced under this Agreement.
 2. All costs for the repair or replacement of equipment beyond the recommended replacement period will be preapproved by the Client prior to EMS arranging for the repair or replacement of this equipment.

2. Advanced Replacement of Equipment

As part of the EMS **TOTALCARE GOLD** package, advanced replacement parts and equipment will be shipped using standard shipping via ground to the Client for installation to replace any failed Equipment provided that the failed Equipment is returned to EMS for repair. Failed Equipment that is no longer available may be substituted with a functional equivalent at EMS' discretion.

- a. Failed equipment is to be returned to EMS or other designated location as directed by EMS within 30 days. If failed equipment is not returned within 30 days. An invoice for the failed equipment will be sent to Client to pay for equipment not returned.

3. Continuing Education

As part of the EMS **TOTALCARE GOLD** package, Client has the:

- a. Ability to request two (2) webinars per year for additional training for Client staff in specific application areas chosen by Client.
- b. Ability to register two (2) users per year for continuing education at EMS' training center in Exton, PA. The cost of the training, lodging and meals (at training site) will be included. Training dates are available on the EMS website.

4. System Health Checks and Reports

The EMS **M&S** service includes remote preventative health checks. The Health Checks will be performed based on a schedule mutually agreed upon between the Client and EMS. The Health Checks will include a review of the Software and its settings, disk utilization and related IT settings. This is a continuous service based on remote access to Client system. Any issues that are identified by the remote preventative health check that cannot be corrected by EMS alone will be brought to the attention of the Client the next business day and a correction plan will be determined by EMS and Client.

5. Help Desk and System Troubleshooting

EMS shall provide the following help desk and system troubleshooting services under the **TotalCARE GOLD** package:

- a. The Client will have access to the EMS Customer Support Center Monday-Friday via support@SIMULATIONiQ.com between the hours of 8am-8pm EST.

- i. Client will also have access to extended hours of EMS Customer Support for events or emergencies outside the hours stated above.
 - ii. The EMS Customer Support Center will provide telephone, email and web-based assistance for information requests on features, functions and equipment operation, remote testing and trouble resolution with the On-Site Resource designated by the Client.
 - iii. Responses will be based on the Service Level Agreement provided in Exhibit B.
- b. Trouble-shooting will be performed remotely by the EMS Customer Support Center prior to dispatching technical support to the Client site. The Client will designate the On-Site Resource to participate in the remote diagnostic process.
 - c. The Client will provide EMS with remote access and IP connectivity for upgrades, diagnostics and testing.

Client On-Site Resource:

<u>WinnayAnne Nelson</u>	<u>wnelson@fu.edu</u>
(Name)	(Email)
<hr/>	
<u>305-348-0634</u>	
(Phone)	(After-hours Phone)

6. Single Contact for Hardware Warranty Support

- a. The repair of the Equipment will be performed at the Client's site, manufacturer's facility or at EMS' facility, at EMS' discretion. The Client will package, insure, and ship the malfunctioned unit to the maintenance location designated by EMS. Upon completion of the repair, EMS will arrange shipping of the Equipment to the original Client site for installation.
- b. The Client will be responsible for shipping to EMS' service locations; EMS will be responsible for return shipping and installation service as necessary.

7. On-site Support and Service

- a. On-site service is provided at EMS' sole discretion as part of **TOTALCARE GOLD**. EMS will coordinate with the Client to schedule technical support on-site. The service will be scheduled during normal business hours (9:00 a.m. to 5:00 p.m. local time).
- b. On-site technical support outside of normal business hours will be billed to the Client at EMS' then current hourly rates.
- c. EMS may, at its discretion, use one of EMS' approved subcontractors to provide on-site technical support.

8. Software Updates

- a. EMS will provide the Client with an upgrade of the standard licensed Software whenever a new release is issued by EMS, at no additional cost to the Client. These upgrades are provided as part of **M&S**.

- i. EMS may request that the Client install upgrades of the Software provided by EMS.
 - ii. The Client agrees to upgrade the software within a reasonable period of time after upgrades are released, but not more than two (2) releases from the current upgrade or release.
 - iii. The CLIENT agrees to upgrade their operating system within a reasonable period of time but no more than two years from release of upgrade from manufacturer.
 - iv. EMS reserves the right to discontinue **M&S** for obsolete or superseded versions of the Software [or operating systems].
- b. All such version and release modifications, when delivered and properly installed, shall become part of the Software and shall otherwise be subject to all of the terms of the License Agreement.
 - c. New versions of the Software with significant platform upgrades, substantial additional functionality or substantially improved performance, as determined by EMS, are not considered upgrades and are not included as part of **M&S**.

9. **Changes in the Software.**

The Client may request that changes be made to the Software not otherwise scheduled to be released. This Agreement does not cover changes in Software specifications, or other aspects of modification to the existing application. If the Client requests such a change, EMS will provide a separate quote for any design and development effort, and implementation of any such changes shall be subject to the parties' written agreement.

10. **EXCLUSIONS**

- a. EMS shall have no obligation to provide:
 - i. **M&S** for any Software or Hardware that has been damaged or rendered defective due to accident, negligence, misuse, abuse, abnormal use, unauthorized repair, fire, flood, vandalism, theft, any act of God, operation of Software with non-compatible software or systems or contrary to operating instructions including environmental, electrical, and operating temperature standards, or any combination of the above, or caused by accessories, alterations, or attachments of other devices not provided by EMS.
 - ii. **M&S** for any Software or Hardware to which a modification, attachment, alteration, or addition has been made unless the modification, addition, or alteration has been previously been authorized or recommended in writing by EMS.
 - iii. **M&S** for problems caused by third party software, OS patches or the like.
 - iv. **M&S** for configurations not installed by EMS or an EMS designated contractor.
 - v. Consumable items including but not limited to batteries, plasma cells, and cables.
 - vi. Deterioration of usage sensitive components such as fans, keyboards, mice and joysticks.

- vii. If a problem reported by the Client is not due, in part, to an error in the Software developed or Hardware installed by EMS, the Client will pay EMS at EMS' then current hourly rates for support personnel for the time necessary to diagnose and fix the problem.

11. Client Data

The Client shall be solely responsible for maintaining backup data necessary to replace the Client's data that is lost or damaged from any cause.

12. Maintenance Fee

- a. The EMS fee for 12 months of ***M&S TotalCARE GOLD*** package as provided herein to the Software listed in Exhibit A: Software List is \$32,242.00, and for the Equipment listed in Exhibit A: Equipment List is \$23,964.00, payable by the Client to EMS upon its execution and delivery of this Agreement.
- b. EMS shall have the option to increase such annual fee for annual renewal periods; provided, however, in the event of any such increase, the Client shall have the right to terminate this Agreement within 30 days after receiving notice from EMS of any such increase by delivering written notice thereof to EMS.
- c. ***M&S*** will automatically renew on an annual basis unless this Agreement is terminated as provided herein.
- d. Payment shall be made by the Client to EMS within 45 days prior to any renewal period.

13. Term

- a. ***M&S*** will take effect on the first of the month following Project Acceptance and will continue until termination or expiration of this Agreement.
- b. Either party may terminate this Agreement upon the occurrence of any of the following events:
 - i. In the event the other party defaults in any material obligation owed to such party pursuant to this Agreement or any other Agreement between EMS and the Client (including, without limitation, the License Agreement), if such material breach is not cured following at least 30 days written notice to the defaulting party.
 - ii. The other party is bankrupt or insolvent, or bankruptcy or insolvency proceedings are instituted against the other party and the proceeding is not dismissed within 60 days after commencement.
- c. This Agreement shall terminate immediately upon termination of the License Agreement.
- d. This Agreement shall automatically extend for successive of a one year period unless terminated by one party providing the other party written notice of at least 30 days prior to the expiration of the current term.

14. Relationship of Parties

- a. EMS agrees that in performing all services, EMS and any person employed by EMS to perform the services, shall act as a Contractor, independent of the Client, and not as an employee or agent of the Client.
- b. Client acknowledges that EMS employees represent a significant investment in recruitment and training, the loss of which would be detrimental to EMS' current and future business and profits. In consideration of the foregoing, Client agrees that for the term of this Agreement and for a period of two (2) years after its termination, Client will not directly or indirectly recruit, engage or attempt to recruit, hire or engage, discuss employment with, or otherwise utilize the services in any capacity of any person who is an employee or agent of EMS at any time during the term of this Agreement.

15. Notices

Any notice required under this Agreement shall be given in writing and delivered personally or by facsimile, registered or certified mail, return receipt requested, or overnight delivery service to the parties at their addresses noted above or such other addresses as shall have been designated to each other in writing.

All notices to **EMS** shall be directed to the attention of:

Attn: Contract Department
Education Management Solutions, Inc.
436 Creamery Way, Suite 300
Exton, PA 19341

All notices to the **Client** shall be directed to the attention of:

John A. Rock, MD, Dean's Sr VP Health Affairs
11200 SW 8th St., AHC2 #693
Miami, FL 33199

16. Disclaimer of Warranties and Consequential Damages & Limitation of Liability

- a. EMS' WARRANTIES SET FORTH IN THIS AGREEMENT, OR OTHERWISE COVERING THE SOFTWARE, ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
- b. Neither of the parties shall be liable to the other under this Agreement for any incidental, special, punitive, exemplary or consequential damages of any kind or character, whether based on contract, tort or any other theory of liability. The entire liability of EMS to the Client arising from or in connection with this Agreement, however caused, regardless of the form of action and on any theory of liability, including contract, strict liability, negligence or other tort, shall be limited to direct damages not to exceed in the aggregate the amount actually paid or payable by the Client to EMS for the affected services.

17. Governing Law

- a. This Agreement is made in the Commonwealth of Pennsylvania; it shall be construed and interpreted in accordance with the laws of the Commonwealth of Pennsylvania, without regard to any choice of law provision that would apply the law of another jurisdiction.
- b. Each party consents to the exclusive personal jurisdiction of the State courts located in the County of Chester, Commonwealth of Pennsylvania or Federal courts of the Eastern District of Pennsylvania for resolution of disputes arising out of or related to this Agreement.

18. No Assignment

Neither party may assign this Agreement, or any rights or obligations under this Agreement; except to the extent that EMS chooses to use a subcontractor for diagnosis, repair or replacement. Any assignment without the express written consent of the other party will be invalid. Notwithstanding the foregoing, EMS may assign this Agreement to any parent, subsidiary, affiliate or successor by merger, stock sale or sale of all or substantially all of its assets without the consent of the Client.

19. Final Agreement

This Agreement, together with the License Agreement, constitutes the entire agreement between the parties and terminates and supersedes all prior understandings or agreements on the subject matter hereof. This Agreement may be modified only by a further writing that is duly executed by both parties.

20. Severability

If any term of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then this Agreement, including all of the remaining terms, will remain in full force and effect as if such invalid or unenforceable term had never been included.

21. Headings

Headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent.

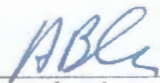
22. Counterparts

This Agreement may be executed in counterparts, each one of which shall constitute an original and all of which together shall constitute one and the same document. A facsimile or other electronically transmitted version, including a facsimile or digital signature, shall be considered the same as an original document for all purposes.

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized representatives on the dates written below.

Education Management Solutions, Inc.	Florida International University <i>Board of Trustees</i>
Signature: <i>Shazada Singh</i>	Signature: <i>John A. Rock</i>
Name: <i>SHAZADA SINGH</i>	Name: <i>John A. Rock, MD</i>
Title: <i>V.P.</i>	Title: <i>Dean & Senior VP Health Affairs</i>
Date: <i>6/15/15</i>	Date: <i>6/11/15</i>

Approved as to form and legality



Andrew B. Eisman
Associate General Counsel

Exhibit A

Software List

Project # 11037

<i>Item:</i>	<i>Quantity:</i>
Total Skills Center Software	1
Total Sim Software	1
DAVS Viewer Licenses	2
Control Station Software	1
Control Station Software (DAVS Viewer)	1
DAVS DVCS Encoder Software	1
DAVS Master Server Software	1
Audio DSP Programming	1
Active Directory/ LDAP Integration	1
DAVS Web License (Enterprise)	1
Crestron Control Programming	1

Project # 13026

<i>Item:</i>	<i>Quantity:</i>
DAVS Paging Software	1
Crestron Programming	1
DAVS DVCS Encoder Software	2

Project # 14038

<i>Item:</i>	<i>Quantity:</i>
SIMULATIONiQ Management Software	1
SIMULATIONiQ AV Control Software	1
Audio DSP Programming	1
Crestron Control Programming	1

Equipment List

Project # 11037

<i>Item:</i>	<i>Quantity:</i>
Pan-Tilt-Zoom Camera (including mount)	8
Microphone	4
Wall plate for extender	2
Control Room Desktop	2
Control Station Monitor	2
Stereo Headsets	2
VGA-CV Converter	2
VGA, USB & Audio Extender	2
Wall plate for extender	2
DAVS Video Recorder Ports	10
DAVS DVCS Encoder	1
Network Switch	1
Rack with Accessories	1
Camera Power Supply	1
Audio DSP	1
AV Distribution Amplifier (1x3)	10
Power Supply for DA	1
Rack Mount for DA	4
Crestron Control Hardware	1
UPS Backup	2
Touch Panel	2
Speaker System	2
Debriefing Room Sound System, Speakers & Volume control	1
VGA Wall plates	4
Matrix Switcher 8xa w/Multiplexer	2
Crestron Com Port Expansion module	2

Project # 13026

<i>Item</i>	<i>Quantity</i>
Camera Capture System	16
DAVS Video Recorder Ports & License	16
Network Switch	1
Rack (w/ Accessories)	1
AV Distribution Amp (1:3)	8
Power Supply for DA	1
Rack Mount for DA	3
Crestron Control Hardware	1
Overhead Paging Speaker	16
Paging Matrix Switch	1
Message Player	1
Power Supply	2
Microphone	1
Preamp	1
DAVS DVCS Encoder	2

Project # 14038

<i>Item</i>	<i>Quantity</i>
Pan-Tilt-Zoom Camera (including Mount)	20
Microphone	11
42 " LCD Screen with Articulating Arm	10
Dual Processor	10
Wall Plate Panel	10
Camera Control Joystick	1
Audio Switching System	1
42" LCD Screen w/ Tilting Mount	2
Video Recorder Ports	20
DVCS Encoder	2
Network Switch	1
KVM Switch	1
Rack	2
Camera Power Supply	2
Audio DSP w/ Echo Cancellation	1
AV Distribution Amp (1:3)	20
Power Supply for DA	3
Rack mount for DA (Das & Power)	6
Main Control Room Multiplexer (16:1)	2
Crestron Control Hardware	1
UPS	3
Overhead Paging Speaker	16
Paging Matrix Switch	1
Message Player	1
Power Supply	2
Preamp	1

Exhibit B

ZenDesk Priority	Description	Impact	Target Resolution Time
Urgent	<ul style="list-style-type: none"> • System hang or crash situations • Data loss or data corruption • Critical functionality not 	Critical Business Impact	24 Hours
High	<ul style="list-style-type: none"> • Major loss of function • Product error or failure forcing a restart or recovery • Severely degraded performance • Functionality unavailable but the system is able to operate in a restricted 	Significant Business Impact	5 Days
Normal	<ul style="list-style-type: none"> • Minor loss of function, or other problem where easy workaround is present • Error message with workaround • Minimal performance degradation • Incorrect product behavior with minor impact 	Minimal Business Impact	14 Days
Low	<ul style="list-style-type: none"> • Cosmetic problem like misspelled words or misaligned text • General requests for advice on product usage • Clarification on product documentation or release notes • Product enhancement request 	Nominal Business Impact	Next Quarterly Release

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SIMULATIONiQ™ Proposal

SUBMITTED TO:

FLORIDA INTERNATIONAL UNIVERSITY

NOVEMBER 6, 2020

Submitted by:

Dan Welker

Regional Sales Manager

Education Management Solutions, LLC

T: 610.701.7002 ext. 359

E: Dan.Welker@SIMULATIONiQ.com



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SIMULATIONIQ™ PRICING PROPOSAL – 4TH FLOOR

TOTALCAREIQ™ PLATINUM COVERAGE SUMMARY

- Education & Training at EMS Headquarters
 - Free Lodging and meals – for 2 participants
 - Unlimited classes- free lodging and meals
 - Free – New Staff Training at EMS Headquarters
- Webinar Training
 - Access to EMS Product Webinars
 - Customized Webinar(s)/year
- Invitation to EMS Annual User Summit
 - Free registration for 2 participants (value of \$350 per person)
 - Free travel and lodging for 2 participants
- Technical Professional Services: 8am-5pm M-F (EST)
 - Extended availability 8am-8pm
 - Special Event Assistance – (pre-arranged)
- Customer Support Portal Access 24x7x365
- Onsite Technical Professional Services
 - No additional charge (normal business hours)
 - No additional charge (off hours support)
- EMS Application Upgrades
 - New Platform releases and migration
- Diagnostics
 - Proactive Remote Monitoring Service
 - Annual Business Review
- Hardware Warranty
 - Manufacturer's Warranty on Hardware
 - Repair and Replace
 - Advance Replacement of Defective Hardware
 - Critical Spares Inventory
 - Automatic Hardware Replacement – End of Life
- Security and Redundancy – Cloud Based Storage (no fee)
- 5% Discount on EMS Professional Services or SIMULATIONiQ™ add-on modules

JANUARY 1, 2021 TOTALCAREIQ RENEWAL DATE

Item	Total
SIMULATIONiQ™ Enterprise Solution	\$53,575
EMS Professional Services:	
<ul style="list-style-type: none"> ✓ Project Management ✓ Engineering ✓ Testing & Configuration ✓ Onsite Implementation & Installation ✓ Onsite Training 	\$22,325
Annual TotalCAREiQ™ Platinum Package (Year 1) – Period 1/1/2021 – 12/31/2021	\$7,835
Annual TotalCAREiQ™ Platinum Package for Equipment being Taken Over By EMS (Appendix A) – Period: 1/1/2021 – 12/31/2021	\$36,073
Annual TotalCAREiQ™ Platinum Package for Existing EMS Equipment – Period: 1/1/2021 – 12/31/2021	\$155,634
System Subtotal	\$275,442
<i>Annual TotalCAREiQ™ Gold Package (Year 1) Included First Year</i>	<i>(\$3,610)</i>
SIMULATIONiQ™ System Total	\$271,832

ESTIMATED FUTURE COSTS

	<u>Annual Platinum Year 2-4</u>
<u>Project #11037</u>	
Annual TotalCAREiQ™ Platinum Package for SIMULATIONiQ™ Enterprise Management Software	\$21,080.00
Annual TotalCAREiQ™ Platinum Package for SIMULATIONiQ™ Enterprise Digital AV Software	\$10,217.00
Annual TotalCAREiQ™ Platinum Package for SIMULATIONiQ™ Enterprise Digital AV Hardware	\$26,218.00
<u>Project #13026</u>	
Annual TotalCAREiQ™ Platinum Package for SIMULATIONiQ™ Enterprise Digital AV Software	\$2,917.00
Annual TotalCAREiQ™ Platinum Package for SIMULATIONiQ™ Enterprise Digital AV Hardware	\$19,455.00
<u>Project #14038</u>	
Annual TotalCAREiQ™ Platinum Package for SIMULATIONiQ™ Enterprise Digital AV Software	\$19,613.00
Annual TotalCAREiQ™ Platinum Package for SIMULATIONiQ™ Enterprise Digital AV Hardware	\$56,134.00
<u>2020 Equipment Addition - 4th Floor</u>	
Annual TotalCAREiQ™ Platinum Package for SIMULATIONiQ™ Enterprise Digital AV Hardware	\$36,073.00
<u>New Project</u>	
Annual TotalCAREiQ™ Platinum Package for SIMULATIONiQ™ Enterprise Digital AV Software	\$985.00
Annual TotalCAREiQ™ Platinum Package for SIMULATIONiQ™ Enterprise Digital AV Hardware	\$6,850.00
Total	<u>\$199,542.00</u>
<i><u>*Note: Platinum requires a 4-year minimum commitment</u></i>	

SIMULATIONIQ™ SYSTEM DETAIL

Room	Item	Qty	Total
8 - OSCE Rooms (4th floor) (8)			
	Analog PTZ Camera (Including Mount & Camera Kit)	16	Existing
	Microphone	8	Existing
	Overhead Paging Speaker	8	Existing
2 - SIM Rooms (2)			
	Analog PTZ Camera (Including Mount & Camera Kit)	8	Existing
	Microphone	4	Existing
	Overhead Paging Speaker	4	Existing
	HD-TVI Vital Sign Capture	2	Existing
1 - Room (453) (1)			
	Overhead Paging Speaker	2	
1 - OSCE Control Room (1)			
	Control Station PC	1	Existing
	Control Station Software	1	Existing
	Camera Control USB Joystick	1	Existing
	Paging Microphone	1	Existing
	Overhead Paging Speaker	1	Existing
2 - SIM Control Stations (2)			
	Control Station PC	2	Existing
	Control Station Software	2	Existing
	Paging Microphone	2	Existing
Server Room			
	SIMULATIONiQ Video Recorder Ports & License	16	Existing
	SIMULATIONiQ DVCS Encoder	3	
	SIMULATIONiQ DVCS Encoder Software	3	Included
	SIMULATIONiQ Enterprise Master Server - Education (w/SQL & IIS)	1	Existing
	SIMULATIONiQ Enterprise Master Server Software	1	Included
	ESS Server	1	
	Streaming Server Software License	1	Existing
	AV Switch	1	Existing
	Rack (w/ Accessories)	1	Existing
	Camera Power Supply	2	Existing
	Audio DSP	1	

	Audio DSP Programming	1	
	Paging Speaker Power Supply	1	
	Crestron Control Hardware + Program	1	Existing
	Crestron Control Programming	1	
	SIMULATIONiQ Enterprise Web Licenses (Unlimited)	1	Included
	UPS	2	Existing

Please note:






























































- EMS offers an optional Cloud Backup Solution for all on-premise, server-based solutions for \$75 per server/month; please see your sales representative for additional details.
- CFE stands for Client Furnished Equipment.
- Please review the sections titled 'Technical Considerations' and 'Project Considerations.'

SIMULATIONiQ™ FUNCTIONAL DESCRIPTION

EMS is providing a quote for the following tasks. EMS shall provide the client with a quote to take over the support and maintenance for the clients existing equipment. EMS shall also replace the clients existing DSP with a Biamp DSP to handle all the audio in the system. All equipment being removed will be given to the client to be disposed of. EMS shall install two (2) overhead paging speakers into Room 453 to allow paging announcements to be made. EMS shall also work with the client on assessing the current microphone locations and room recording needs. EMS shall move any microphones to the new locations to improve the recording ability of each room. EMS will be limited on the cable lengths provided at each microphone. Additional costs may be incurred if the cabling isn't long enough. EMS shall require access to the clients current Crestron program so that EMS can take over the support for this device. If access to the program isn't available additional expenses may be incurred and support for this product may be limited. EMS shall also replace all five (5) existing DVCS servers with three (3) new DVCS servers, as the current servers need to be replaced to meet the latest SIMULATIONiQ IT guidelines. EMS requires access to the client Crestron program for trouble shooting. If this program is not available additional expenses may be incurred. EMS shall work with the client on the timeline to perform these tasks. EMS has agreed to provide ongoing support (TotalCAREiQ™) for equipment provided by other vendors. The equipment that will be covered is listed in Appendix A, provided all equipment listed is currently onsite, connected, and functioning as of the start date (2/1/2020).

EMS' TOTALCAREIQ™

TotalCAREiQ™ is EMS' comprehensive customer service and support program designed to help you achieve operational excellence. Backed by a team of EMS specialists, the program focuses on delivering fast results that help you sustain high performance standards over the long term through exceptional support, advanced training, best practices, and access to exclusive content. EMS offers three levels of TotalCAREiQ™ as outlined in the matrix below:

	TotalCAREiQ™		
Education	Silver	Gold	Platinum
EDUCATION & TRAINING AT EMS HEADQUARTERS	Fee 		
Free lodging and meals - for two participants			
Unlimited classes - free lodging and meals			
Free - New Staff Training at EMS Headquarters			
WEBINAR TRAINING			
Access to EMS Product webinars			
Customized Webinar(s)/year	One 	Two 	Four 
INVITATION TO EMS ANNUAL USER SUMMIT	Fee 		
Free registration for two (2) participants (value \$350 per person)			
Free travel and lodging for two (2) participants			
Hardware and Software Support	Silver	Gold	Platinum
TECHNICAL PROFESSIONAL SERVICES: 8AM-5PM M-F (EST)			
Extended Availability 5am-8pm			
Special Event assistance - (pre-arranged)			
CUSTOMER SUPPORT PORTAL ACCESS 24x7x365			
ONSITE TECHNICAL PROFESSIONAL SERVICES			
No additional charge (normal business hours)			
No additional charge (Off hours support)			
EMS APPLICATION UPGRADES			
New Platform releases and Migration			
DIAGNOSTICS			
Proactive Remote Monitoring Service			
Annual Business Review			
HARDWARE WARRANTY			
Manufacturer's Warranty on Hardware			
Repair and Replace	Fee 		
Advance Replacement of Defective Hardware			
Critical Spares Inventory			
Automatic Hardware Replacement - End of Life			
SECURITY AND REDUNDANCY - CLOUD-BASED STORAGE		Fee 	
Discounts	Silver	Gold	Platinum
5% DISCOUNT ON EMS PROFESSIONAL SERVICES OR SIMULATIONIQ ADD-ON SOFTWARE MODULES			



"EMS has a great program and their tech support is like no other I've dealt with in the past: They get things done! I appreciate all their hard work and dedication."

-Jean Ann Thompson
Oklahoma State University

TECHNICAL CONSIDERATIONS

(Some of items below may not apply to your specific project. Reach out to your Sales Representative if you have questions)

Implementation Details

All equipment will be placed in locations mutually agreed upon by Florida International University and EMS. Unless otherwise noted, all EMS supplied microphones used for audio recording in the individual rooms shall be mixed and processed through the EMS supplied audio digital signal processor (DSP). Unless otherwise specified, Florida International University shall be responsible for providing all cable management infrastructures above the ceiling for cabling components.

Control Computers

- EMS shall install and configure EMS Control software on each computer. The end-user shall have the ability to record the video output of all associated cameras. EMS shall configure and test the system to ensure seamless communication between AV components, SIMULATIONiQ™ Enterprise software and system servers.
- This computer will need to be configured to access the EMS assigned domain account.
- Minimum computer specifications are provided below; the specifications provided are valid for 60 days from the date of this proposal.

Standard Touch Panel Functionality

- The ability to turn the designated display on and off.
- The ability to select alternate video sources for the display.
- Volume control of the installed speaker system where available.
- Selection of an individual camera and control of its pan, tilt and zoom functions.
- Further coordination of the functionality will need to be discussed between EMS and the AV vendor to ensure timely implementation at the client site.

Mannequin Availability – Client Responsibility

- Florida International University shall set-up, install, and have available all mannequins and associated mannequin and vital sign computers prior to the arrival of the EMS installation team. Florida International University personnel shall also be available to configure the Florida International University supplied mannequin control computer for each mannequin.
- The mannequin control computers shall be located at the designated control stations.
- Each mannequin control computer shall be configured so it will function with the EMS supplied SIMULATIONiQ™ Enterprise software solution.

Long Term Backup

- Florida International University shall be responsible for additional long-term video backup process and infrastructure.

Site Readiness/Remote Access

- EMS expects the items below to be ready before EMS arrives on-site. If these items are not completed before EMS arrival, necessitating additional time to complete project, EMS will create a change order for client approval for any and all additional time and expenditures to complete the project.
- EMS expects all computers used for vital signs to be installed and ready for testing any mannequin. If mannequin computers are not available at the time of EMS installation, EMS may only be able to help support remotely for integration testing.
- Florida International University shall provide all network connectivity infrastructure, power, and HVAC infrastructure.
- Florida International University shall be responsible for all conduit and structural blocking for this project.
- EMS requests a VPN and/or remote connectivity capability for access from the customer service department at EMS Headquarters. EMS system requires a domain account and static IP addresses for all servers, and some workstation and AV equipment associated in this configuration.
- This configuration needs to be up and running before EMS is onsite. If this is not available where EMS can support remotely, EMS may seek additional charges related to any such delay incurred.

COMPUTER SPECIFICATIONS

PLEASE NOTE: The specifications provided below are valid for 60 days from the date of this proposal.

Minimum system requirements for debriefing and control station computers:

- Intel® i7
- 16 GB RAM or higher
- 512 SSD for media
- 1000 Mbps Network Interface
- Windows 8.1 Professional Edition (64-bit) or higher
- DVD-RW (DVD Burner with Nero 6 software – not required for SP or Learner stations – or any other DVD burner software already purchased, which is compatible to Windows 8.1.)
- 19" or bigger LCD monitor with minimum screen resolution support 1280 x 1024
- Video Display Card: MSI NVIDIA® GeForce GT750M with 4GB RAM
- USB Keyboard and Mouse

PROJECT ROLES & RESPONSIBILITIES

Item	Furnished By		Installed By	
	Client	EMS	Client	EMS
AV System mains power and receptacles	■	□	■	□
AV System conduits and cable paths (incl. pull strings and boxes)	■	□	■	□
AV system cable, wiring and connectors	□	■	□	■
AV system custom connection panels	□	■	□	■
Ceiling speaker wiring	□	■	□	■
Ceiling speaker enclosure	□	■	□	■
Ceiling speakers	□	■	□	■
Ceiling-mounted AV system equipment structural mount	□	■	□	■
Ceiling modification and finish work	■	□	■	□
Wall blocking and structural modifications	■	□	■	□
Wall mounted AV system equipment	□	■	□	■
Wall coverings, patching, painting, and finish work	■	□	■	□
AV system equipment enclosures and cabinets	□	■	□	■
AV system equipment ventilation and cooling as required	■	□	■	□
Millwork and custom woodworking modifications	■	□	■	□
Tel/Data and Networking wiring, devices and services	■	□	■	□
Building the rack for EMS Recorders and associated equipment	□	■	□	■
Building the rack for associated AV equipment	□	■	□	■
Installing and configuring the AV recorder	□	■	□	■
Installing and configuring the Database Server for the AV system	□	■	□	■
Installing and configuring the Web Server for the AV system	□	■	□	■
Providing sufficient network access points or network switch	■	□	■	□
Providing IP Addresses for the Recorders and Servers	■	□	□	■
Add the AV system to Domain or keep in Private Network	■	□	□	■

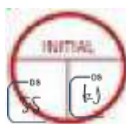
PROJECT CONSIDERATIONS

For a successful project deployment, please consider the following:

1. A purchase order must be accompanied by a signed System Purchase Agreement and a signed TotalCAREiQ™ Agreement in order for the project to begin.
2. EMS' standard payment terms are 50% upon issue of a purchase order, 40% upon delivery of equipment and 10% upon system acceptance (within 20 days of completion of installation or first use of the system).
3. Tax has not been included in the total; a tax-exempt certificate must be provided upon issue of a purchase order or tax will be added to the invoice for payment.
4. Unless described otherwise within the Functional Description, it will be assumed that EMS will install cabling and equipment during a single site visit. If a separate visit is required, additional travel cost will be necessary.
5. There will be a 3% surcharge for payments made via credit card.
6. This proposal is valid through **February 4, 2021**; EMS reserves its right to revise or withdraw this proposal after 90 days from date of this proposal.
7. This proposal reflects labor and installation performed within the standard business hours of 8:00 AM – 5:00 PM. If installation is required outside of standard business hours, additional fees apply.
8. Additional site surveys, permits, safety training and/or drug testing are not included in the pricing of this proposal.
9. A purchase order is necessary to commence work on this proposal; EMS will require a minimum of 90 days from the date of receipt of a purchase order to procure, configure and test the solution prior to delivery.
10. Within 15 days of receipt of a purchase order, EMS will collaborate with the customer to devise a mutually agreeable project plan and timeline. Any subsequent changes to the project plan such as milestone delays may result in change orders.
11. If the proposed equipment becomes discontinued prior to delivery, EMS reserves the right to substitute for equipment of comparable technology.
12. All servers, workstations or other equipment supplied by the customer shall meet EMS' minimum specifications (EMS no longer supports the Windows XP operating system.)
13. The customer is to ensure that any equipment delivered to the project location will be securely stored in a dust-free environment.
14. EMS will begin installation upon receipt of a signed site preparedness form.
15. First use of the system shall constitute acceptance of the system in the absence of a signed acceptance form.
16. Any EMS-provided hardware and/or software that is terminated, physically moved to a new location, and/or reconfigured by the customer or a third party will be considered out of warranty and not be covered by our TotalCAREiQ™ program.
17. Customer agrees to provide secure remote access to the installed EMS system for EMS to meet its installation and support commitments.

EXHIBIT A: EQUIPMENT BEING TAKEN OVER BY EMS

Item	Qty	Make	Model
Audio Amplifier	2	Crown	CTs4200
Audio DA	8	Extron	ADA-3A
Camera Control Panel	1	Panasonic	AW-RP50
Ceiling Speakers	16	JBL	6"
Crestron Controller	2	Crestron	Pro 2
Crestron Joystick	1	Crestron	C2N-CAMIDJ
Crestron Touch Panel	8	Crestron	6-7"
Crestron Touch Panels	2	Crestron	8"
HDBT Transmitter	8	Extron	DVI 201 Tx & DVI 201Rx
Headphone amplifier	4	Marshall	AR-AM1
LCD Display	8	Sharp	52"-55"
LCD monitor with dual mount	8	Dell	26"
Microphone	8	N/A	N/A
PTZ Camera	16	Panasonic	AW-HE50
Rack	2	Middle Atlantic	N/A
SDI mux devices	8	TVONE	Corio C2-6204
UPS	2	Middle Atlantic	UPS2200R



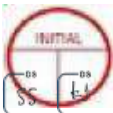
18. This Proposal, together with the Maintenance and Support Agreement between Education Management Solutions LLC and The Florida International University Board of Trustees dated June 15, 2015 and any exhibits thereof including the Supplemental Addendum, which are all incorporated herein reference, form the entire agreement between the parties in respect of the products and services set forth in this Proposal.

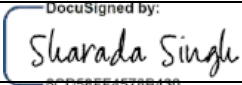
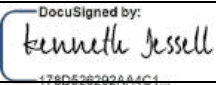


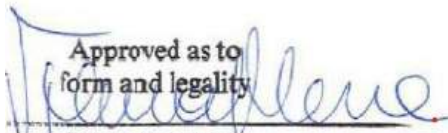
PROPOSAL ACCEPTANCE

IN WITNESS WHEREOF, this proposal has been agreed and accepted upon by the duly authorized representatives of both parties on the dates written below.

The supplemental addendum will be incorporated to this original agreement



Education Management Solutions, LLC	Florida International University Board of Trustees
Signature: 	Signature: 
Name: Sharada Singh	Name: Kenneth Jessell
Title: COO	Title: Vice President and CFO
Date: 11/20/2020	Date: 11/20/2020

Approved as to
form and legality

F.I.U. Attorney

Date: 11-20-2020

FLORIDA INTERNATIONAL UNIVERSITY

1. Incorporation by Reference. The Florida International University Board of Trustees ("FIU") and the undersigned ("Vendor") hereby incorporate this Supplemental Addendum - Software ("Addendum") into the agreement between FIU and Vendor (the "Agreement"). If this Addendum conflicts with the Agreement terms, this Addendum shall control.

2. Payment. Vendor shall submit bills for compensation for goods, services and/or expenses in detail sufficient for a pre- and post-audit; invoice requirements are available on FIU's Office of the Controller's Payment Services [website](#). FIU shall make payment in accordance with [FIU-2202 – Prompt Payment](#). If FIU does not issue payment within forty (40) days of receipt of a proper invoice, FIU may pay Vendor an interest penalty at the rate established pursuant to § 55.03(1), F.S., if the interest exceeds one dollar. Vendors experiencing payment problems may contact the Vendor Ombudsman at (305) 348-2101. FIU's performance and obligation to pay is contingent upon the legislature's annual appropriation; FIU will give notice to Vendor of the non-availability of funds when FIU has knowledge thereof. FIU will be responsible for paying only for any goods/services it receives; Vendor must refund any payment for goods/services that are unused upon the termination of the Agreement. FIU is a tax immune sovereign and exempt from the payment of sales, use or excise taxes. Vendor is responsible for and shall pay any taxes due under the Agreement. FIU may require Vendor to accept payments via FIU's EFT/ACH payment process. If Vendor is making any payment to FIU, Vendor shall pay timely and not offset any amounts.

3. Relationship of the Parties. Each of the parties is an independent contractor and nothing in the Agreement shall designate any of the employees or agents of one party as employees or agents of the other. Vendor represents and warrants that it is not on the Convicted Vendor List (see § 287.133, F.S.). Vendor hereby assumes all risks attributable to the willful or negligent acts or omissions of Vendor and its officers, employees, agents and subcontractors or persons otherwise acting at the instance of Vendor, in furtherance of fulfilling Vendor's obligations.

4. FIU's Information. Vendor acknowledges and agrees that: (a) all documents, data, studies, materials, information, or other intellectual property furnished to Vendor by FIU or FIU's affiliates in connection with the Agreement, and (b) all reports, studies, plans, deliverables, strategies, materials and other documents and information developed or prepared for FIU in connection with the Agreement, or which reflect any of the documents, studies, materials information, or other intellectual property furnished to Vendor by FIU (collectively, (a) and (b) are referred to as the "Information") are and shall remain at all times confidential, proprietary, and the sole property of FIU. FIU shall retain all rights, title and interest in the Information. Vendor agrees that it shall not use the Information and will not share it with its employees, except as necessary to Vendor's performance under the Agreement. Vendor shall not disclose the Information to third parties unless it obtains FIU's written consent to such disclosure. In the event Vendor is required by subpoena, law or other judicial or administrative process to disclose the Information, Vendor shall (i) provide FIU with prompt notice thereof; (ii) consult with FIU on taking steps to resist or narrow such disclosure; (iii) furnish only that portion of the Information that is responsive to the request; (iv) comply with the requirements of all Privacy Laws (defined below); and (v) reasonably cooperate with FIU in any attempt that FIU may make to obtain an order or other reliable assurance that confidential treatment will be accorded. Upon termination of the Agreement or upon request by FIU, Vendor shall promptly return the Information.

5. Public Records. FIU is subject to Chapter 119 of the Florida Statutes, commonly known as the Florida Public Records Law. The Agreement, this Addendum, and any related documents and/or correspondence shall also become a public record subject to the Public Records Law, regardless of any confidentiality provision outlined in the Agreement. FIU may respond to public records requests without providing Vendor any notice. However, in the event FIU receives a request for Vendor's information, which is exempt from disclosure pursuant to the Public Records Law AND is clearly marked as confidential, FIU will redact such information from release, unless otherwise authorized in writing by Vendor. 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 termination or expiration of the Agreement. Additionally, Vendor shall comply with all applicable requirements of the Public Records Laws, particularly if Vendor is a "Contractor" as defined under § 119.0701, F.S.: (a) Keep and maintain public records required by FIU to perform the service; (b) Upon request by FIU, provide the public with access to public records on the same terms and conditions that FIU would provide the records and at a cost that does not exceed the cost provided in the public records laws, or as otherwise provided by law; (c) Ensure that public records that are exempt from public records disclosure requirements are not disclosed except as authorized by law; and (d) Meet all requirements for retaining public records and transfer, at no cost, to FIU all public records in possession of Vendor upon termination of the Agreement (or upon request by FIU) and destroy any duplicate public records that are exempt from public records disclosure requirements. All records stored electronically must be provided to FIU in a format that is compatible with FIU's information technology systems. **IF VENDOR HAS QUESTIONS REGARDING THE APPLICABILITY OF CHAPTER 119 TO VENDOR'S DUTY TO PROVIDE PUBLIC RECORDS, VENDOR MAY CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT (305) 348-1377, recordsmanagement@fiu.edu, BY MAIL AT 11200 S.W. 8th ST., GL 460, MIAMI, FLORIDA 33199.**

6. Intellectual Property. Vendor represents and warrants that its hardware, software and any related systems, documentation and/or services related thereto (collectively, the "IP")

furnished by Vendor to FIU will not infringe upon or violate any patent, copyright, trademark, trade secret, or any other proprietary right of any third party. Vendor will, at its expense, defend any suit brought against FIU and will indemnify FIU against an award of damages and costs (including reasonable attorney fees, court costs and appeals), made against FIU by settlement or final judgment of a court that is based on a claim that Vendor's IP infringes an intellectual property right of a third party. FIU will provide reasonable cooperation in the defense of the suit at Vendor's expense. Such defense and indemnity shall survive termination or expiration of the Agreement and Vendor's liability for the above is not limited by any limitation of liability clauses in the Agreement. In the event an injunction or order shall be obtained against FIU for the use of Vendor's IP or if in Vendor's opinion the IP is likely to become the subject of a claim of infringement or violation of a copyright, trademark, trade secret, or other proprietary right of a third party, Vendor shall, at its expense: (a) Procure for FIU the right to continue using the IP; or (b) at no additional cost to FIU, replace or modify the IP so that it becomes non-infringing, but only if the modification or replacement does not adversely affect the specifications of the IP or its use by FIU. If neither (a) nor (b) above is practical, Vendor shall remove the IP from FIU and shall issue a refund for the IP to FIU, less reasonable depreciation. Thereafter, any license involved shall be canceled. FIU may distribute any information or service based upon, generated by, or involving the use of the IP as long as the IP is not distributed to individuals outside of FIU. FIU may create and retain a copy of the IP and related documentation for back-up and disaster recovery purposes, and for archival purposes for use after the termination and/or expiration of the Agreement.

7. Indemnity. Vendor will indemnify, defend and hold harmless FIU, the FIU Board of Trustees, the State of Florida, the Florida Board of Governors, and their officers, employees, and agents from and against any and all actions, claims, liabilities, assertions of liability, losses, costs and expenses, which may arise in any manner or are alleged to have arisen, from) the acts, omissions, negligence or misconduct of Vendor or its officers, employees, agents, representatives or subcontractors in connection with or related to (a) Vendor's operations, activities, business and/or services or (b) Vendor's occupancy or use of the FIU premises. FIU will provide reasonable cooperation in the defense of the suit at Vendor's expense. Vendor's indemnification obligations shall not be limited by any limitation of liability outlined in the Agreement. Such defense and indemnity shall survive termination or expiration of the Agreement. **Nothing in the Agreement shall be construed as a waiver of sovereign immunity nor as an indemnification of Vendor by FIU, and then such indemnification is limited to the express terms of §768.28, F.S.**

8. Compliance. In the performance of the Agreement, Vendor shall at its own expense, at all times during the term:

- Permits:** have all applicable permits, licenses, consents, and approvals necessary to perform its obligations under the Agreement;
 - General:** comply with all applicable federal, state, local and FIU laws, rules, regulations, and ordinances and all other governmental requirements;
 - Privacy:** comply with any and all applicable state and federal laws and FIU policies and procedures governing the use and/or safe-keeping of confidential, highly sensitive, and/or personally identifiable or protected health information (as may be defined by state or federal law), including, but not limited to, the Family Educational Rights and Privacy Act (FERPA), the Health Insurance Portability and Accountability Act (HIPAA), the Gramm-Leach Bliley Act, the Federal Trade Commission's Red Flags Rule (which implements Section 114 of the Fair and Accurate Credit Transactions Act of 2003), [FIU Policy 1110.032](#) – Preventing Identity Theft on Covered Accounts, and [FIU Procedure 1930.020a](#) – Data Stewardship (collectively, "Privacy Laws"). Vendor shall obtain in advance all necessary permissions and consents required in regards to its collection and/or receipt of any such information. In the event that FIU will share with or provide access to Vendor of any protected health information ("PHI"), as that term is or may be defined by state or federal law, FIU and Vendor shall, pursuant to [FIU Policy 1610.020](#), enter into a separate business associate agreement which will govern the use of the PHI (in lieu of this provision). Vendor agrees to include all such terms and conditions contained in any subcontractor or agency contracts providing services on behalf of Vendor;
 - Federal funds.** If FIU has entered into an agreement with the United States of America, or any Department thereof, and the Agreement is in furtherance of the commitments and/or requirements of such federal agreement or funds, Vendor agrees to comply with the terms contained in FIU's Federally Funded Projects Addendum, found at <https://generalcounsel.fiu.edu/contract-forms/>, herein incorporated by this reference; and
 - PCI-DSS:** as may be applicable, deliver all services in full compliance with the most recent version of the Payment Card Industry Data Security Standard (PCI-DSS) in effect at the time of service delivery. Vendor will treat all FIU provided infrastructure and resources as public and non-secure, regardless of measures FIU may choose to put in place. Vendor will also maintain all required qualifications and periodically furnish proof of ongoing compliance in the form of an Attestation of Compliance to demonstrate to FIU that Vendor is continuously operating in full compliance with PCI-DSS and is not relying on FIU for any aspect of that compliance. If Vendor loses any required certification or the certification lapses, Vendor shall immediately notify FIU, and FIU will have an option to terminate this contract and receive a refund for unrendered services.
- 9. General Provisions.**
- Warranties.** Vendor, at a minimum, warrants that the IP, the goods, and/or the services to be provided by Vendor will be free of any material defects and will operate and conform to the specifications provided in all material aspects throughout the term of the Agreement. This warranty shall be in addition to any warranties provided in the Agreement.

- b. **Publicity.** Vendor shall not make any announcements relating to the Agreement, nor shall Vendor use FIU's name, trademarks, logos or marks, without the prior written approval from FIU's External Relations department in each instance.
- c. **Insurance.** FIU, as a public body corporate entity, warrants and represents that it is self-funded for liability insurance, with said protection being applicable to officers, employees, servants, and agents while acting within the scope of their employment by FIU. Any provision requiring FIU to provide or acquire insurance coverage other than such self-insurance shall not be effective. Vendor shall have and maintain the types and amounts of insurance that, at minimum, will cover Vendor's (or subcontractor's) exposure in performing the Agreement and name FIU as additional insured and be primary and non-contributory on Vendor's policies (except for workers' compensation & professional liability). All policies shall be in a form and with deductible limits reasonably satisfactory to FIU, with insurance companies reasonably approved by FIU and authorized to do business in the State of Florida. Certificates of all insurance shall be deposited with FIU prior to the date of the Agreement. All insurance policies and certificates shall contain a provision that it will not be cancelled without giving FIU thirty (30) days' written notice prior to the effective date of cancellation. Timely renewal certificates will be provided to FIU as coverage renews. Vendor, for and on behalf of itself and each of its insurers, hereby waives any and all rights of subrogation against FIU for any loss or damage arising from any cause covered by any insurance required to be carried under the Agreement by any other insurance actually carried by Vendor. Vendor shall provide copies of any insurance policies upon request by FIU. If the professional liability coverage is provided on a claims-made basis, then such insurance shall continue for three (3) years following the expiration or termination of the Agreement. The insurance shall have a retroactive date of placement by the effective date of the Agreement. If the coverage is canceled or non-renewed and not replaced with another similar claims-made policy form, the Vendor must purchase Extended Reporting ("Tail") coverage for a minimum of three (3) years following the expiration or termination of the Agreement.
- d. **Third Parties.** FIU is not liable for the acts of third parties or the consequences of the acts of third parties. There shall be no third party beneficiary to the Agreement.
- e. **Governing Law.** The Agreement is governed by the laws of the State of Florida without regard to any conflicts of law principles. Exclusive venue of any actions arising out of the Agreement shall be in Miami-Dade County, Florida. FIU is entitled to the benefits of sovereign immunity, including from taxation.
- f. **Travel Expenses.** If FIU is responsible for reimbursing Vendor for travel expenses pursuant to the Agreement, bills shall be subject to, and shall be submitted by Vendor in accordance with, § 112.061, F.S. and [FIU Policy 1110.060 – Travel: University Travel Expense Policy](#). FIU reserves the right not to pay travel expenses unless FIU approves such expenses in advance, in writing. FIU has the right to make travel arrangements for Vendor.
- g. **Lobbying.** Vendor is prohibited from using funds provided under the Agreement to lobby the Legislature or any official, officer, commission, board, authority, council, committee, or department of the executive branch or the judicial branch of state government.
- h. **Conflicts.** Vendor represents that it is aware of the requirements of Chapter 112, Florida Statutes and in compliance with the requirements thereof, and other laws and regulations concerning conflicts of interests in dealing with entities of the State of Florida. Vendor certifies that its directors and/or principal officers are not employed and/or affiliated with FIU unless a current Conflict of Interest (Report of Outside Activity/Employment) form has been completed, executed by such director or officer and approved in accordance with applicable University policies or rules. Violation of this section shall be grounds for termination of the Agreement.
- i. **Termination.** Upon giving at least thirty (30) days' written notice to Vendor, FIU may terminate the Agreement, at any time, with no further obligation to Vendor, other than to pay for any goods received or services rendered in compliance with the Agreement prior to the effective date of termination. FIU shall not be liable for any early termination charges.
- j. **Records.** Vendor agrees to keep and maintain, separate and independent records, in accordance with generally accepted accounting principles, devoted exclusively to its obligations and activities under the Agreement. Such records (including books, ledgers, journals, and accounts) shall contain all entries reflecting the business operations under the Agreement. FIU or its authorized agent shall have the right to audit and inspect such records from time to time during the term of the Agreement, upon reasonable notice to Vendor.
- k. **Deletion.** Any term and/or condition in the Agreement on the following subject matters are hereby deleted in their entirety and declared null and void: (a) Grants of exclusivity by FIU to Vendor; (b) Restrictions on the hiring of Vendor's employees; (c) FIU's responsibility to pay intangible taxes, property taxes, or sales taxes; (d) FIU's tort liability; (e) Automatic renewals of the term of the Agreement; (f) Limitation of time to bring suit; (g) Limitation of Vendor's liability; (h) that FIU performs reporting functions and/or maintains certain types of operations (i) Granting Vendor any right to audit FIU; (j) Attorneys' or collection fees provisions; (k) Arbitration and mediation clauses; and (l) Indemnification of Vendor by FIU.
- l. **Modification/Assignment/Binding Effect/Waiver.** The Agreement may be modified, altered, or amended only by written agreement signed by both FIU and Vendor. Except for any subcontracting or delegation expressly agreed to in writing by both parties, Vendor shall not assign, transfer, delegate, subcontract, or otherwise dispose of, whether voluntarily or involuntarily, or by operation of law, any right or obligation under the Agreement, without the prior written consent of FIU, which shall not be unreasonably withheld. Any such unapproved assignment, subcontracting or transfer is void. No subcontracting or other delegation shall in any event relieve Vendor of any obligation or liability under the Agreement. The Agreement shall inure to the benefit of, and shall be

binding upon, the parties hereto and their respective permitted successors and assigns. No waiver by a party of any provision or breach of the Agreement shall be deemed to have been made unless the same is in writing, and no waiver of any provision or breach of the Agreement shall be deemed a waiver of any other provisions or breach. A party's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of such party's consent to or approval of any subsequent act.

10. Secure Protection and Handling of Data Network Security: To the extent applicable to Vendor's performance under the Agreement, Vendor agrees at all times to maintain network security that, at a minimum, includes: network firewall provisioning, intrusion detection, and regular third party penetration testing. Vendor further agrees to:

- a. **Network Standards:** to use at least those standards that FIU applies to its own network, pursuant to [FIU Policy 1910.010 - University Wireless Network Infrastructure](#);
- b. **Data Security:** to protect and maintain the security of FIU data with protection that is at least as good as or better than that maintained by FIU. These security measures include maintaining secure environments that are patched and up-to-date with all appropriate security updates pursuant to [FIU Policy 1930.020 - Information Technology Security](#);
- c. **Data Transmission:** that any and all transmission or exchange of system application data with FIU and/or any other parties expressly designated by FIU, shall take place via secure means, e.g., HTTPS or FTPS;
- d. **Data Storage:** that any and all FIU data will be stored, processed, and maintained solely on designated target servers and that no FIU data at any time will be processed on or transferred to any portable or laptop computing device or any portable storage medium, unless medium is in part of Vendor's designated backup and recovery process;
- e. **Domain Encryption:** that any websites hosted by Vendor on behalf of FIU shall be on an encrypted domain in compliance with the minimum security standards pursuant to [FIU Policy 175.150 - Digital Communications Standards Policy](#);
- f. **Data Encryption:** to store any FIU backup data as part of its designated backup and recovery process in encrypted form, using no less than 256 bitkey;
- g. **Password Protection:** that any portable or laptop computer that resides at any FIU facility, has access to a FIU network, or stores any non-public FIU data is equipped with strong and secure password protection;
- h. **Data Re-Use:** that all data exchanged shall be used expressly and solely for the purpose enumerated in the Agreement. Data shall not be distributed, repurposed or shaped across other applications, environments, or business units of Vendor. Vendor further agrees that no FIU data of any kind shall be transmitted, exchanged or otherwise passed to other vendors or interested parties except on a case-by-case basis as specifically agreed to in writing by FIU;
- i. **Data Destruction:** that, upon termination of the Agreement, it shall erase, destroy, and render unreadable all FIU data from all computer systems and backups, and certify in writing that these actions have been completed within thirty (30) days of the termination of the Agreement or within seven (7) days of the request of an agent of FIU, whichever shall come first; and
- j. **Notification and Data Breaches:** to comply with all applicable laws that require the notification of individuals in the event of unauthorized release of personally identifiable information or other event requiring notification in accordance therewith. In the event of a data breach of any Vendor's security obligations or other event requiring notification under applicable law (a "Notification Event"), Vendor agrees to assume responsibility for informing all such individuals in accordance with applicable laws and to indemnify, hold harmless and defend FIU against any claims, damages, or other harm related to such Notification Event.

11. No counterparts; Signatures. The Agreement may not be executed in counterparts. This Agreement may be signed electronically and such electronic signatures shall constitute an original for all purposes. The parties represent and warrant that any person signing the Agreement electronically has the authority to do so and that such electronic signature shall be sufficient to bind Vendor. This Agreement shall be considered signed if/when a party's signature is delivered by facsimile or e-mail transmission of a ".pdf" format date file, including via DocuSign. Such signature via DocuSign shall be treated in all respects as having the same force and effect as an original signature.

By signing below, Vendor's duly authorized representative agrees to incorporate this Addendum into the Agreement, and hereby executes this Addendum as of the date set forth below.

VENDOR: Education Management Solutions, LLC

By: _____

Name: Sharada Singh

Title: COO

Date: November 23, 2020

Addendum to TotalCAREiQ Platinum Contract

This addendum (the "Addendum") is made between Florida International University and Education Management Solutions, LLC parties to the TotalCAREiQ Agreement for Platinum Coverage dated November 23, 2020 (the "Agreement").

The Agreement is to amend Exhibit A of the Agreement following the upgrades to be provided on June 12th, 2023.

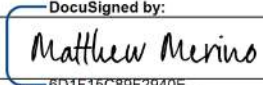
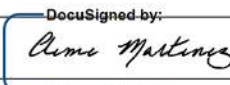
Removed Equipment	
Item	Qty
DA's (1x3)	3
Power Supply for DA	1
Camera Control Joystick	1
Power Distribution Amplifier	18
Crestron Amplifier	2
Crestron Processor CP2	1
Crestron Pro2	1
Crestron Joysticks	3

Replaced/Upgraded Equipment	
Item	Qty
Ceiling Speakers (70 volt)	16
Video Recorder Ports	1
16x64 TVI DA	1
Crestron 10-inch Touch Panels	3
Paging Microphone	2
Pillow Speakers	2
Ceiling Speakers (24 Volt)	17
60-inch Displays	10
Crestron Pro4 Processor	1

Network Switches (24 port - POE)	2
Crown Amplifier for 70 Volt Ceiling Speakers	1
Power Distribution Amplifiers	2
TV Control Touch Panel	8
TV Control Button Panel	2

Except as set forth in this Addendum, the Agreement is unaffected and shall continue in full force and effect in accordance with its terms. If there is conflict between this addendum and the Agreement or any earlier addendum, the terms of this addendum will prevail.

IN WITNESS WHEREOF, the parties have executed this Addendum by their duly authorized representatives on the dates written below.

Education Management Solutions, LLC		Florida International University Board of Trustees	
Signature:	<small>DocuSigned by:</small> 	Signature:	<small>DocuSigned by:</small> 
Name:	<small>6D1F15C89E2940E...</small> Matthew Merino	Name:	<small>0559B6D7363449F...</small> Aime Martinez
Title:	Chief Executive Officer	Title:	CFO and Senior Vice President
Date:	9/27/2023	Date:	9/28/2023



TotalCAREiQ™ AGREEMENT

This **TotalCAREiQ™ Agreement** (“Agreement”), made _____, will take effect on January 1, 2025, by and between Education Management Solutions, LLC, (“EMS”), a Delaware Limited Liability Company, located at the 1300 Morris Drive, Lower Level, Wayne, PA 19087, and Florida International University, Board of Trustees, Modesto A. Maidique Campus, 11200 SW 8th Street, CSC-410, Miami, FL, 33199 (“CLIENT”).

BACKGROUND

The Background of this Agreement is that EMS has installed at the CLIENT’s facility an EMS system consisting of propriety software and equipment as listed in Exhibit A: Software and Equipment List under Projects # 11037, 13026, 14038, 20017, 22004, pursuant to an EMS System Purchase Agreement. The CLIENT intends to utilize the EMS system in connection with its training and educational services for employees and learners. As part of the System Purchase Agreement, EMS and the CLIENT have entered into a Software License Agreement (License Agreement) relating to the licensing of software (Software) and operation of the system incorporating the Equipment. The CLIENT desires to engage EMS to provide Maintenance and Support Services for the system (“**TotalCAREiQ Platinum**”), and EMS has agreed to provide such **TotalCAREiQ Platinum** services under the terms hereof.

NOW, THEREFORE, intending to be legally bound, EMS shall provide the CLIENT **TotalCAREiQ Platinum** described in this Agreement and the CLIENT will pay the fees therefore under the terms set forth below.

Maintenance and Support

1. Diagnoses, Repair or Replacement

- a. Software: The EMS **TotalCAREiQ Platinum** Software Support under this Agreement includes diagnosis, repair or replacement of the Software installed by EMS, as set forth herein.
- b. Hardware: The EMS **TotalCAREiQ Platinum** Hardware Support under this Agreement includes diagnosis, repair and replacement of the Equipment purchased and installed by EMS, as set forth in this Agreement.
 - i. EMS recommends replacement of equipment and services from time to time to ensure the ultimate user experience with the EMS Solution. Replacement of equipment and services as needed will be included in **TotalCAREiQ Platinum**.
 1. Coverage for Computers and Servers will be available during the term of this Agreement. EMS recommends replacement of Computers and Servers within 4 years of Project Acceptance.
 2. Coverage for Other Equipment will be available during the term of this Agreement. EMS recommends replacement of Other Equipment within 6 years of Project Acceptance.
 3. The decision to replace equipment will be made at EMS’ discretion.
 4. All equipment replacement will be coordinated with CLIENT and scheduled in advance.

2. **Advanced Replacement of Equipment**

As part of **TotalCAREiQ Platinum**, advanced replacement parts and equipment will be shipped using standard shipping via ground to the CLIENT for installation to replace failed Equipment provided that the failed Equipment is returned to EMS for repair.

- a. Failed Equipment that is no longer available may be substituted with a functional equivalent at EMS' discretion.
- b. Spare essential equipment will be onsite, or able to be onsite within 2 business days.
- c. Failed equipment is to be returned to EMS or other designated location as directed by EMS within 30 days. If failed equipment is not returned within 30 days. An invoice for the replacement equipment will be sent to CLIENT for equipment not returned.
- d. Installation of the advanced replacement equipment will be coordinated between CLIENT and EMS.

3. **Continuing Education**

As part of **TotalCAREiQ Platinum**, CLIENT has the:

- a. Ability to participate in EMS monthly Product Webinars.
- b. Ability to request four (4) webinars per year for additional training for CLIENT staff in specific application areas chosen by CLIENT.
- c. Ability to register an unlimited number of users per year for continuing education at EMS' training center in Wayne, PA. The cost of the training, lodging and meals (at training site) are included. Training dates are available on the EMS website.
- d. Ability for new staff to train at EMS' Training center in Wayne, PA. The cost of the training, lodging and meals (at training site) are included. Training dates are available on the EMS website.
- e. Ability to register two (2) users per year to attend the EMS Annual User Summit. The cost of registration, lodging and airfare are included. Annual User Summit dates are available on the EMS website.

4. **System Health Checks and Reports**

The EMS **TotalCAREiQ Platinum** service includes remote preventative Health Checks. The Health Checks will be performed based on a schedule mutually agreed upon between the CLIENT and EMS. The Health Checks will include a review of the Software and its settings, disk utilization and related IT settings.

- a. EMS will collaborate with the CLIENT'S IT department to ensure appropriate connectivity settings to allow EMS to perform System Health Checks.

5. **Help Desk and System Troubleshooting**

EMS shall provide the following help desk and system troubleshooting services under **TotalCAREiQ Platinum**:

- a. The CLIENT will have access to the EMS TotalCAREiQ Team Monday-Friday via csupport@ems-works.com between the hours of 8am-8pm EST.
 - i. The CLIENT will also have access to extended hours from the EMS TotalCAREiQ Team for special events or emergencies outside the hours stated above with prior notice.

- ii. The EMS TotalCAREiQ Team will provide telephone, email and web-based assistance for information requests on features, functions and equipment operation, remote testing and trouble resolution with the On-Site Resource designated by the CLIENT.
- b. The CLIENT will have access to the TotalCAREiQ Portal 24 hours a day, 365 days a year.
- c. Troubleshooting will be performed remotely by the EMS TotalCAREiQ Team prior to dispatching technical support to the CLIENT site. The CLIENT will designate the On-Site Resource to participate in the remote diagnostic process.
- d. The CLIENT will provide EMS with remote access and IP connectivity for upgrades, diagnostics and testing.

CLIENT On-Site Resource:

(Name)	(Email)
(Phone)	(After-hours Phone)

6. Single Contact for Hardware Warranty Support

- a. The repair of the Equipment will be performed at the CLIENT’s site, manufacturer’s facility or at EMS’ facility, at EMS’ discretion. The CLIENT will package, insure, and ship the malfunctioning unit to the maintenance location designated by EMS. Upon completion of the repair, EMS will arrange shipping of the Equipment to the original CLIENT site for installation.

7. On-site Support and Service

- a. On-site service is provided at EMS’ sole discretion as part of **TotalCAREiQ Platinum**. EMS will coordinate with the CLIENT to schedule technical support on-site. The service will be scheduled during normal business hours (9:00 a.m. to 5:00 p.m. local time).
- b. On-site technical support outside of normal business hours is included at no extra charge to the CLIENT as part of **TotalCAREiQ Platinum**.
- c. EMS may, at its discretion, use one of EMS’ approved subcontractors to provide on-site technical support.

8. Software Updates

- a. EMS will provide the CLIENT with an upgrade of the standard licensed Software whenever EMS issues a new release, at no additional cost to the CLIENT. These upgrades are provided as part of **TotalCAREiQ Platinum**.
 - i. EMS may request that the CLIENT install upgrades of the Software provided by EMS.
 - ii. The CLIENT agrees to upgrade the software within a reasonable period of time after upgrades are released, but not more than two (2) releases from the current upgrade or release.
 - iii. The CLIENT agrees to upgrade their operating system within a reasonable period of time but no more than two years from release of upgrade from manufacturer.
 - iv. EMS reserves the right to discontinue **TotalCAREiQ Platinum** for obsolete or superseded versions of the Software [or operating systems].

- b. All such version and release modifications, when delivered and properly installed, shall become part of the Software and shall otherwise be subject to all of the terms of the License Agreement.
- c. New versions of the Software with significant platform upgrades, substantial additional functionality, or substantially improved performance, as determined by EMS, are not considered upgrades and are included as part of **TotalCAREiQ Platinum**.
- d. Under the **TotalCAREiQ Platinum**, migration to new versions of software is included. This migration process would include migration of data and current configuration, training at EMS headquarters, and system testing.

9. **Changes in the Software.**

The CLIENT may request that changes be made to the Software not otherwise scheduled to be released. This Agreement does not cover changes in Software specifications, or other aspects of modification to the existing application. If the CLIENT requests such a change, EMS will provide a separate quote for any design and development effort, and implementation of any such changes shall be subject to the parties' written agreement.

10. **EXCLUSIONS**

EMS shall have no obligation to provide:

- i. TotalCAREiQ for any Software or Hardware that has been damaged or rendered defective due to accident, negligence, misuse, abuse, abnormal use, unauthorized repair, fire, flood, vandalism, theft, any act of God, operation of Software with non-compatible software or systems or contrary to operating instructions including environmental, electrical, and operating temperature standards, or any combination of the above, or caused by accessories, alterations, or attachments of other devices not provided by EMS.
- ii. TotalCAREiQ for any Software or Hardware to which a modification, attachment, alteration, or addition has been made unless the modification, addition, or alteration has previously been authorized or recommended in writing by EMS.
- iii. TotalCAREiQ for problems caused by third party software, OS patches or the like.
- iv. TotalCAREiQ for configurations not installed by EMS or an EMS designated contractor.
- v. Consumable items include but are not limited to batteries, plasma cells, and cables.
- vi. Deterioration of usage sensitive components such as fans, keyboards, mice and joysticks.
- vii. To the extent that a problem reported by the Client is not due to an error in the Software developed and installed by EMS, the Client will pay EMS at EMS' then current hourly rates for support personnel for the time necessary to diagnose and fix the problem.

11. **CLIENT Data**

The CLIENT shall be solely responsible for maintaining backup data necessary to replace the CLIENT's data that is lost or damaged for any cause. EMS will provide CLIENT, under **TotalCAREiQ Platinum**, a cloud back-up account as an option to manage their data back-up and storage needs.

12. **Maintenance Fee**

- a. The **TotalCAREiQ Platinum** is for a *three-year term*, to be invoiced and payable annually.

- b. The EMS fee for **TotalCAREiQ Platinum** for three years is \$653,722.00 covering the hardware and software listed in Exhibit A. **TotalCAREiQ Platinum** will be billed annually in the amounts listed below payable by the CLIENT to EMS 30 days prior to the start of each annual coverage period.

<u>Period</u>	<u>Coverage Period</u>	<u>Invoice Amount</u>	<u>Invoice Due Date</u>
Year 1	1/1/25-12/31/25	\$211,499.00	12/1/2024
Year 2	1/1/26-12/31/26	\$217,844.00	12/1/2025
Year 3	1/1/27-12/31/27	\$224,379.00	12/1/2026
		<u>\$653,722.00</u>	

- c. The CLIENT will receive a 5% discount on EMS Professional Services and Software Add-On Modules.

13. **Term**

- a. **TotalCAREiQ Platinum** will take effect on January 1, 2025, and will continue for three (3) years or until termination or expiration under this Agreement.
- b. Either party may terminate this Agreement upon the occurrence of any of the following events:
 - i. In the event the other party defaults in any material obligation owed to such party pursuant to this Agreement or any other Agreement between EMS and the CLIENT (including, without limitation, the License Agreement), if such material breach is not cured following at least 30 days written notice to the defaulting party.
 - ii. The other party is bankrupt or insolvent, or bankruptcy or insolvency proceedings are instituted against the other party and the proceeding is not dismissed within 60 days after commencement.
- c. This Agreement shall terminate immediately upon termination of the License Agreement.
- d. This Agreement shall automatically extend for successive one-year periods unless terminated by one party providing the other party written notice of at least 60 days prior to the expiration of the three-year term.

14. **Relationship of Parties**

- a. EMS agrees that in performing all services, EMS and any person employed by EMS to perform the services shall function as a Contractor, independent of the CLIENT, and not as an employee or agent of the CLIENT.
- b. CLIENT acknowledges that EMS employees represent a significant investment in recruitment and training, the loss of which would be detrimental to EMS’ current and future business and profits. In consideration of the foregoing, CLIENT agrees that for the term of this Agreement and for a period of two (2) years after its termination, CLIENT will not directly or indirectly recruit, engage or attempt to recruit, hire or engage, discuss employment with, or otherwise utilize the services in any capacity of any person who is an employee or agent of EMS at any time during the term of this Agreement.

15. **Notices**

Any notice required under this Agreement shall be given in writing and delivered personally or by facsimile, registered or certified mail, return receipt requested, or overnight delivery service to the parties at their addresses noted above or such other addresses as shall have been designated to each other in writing.

All notices to **EMS** shall be directed to the attention of:

Attn: Contract Department
Education Management Solutions, LLC
1300 Morris Drive
Lower Level
Wayne, PA 19087
Email: Contracts@ems-works.com

All notices to the **CLIENT** shall be directed to the attention of:

Attn: _____
Florida International University
Board of Trustees
Modesto A. Maidique Campus
11200 SW 8th Street, CSC-410
Miami FL 33199

16. Disclaimer of Warranties and Consequential Damages & Limitation of Liability

- a. EMS' WARRANTIES SET FORTH IN THIS AGREEMENT, OR OTHERWISE COVERING THE SOFTWARE, ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
- b. Neither of the parties shall be liable to the other under this Agreement for any incidental, special, punitive, exemplary or consequential damages of any kind or character, whether based on contract, tort or any other theory of liability. The entire liability of EMS to the CLIENT arising from or in connection with this Agreement, however caused, regardless of the form of action and on any theory of liability, including contract, strict liability, negligence or other tort, shall be limited to direct damages not to exceed in the aggregate the amount actually paid or payable by the CLIENT to EMS for the affected services.

17. Governing Law

- a. This Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware, without regard to any choice of law provision that would apply the law of another jurisdiction.
- b. Each Party consents to the exclusive personal jurisdiction of the state or federal courts located in the County of Cook, State of Illinois for resolution of disputes arising out of or related to this Agreement.

18. No Assignment

Neither Party may assign this Agreement, or any rights or obligations under this Agreement; except to the extent that EMS chooses to use a subcontractor for a portion of the Project. Any assignment without the express written consent of the other Party will be invalid. Notwithstanding the foregoing, EMS may assign this Agreement to any parent, subsidiary, affiliate or successor by merger, stock sale or sale of all or substantially all of its assets without the consent of Client.

19. **Final Agreement**

This Agreement, together with the License Agreement, constitutes the entire agreement between the parties and terminates and supersedes all prior understandings or agreements on the subject matter hereof. This Agreement may be modified only by a further writing that is duly executed by both parties.

20. **Severability**

If any term of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then this Agreement, including all of the remaining terms, will remain in full force and effect as if such invalid or unenforceable term had never been included.

21. **Headings**

Headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent.

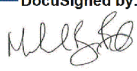
22. **Counterparts**

This Agreement may be executed in counterparts, each one of which shall constitute an original and all of which together shall constitute one and the same document. A facsimile or other electronically transmitted version, including a facsimile or digital signature, shall be considered the same as an original document for all purposes.

The attached Supplemental Software and Ferpa Addendum is hereby incorporated by reference



IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized representatives on the date is written below.

Education Management Solutions, LLC	Florida International University Board of Trustees
DocuSigned by: Signature: 	Signature:
Name: MIKE POTE <small>20788EE4C040418...</small>	Name:
Title: Chief Administrative Officer	Title:
Date: 2/21/2025	Date:

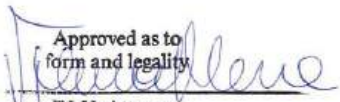
Approved as to
form and legality

F.I.U. Attorney

Exhibit A*Software List*

Item	Quantity
A/V Viewer Software	3
Active Directory w/LDAP Integration	1
Audio DSP Programming	1
Control Station Software	5
Crestron Control Programming	1
SIMULATIONiQ DVCS Encoder Software	3
SIMULATIONiQ Enterprise Software	1
SIMULATIONiQ Enterprise Web Licenses (Unlimited)	1
SIMULATIONiQ Paging Software	1
SIMULATIONiQ Video Recorder Ports & License	46
Streaming Server Software License	1

Equipment List

Item	Quantity
42" LCD Screen w/Tilting Mount (replaced with 60" in 2023)	2
42" LCD Screen with Articulating Arm	10
Audio DSP Hardware	1
Camera Control Joystick (replaced with 10" touch panel in 2023)	2
Camera Power Supply	5
Control Station PC	3
Crestron Control Hardware	1
Debriefing Room Sound System, Speaker & Volume Control	8
Dual Processor	18
ESS Server	1
HDMI Extender	16
HD-TVI Vital Sign Capture	2
Main Control Room Multiplexer (16:1)	2
Message Player	2
Microphone	26
Network Switch	3
Overhead Paging Speaker	30
Paging Microphone	5
Paging Speaker Power Supply	2
Pillow Speakers	2
Rack Mount for DA (DA's & Power)	6
Rack w/Accessories	4
SIMULATIONiQ DVCS Encoder	3
Stereo Headsets - Live	3
Touch Panel - 10-inch	1
Touch Panel - 7-inch	8
TVI PTZ Camera (Including Mount & Camera Kit)	48
UPS	5
Video Recorder Ports	46
Wall mounted button panels to control Crestron	2

FLORIDA INTERNATIONAL UNIVERSITY

1. Incorporation by Reference. The Florida International University Board of Trustees (“FIU”) and the undersigned (“Vendor”) hereby incorporate this Supplemental Addendum – FERPA (“Addendum”) into the agreement between FIU and Vendor (the “Agreement”). If this Addendum conflicts with the Agreement terms, this Addendum shall control.

2. School Official. In the course of providing services during the term of the Agreement, Vendor will be performing an institutional service or function for which FIU would otherwise use employees. Vendor may therefore have access to certain education records (as defined by 20 U.S.C. § 1232g(a)(4)(A) and 34 CFR § 99.3 and means to include, but is not limited to, transcripts, class lists, student course schedules, health records, student financial information, and student disciplinary records), Personally Identifiable Information (such as direct identifiers (e.g., a student’s or other family member’s name) and indirect identifiers (e.g., a student’s date of birth, or mother’s maiden name)) and other non-public information, including, but not limited to, student data, metadata, and user content (collectively, “Data”) which are subject to the Family Educational Rights and Privacy Act (“FERPA”), 20 U.S.C. § 1232g. Accordingly, Vendor shall be considered an FIU “School Official” pursuant to 34 CFR § 99.31(a)(1)(i)(B). Vendor shall remain subject to and comply with all requirements of FERPA applicable to its services, specifically including, but not limited to, § 99.33(a) governing the use and re-disclosure of Data from education records. Any Data held by Vendor will be made available to FIU upon request by FIU.

3. Use of Data. As a School Official, Vendor understands, acknowledges and agrees that it shall have access only to that Data in which it has a legitimate educational interest in, and that it shall remain under the direct control of FIU with regards to its use and maintenance of the Data. Vendor will only collect and use Data necessary to fulfill its duties and provide the services as outlined in the Agreement. Vendor may use de-identified Data for product development, research, or other purposes. De-identified Data will have all direct and indirect personal identifiers removed. This includes, but is not limited to, name, ID numbers, date of birth, demographic information, location information, and school ID. Furthermore, Vendor agrees not to attempt to re-identify de-identified Data and not to transfer de-identified Data to any party unless that party agrees not to attempt re-identification. Vendor is prohibited from mining Data for any purposes other than those agreed to by the parties. Data mining or scanning of user content for the purpose of advertising or marketing to students or their parents is prohibited. Vendor will not change how Data are collected, used, or shared under the terms of this Agreement in any way without advance notice to and consent from FIU. Data may not be used for any purpose other than the specific purpose(s) outlined in this Agreement. Data cannot be shared with any additional parties without FIU’s prior written consent except as required by law.

4. Rights and License in and to the Data. The Parties agree that all rights, including all intellectual property rights, shall remain the exclusive property of FIU, and Vendor has a limited, nonexclusive license solely for the purpose of performing its obligations as outlined in the Agreement. This Agreement does not give Vendor any rights, implied or otherwise, to Data, content, or intellectual property, except as expressly stated in the Agreement. This includes the right to sell or trade Data.

5. Data Security. Vendor will store and process Data in accordance with industry best practices. This includes appropriate administrative, physical, and technical safeguards to secure Data from unauthorized access, disclosure, and use. Vendor will conduct periodic risk assessments and remediate any identified security vulnerabilities in a timely manner. Vendor will also have a written incident response plan, to include prompt notification of FIU in the event of a security or privacy incident, as well as best practices for responding to a breach of PII. Vendor agrees to share its incident response plan upon request.

6. Audit. Vendor agrees that, as required by FIU and/or applicable state and federal law, auditors from FIU, state, federal, or other agencies so designated by the State or FIU, shall have the option to audit the outsourced service. Records pertaining to the service shall be made available to auditors and FIU during normal working hours for this purpose.

7. Return or Destruction of Data. Within thirty (30) days of the termination, cancellation, expiration or other conclusion of the Agreement, Vendor shall return the Data to FIU in an agreed upon format, unless FIU

requests in writing that such data be destroyed. This provision shall also apply to all Data that is in the possession of subcontractors or agents of Vendor. Such destruction shall be accomplished by “purging” or “physical destruction” in accordance with commercially reasonable standards for the type of data being destroyed (e.g., Guidelines for Media Sanitization, NIST SP 800-88). Vendor shall certify in writing to FIU that such return or destruction has been completed.


8. Breach. For purposes of this article, the term, “Breach,” has the meaning given to it under the applicable Florida (F.S. 501.171) or federal law. Immediately upon discovery of a confirmed or suspected Breach, Vendor shall report both orally and in writing to FIU. In no event shall the report be made more than two (2) business days after Vendor knows or reasonably suspects a Breach has or may have occurred. In the event of a suspected Breach, Vendor shall keep FIU informed regularly of the progress of its investigation until the uncertainty is resolved. Vendor’s report shall identify: (i) The nature of the unauthorized access, use or disclosure, (ii) The Data accessed, used or disclosed, (iii) The person(s) who accessed, used and disclosed and/or received Data (if known), (iv) What Vendor has done or will do to mitigate any deleterious effect of the unauthorized access, use or disclosure, and (v) What corrective action Vendor has taken or will take to prevent future unauthorized access, use or disclosure. Vendor shall provide such other information, including a written report, as reasonably requested by FIU. In the event of a Breach, Vendor will: (1) immediately preserve any potential forensic evidence relating to the breach; (2) promptly (within 2 business days) designate a contact person to whom FIU will direct inquiries, and who will communicate Vendor responses to FIU inquiries; (3) as rapidly as circumstances permit, apply appropriate resources to remedy the breach condition, investigate, document, restore FIU service(s) as directed by FIU, and undertake appropriate response activities; (4) provide status reports to FIU on Breach response activities, either on a daily basis or a frequency approved by FIU; (5) coordinate all media, law enforcement, or other Breach notifications with FIU in advance of such notification(s), unless expressly prohibited by law; (6) take all reasonable efforts to assist and cooperate with FIU in its Breach response efforts; and (7) ensure that knowledgeable Vendor staff are available on short notice, if needed, to participate in FIU- initiated meetings and/or conference calls regarding the Breach. In the event of a Breach by Vendor or its staff, Vendor agrees to promptly reimburse all costs to FIU arising from such Breach, including but not limited to costs of notification of individuals, establishing and operating call center(s), credit monitoring and/or identity restoration services, time of FIU personnel responding to Breach, civil or criminal penalties levied against FIU, attorney’s fees, court costs, etc. Any Breach may be grounds for immediate termination of this Agreement by FIU.

9. Assistance in Proceedings. Vendor shall make itself and any employees, subcontractors, or agents assisting Vendor in the performance of its obligations under the Agreement available to FIU at no cost to FIU to testify as witnesses in the event of an unauthorized disclosure caused by Vendor that results in litigation or administrative proceedings against FIU, its directors, officers, agents or employees based upon a claimed violation of laws relating to security, privacy or arising out of this agreement.

10. Recovery. Vendor shall maintain an industry standard disaster recovery program to reduce in potential effect of outages because of supporting data center outages. Any backup site used to store Data will include the same information security and privacy controls as the primary data center(s).

By signing below, Vendor’s duly authorized representative agrees to incorporate this Addendum into the Agreement, and hereby executes this Addendum as of the date set forth below.

VENDOR: Education Management Solutions LLC

By: 
Name: Mike Pote
Title: Chief Administrative Officer
Date: 8/9/2024

FLORIDA INTERNATIONAL UNIVERSITY

1. Incorporation by Reference. The Florida International University Board of Trustees (“FIU”) and the undersigned (“Vendor”) hereby incorporate this Supplemental Addendum - Software (“Addendum”) into the agreement between FIU and Vendor (the “Agreement”). If this Addendum conflicts with the Agreement terms, this Addendum shall control.

2. Payment. Vendor shall submit bills for compensation for goods, services and/or expenses in detail sufficient for a pre-and post-audit; invoice requirements are available on FIU’s Office of the Controller’s Payment Services [website](#). FIU shall make payment in accordance with [FIU-2202 – Prompt Payment](#). If FIU does not issue payment within forty (40) days of receipt of a proper invoice, FIU may pay Vendor an interest penalty at the rate established pursuant to § 55.03(1), F.S., if the interest exceeds one dollar. Vendors experiencing payment problems may contact Accounts Payable at (305) 348-3889. FIU’s performance and obligation to pay is contingent upon the legislature’s annual appropriation; FIU will give notice to Vendor of the non-availability of funds when FIU has knowledge thereof. FIU will be responsible for paying only for any goods/services it receives; Vendor must refund any payment for goods/services that are unused upon the termination of the Agreement. FIU is a tax immune sovereign and exempt from the payment of sales, use or excise taxes. Vendor is responsible for and shall pay any taxes due under the Agreement. FIU may require Vendor to accept payments via FIU’s EFT/ACH payment process. If Vendor is making any payment to FIU, Vendor shall pay timely and not offset any amounts.

3. Relationship of the Parties. Each of the parties is an independent contractor and nothing in the Agreement shall designate any of the employees or agents of one party as employees or agents of the other. Vendor represents and warrants that it is not on the Convicted Vendor List (see § 287.133, F.S.). Vendor hereby assumes all risks attributable to the willful or negligent acts or omissions of Vendor and its officers, employees, agents and subcontractors or persons otherwise acting at the instance of Vendor, in furtherance of fulfilling Vendor’s obligations.

4. FIU’s Information. Vendor acknowledges and agrees that: (a) all documents, data, studies, materials, information, or other intellectual property furnished to Vendor by FIU or FIU’s affiliates in connection with the Agreement, and (b) all reports, studies, plans, deliverables, strategies, materials and other documents and information developed or prepared for FIU in connection with the Agreement, or which reflect any of the documents, studies, materials information, or other intellectual property furnished to Vendor by FIU (collectively, (a) and (b) are referred to as the “Information”) are and shall remain at all times confidential, proprietary, and the sole property of FIU. FIU shall retain all rights, title and interest in the Information. Vendor agrees that it shall not use the Information and will not share it with its employees, except as necessary to Vendor’s performance under the Agreement. Vendor shall not disclose the Information to third parties unless it obtains FIU’s written consent to such disclosure. In the event Vendor is required by subpoena, law or other judicial or administrative process to disclose the Information, Vendor shall (i) provide FIU with prompt notice thereof; (ii) consult with FIU on taking steps to resist or narrow such disclosure; (iii) furnish only that portion of the Information that is responsive to the request; (iv) comply with the requirements of all Privacy Laws (defined below); and (v) reasonably cooperate with FIU in any attempt that FIU may make to obtain an order or other reliable assurance that confidential treatment will be accorded. Upon termination of the Agreement or upon request by FIU, Vendor shall promptly return the Information.

5. Public Records. FIU is subject to Chapter 119 of the Florida Statutes, commonly known as the Florida Public Records Law. The Agreement, this Addendum, and any related documents and/or correspondence shall also become a public record subject to the Public Records Law, regardless of any confidentiality provision outlined in the Agreement. FIU may respond to public records requests without providing Vendor any notice. 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 termination or expiration of the Agreement. Additionally, Vendor shall comply with all applicable requirements of the Public Records Laws, particularly if Vendor is a “Contractor” as defined under § 119.0701, F.S.: (a) Keep and maintain public records required by FIU to perform the service; (b) Upon request by FIU, provide the public with access to public records on the same terms and conditions that FIU would provide the records and at a cost that does not exceed the cost provided in the public records laws, or as otherwise provided by law; (c) Ensure that public records that are exempt from public records disclosure requirements are not disclosed except as authorized by law; and (d) Meet all requirements for retaining public records and transfer, at no cost, to FIU all public records in possession of Vendor upon termination of the Agreement (or upon request by FIU) and destroy any duplicate public records that are exempt from public records disclosure requirements. All records stored electronically must be provided to FIU in

a format that is compatible with FIU’s information technology systems. **IF VENDOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119 TO VENDOR’S DUTY TO PROVIDE PUBLIC RECORDS, VENDOR MAY CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT (305) 348-1377, recordsmanagement@fiu.edu, BY MAIL AT 11200 S.W. 8th ST., GL 460, MIAMI, FLORIDA 33199.**

6. Intellectual Property. Vendor represents and warrants that its hardware, software and any related systems, documentation and/or services related thereto (collectively, the “IP”) furnished by Vendor to FIU will not infringe upon or violate any patent, copyright, trademark, trade secret, or any other proprietary right of any third party. Vendor will, at its expense, defend any suit brought against FIU and will indemnify FIU against an award of damages and costs (including reasonable attorney fees, court costs and appeals), made against FIU by settlement or final judgment of a court that is based on a claim that Vendor’s IP infringes an intellectual property right of a third party. FIU will provide reasonable cooperation in the defense of the suit at Vendor’s expense. Such defense and indemnity shall survive termination or expiration

Revised November 2021

SUPPLEMENTAL ADDENDUM – SOFTWARE

of the Agreement and Vendor’s liability for the above is not limited by any limitation of liability clauses in the Agreement. In the event an injunction or order shall be obtained against FIU for the use of Vendor’s IP or if in Vendor’s opinion the IP is likely to become the subject of a claim of infringement or violation of a copyright, trademark, trade secret, or other proprietary right of a third party, Vendor shall, at its expense: (a) Procure for FIU the right to continue using the IP; or (b) at no additional cost to FIU, replace or modify the IP so that it becomes non-infringing, but only if the modification or replacement does not adversely affect the specifications of the IP or its use by FIU. If neither (a) nor (b) above is practical, Vendor shall remove the IP from FIU and shall issue a refund for the IP to FIU, less reasonable depreciation. Thereafter, any license involved shall be canceled. FIU may distribute any information or service based upon, generated by, or involving the use of the IP as long as the IP is not distributed to individuals outside of FIU. FIU may create and retain a copy of the IP and related documentation for back-up and disaster recovery purposes, and for archival purposes for use after the termination and/or expiration of the Agreement.

7. Indemnity. Vendor will indemnify, defend and hold harmless FIU, the FIU Board of Trustees, the State of Florida, the Florida Board of Governors, and their officers, employees, and agents from and against any and all actions, claims, liabilities, assertions of liability, losses, costs and expenses, which may arise in any manner or are alleged to have arisen, from the acts, omissions, negligence or misconduct of Vendor or its officers, employees, agents, representatives or subcontractors in connection with or related to (a) Vendor’s operations, activities, business and/or services or (b) Vendor’s occupancy or use of the FIU premises. FIU will provide reasonable cooperation in the defense of the suit at Vendor’s expense. Vendor’s indemnification obligations shall not be limited by any limitation of liability outlined in the Agreement. Such defense and indemnity shall survive termination or expiration of the Agreement. **Nothing in the Agreement shall be construed as a waiver of sovereign immunity nor as an indemnification of Vendor by FIU, and then such indemnification is limited to the express terms of §768.28, F.S.**

8. Compliance. In the performance of the Agreement, Vendor shall at its own expense, at all times during the term:

- a. **Permits:** have all applicable permits, licenses, consents, and approvals necessary to perform its obligations under the Agreement;
- b. **General:** comply with all applicable federal, state, local and FIU laws, rules, regulations, and ordinances and all other governmental requirements.
- c. **Section 889 Compliance Certification:** comply with § 889 of the McCain National Defense Authorization Act (prohibition against use of covered telecommunications equipment);
- d. **Privacy:** comply with any and all applicable state and federal laws and FIU policies and procedures governing the use and/or safe-keeping of confidential, highly sensitive, and/or personally identifiable or protected health information (as may be defined by state or federal law), including, but not limited to, the Family Educational Rights and Privacy Act (FERPA), the Health Insurance Portability and Accountability Act (HIPAA), the Gramm-Leach-Bliley Act, the Federal Trade Commission’s Red Flags Rule (which implements Section 114 of the Fair and Accurate Credit Transactions Act of 2003), [FIU Policy 1110.032 – Preventing Identity Theft on Covered Accounts](#), and [FIU Procedure 1930.021 – Data Stewardship](#) (collectively, “Privacy Laws”). Vendor shall obtain in advance all necessary permissions and consents required in regards to its collection and/or receipt of any such information. In the event that FIU will share with or provide access to Vendor of any protected health information (“PHI”), as that term is or may be defined by state or federal law, FIU and Vendor shall, pursuant to [FIU Policy 1660.015](#), enter into a separate business associate agreement which will govern the use of the PHI (in lieu of this provision). Vendor agrees to include all such terms and conditions contained in any subcontractor or agency contracts providing services on behalf of Vendor;
- e. **Federal funds.** If FIU has entered into an agreement with the United States of America, or any Department thereof, and the Agreement is in furtherance of the commitments and/or requirements of such federal agreement or funds, Vendor agrees to comply with the terms contained in FIU’s Federally Funded Projects Addendum, found at <https://generalcounsel.fiu.edu/contract-forms/>, herein incorporated by this reference;
- f. **PCI-DSS:** as may be applicable, deliver all services in full compliance with the most recent version of the Payment Card Industry Data Security Standard (PCI-DSS) in effect at the time of service delivery. Vendor will treat all FIU provided infrastructure and resources as public and non-secure, regardless of measures FIU may choose to put in place. Vendor will also maintain all required qualifications and periodically furnish proof of ongoing compliance in the form of an Attestation of Compliance to demonstrate to FIU that Vendor is continuously operating in full compliance with PCI-DSS and is not relying on FIU for any aspect of that compliance. If Vendor loses any required certification or the certification lapses, Vendor shall immediately notify FIU, and FIU will have an option to terminate this contract and receive a refund for unrendered services; and
- g. **E-Verify:** All terms defined in §448.095, Fla. Stat., are adopted and incorporated into this provision. Pursuant to §448.095, Fla. Stat., Vendor certifies that it is registered with and uses the U.S. Department of Homeland Security’s E-Verify system to verify the employment eligibility of all new employees hired by the Vendor during the term of this Agreement. If Vendor enters into a contract with a subcontractor to perform work or provide services pursuant to this Agreement, Vendor shall likewise require the subcontractor to comply with the requirements of §448.095, Fla. Stat., and the subcontractor shall provide to Vendor an affidavit stating that the subcontractor does not employ, contract with or subcontract with an unauthorized alien. Vendor shall maintain a copy of such affidavit for the duration of the contract. FIU may terminate this Agreement immediately upon notice to Vendor for any violation of this provision.

9. General Provisions.

- a. **Warranties.** Vendor, at a minimum, warrants that the IP, the goods, and/or the services to be provided by Vendor will be free of any material defects and will operate and conform to

FLORIDA INTERNATIONAL UNIVERSITY

- the specifications provided in all material aspects throughout the term of the Agreement. This warranty shall be in addition to any warranties provided in the Agreement.
- b. **Publicity.** Vendor shall not make any announcements relating to the Agreement, nor shall Vendor use FIU's name, trademarks, logos or marks, without the prior written approval from FIU's External Relations department in each instance.
- c. **Insurance.** FIU, as a public body corporate entity, warrants and represents that it is self-funded for liability insurance, with said protection being applicable to officers, employees, servants, and agents while acting within the scope of their employment by FIU. Any provision requiring FIU to provide or acquire insurance coverage other than such self-insurance shall not be effective. Vendor shall have and maintain the types and amounts of insurance that, at minimum, will cover Vendor's (or subcontractor's) exposure in performing the Agreement and name FIU as additional insured and be primary and non-contributory on Vendor's policies (except for workers' compensation & professional liability). All policies shall be in a form and with deductible limits reasonably satisfactory to FIU, with insurance companies reasonably approved by FIU and authorized to do business in the State of Florida. Certificates of all insurance shall be deposited with FIU prior to the date of the Agreement. All insurance policies and certificates shall contain a provision that it will not be cancelled without giving FIU thirty (30) days' written notice prior to the effective date of cancellation. Timely renewal certificates will be provided to FIU as coverage renews. Vendor, for and on behalf of itself and each of its insurers, hereby waives any and all rights of subrogation against FIU for any loss or damage arising from any cause covered by any insurance required to be carried under the Agreement by any other insurance actually carried by Vendor. Vendor shall provide copies of any insurance policies upon request by FIU. If the professional liability coverage is provided on a claims-made basis, then such insurance shall continue for three (3) years following the expiration or termination of the Agreement. The insurance shall have a retroactive date of placement by the effective date of the Agreement. If the coverage is canceled or non-renewed and not replaced with another similar claims-made policy form, the Vendor must purchase Extended Reporting ("Tail") coverage for a minimum of three (3) years following the expiration or termination of the Agreement.
- d. **Third Parties.** FIU is not liable for the acts of third parties or the consequences of the acts of third parties. There shall be no third party beneficiary to the Agreement.
- e. **Governing Law.** The Agreement is governed by the laws of the State of Florida without regards to any conflicts of law principles. Exclusive venue of any actions arising out of the Agreement shall be in Miami-Dade County, Florida. FIU is entitled to the benefits of sovereign immunity, including from taxation.
- f. **Travel Expenses.** If FIU is responsible for reimbursing Vendor for travel expenses pursuant to the Agreement, bills shall be subject to, and shall be submitted by Vendor in accordance with, § 112.061, F.S. and [FIU Policy 1110.060 – Travel: University Travel Expense Policy](#). FIU reserves the right not to pay travel expenses unless FIU approves such expenses in advance, in writing. FIU has the right to make travel arrangements for Vendor.
- g. **Lobbying.** Vendor is prohibited from using funds provided under the Agreement to lobby the Legislature or any official, officer, commission, board, authority, council, committee, or department of the executive branch or the judicial branch of state government.
- h. **Conflicts.** Vendor represents that it is aware of the requirements of Chapter 112, Florida Statutes and in compliance with the requirements thereof, and other laws and regulations concerning conflicts of interests in dealing with entities of the State of Florida. Vendor certifies that its directors and/or principal officers are not employed and/or affiliated with FIU unless a current Conflict of Interest (Report of Outside Activity/Employment) form has been completed, executed by such director or officer and approved in accordance with applicable University policies or rules. Violation of this section shall be grounds for termination of the Agreement.
- i. **Termination.** Upon giving at least thirty (30) days' written notice to Vendor, FIU may terminate the Agreement, at any time, with no further obligation to Vendor, other than to pay for any goods received or services rendered in compliance with the Agreement prior to the effective date of termination. FIU shall not be liable for any early termination charges.
- j. **Records.** Vendor agrees to keep and maintain, separate and independent records, in accordance with generally accepted accounting principles, devoted exclusively to its obligations and activities under the Agreement. Such records (including books, ledgers, journals, and accounts) shall contain all entries reflecting the business operations under the Agreement. FIU or its authorized agent shall have the right to audit and inspect such records from time to time during the term of the Agreement, upon reasonable notice to Vendor.
- k. **Deletion.** Any term and/or condition in the Agreement on the following subject matters are hereby deleted in their entirety and declared null and void: (a) Grants of exclusivity by FIU to Vendor; (b) Restrictions on the hiring of Vendor's employees; (c) FIU's responsibility to pay intangible taxes, property taxes, or sales taxes; (d) FIU's tort liability; (e) Automatic renewals of the term of the Agreement; (f) Limitation of time to bring suit; (g) Limitation of Vendor's liability; (h) that FIU performs reporting functions and/or maintains certain types of operations (i) Granting Vendor any right to audit FIU; (j) Attorneys' or collection fees provisions; (k) Arbitration and mediation clauses; and (l) Indemnification of Vendor by FIU.
- l. **Modification/Assignment/Binding Effect/Waiver.** The Agreement may be modified, altered, or amended only by written agreement signed by both FIU and Vendor. Except for any subcontracting or delegation expressly agreed to in writing by both parties, Vendor shall not assign, transfer, delegate, subcontract, or otherwise dispose of, whether voluntarily or involuntarily, or by operation of law, any right or obligation under the Agreement, without the prior written consent of FIU, which shall not be unreasonably withheld. Any such unapproved assignment, subcontracting or transfer is void. No subcontracting or other delegation shall in any event relieve Vendor of any obligation or liability under the Agreement. The Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective permitted successors and assigns. No waiver by a party of any provision or breach of the Agreement shall be deemed to have been made unless the same is in writing,


and no waiver of any provision or breach of the Agreement shall be deemed a waiver of any other provisions or breach. A party's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of such party's consent to or approval of any subsequent act.

- 10. Secure Protection and Handling of Data Network Security:** To the extent applicable to Vendor's performance under the Agreement, Vendor agrees at all times to maintain network security that, at a minimum, includes: network firewall provisioning, intrusion detection, and regular third party penetration testing. Vendor further agrees:
- a. **Network Standards:** to use at least those standards that FIU applies to its own network, pursuant to [FIU Policy 1910.010 - University Wireless Network Infrastructure](#);
- b. **Data Security:** to protect and maintain the security of FIU data with protection that is at least as good as or better than that maintained by FIU. These security measures include maintaining secure environments that are patched and up-to-date with all appropriate security updates pursuant to [FIU Policy 1930.020 - Information Technology Security](#);
- c. **Data Transmission:** that any and all transmission or exchange of system application data with FIU and/or any other parties expressly designated by FIU, shall take place via secure means, e.g., HTTPS or FTPS;
- d. **Data Storage:** that any and all FIU data will be stored, processed, and maintained solely on designated target servers and that no FIU data at any time will be processed on or transferred to any portable or laptop computing device or any portable storage medium, unless medium is in part of Vendor's designated backup and recovery process. Furthermore, all data shall be stored in the United States or other jurisdictions approved by FIU in writing and shall not be transferred to any other countries or jurisdictions without the prior written consent of FIU;
- e. **Domain Encryption:** that any websites hosted by Vendor on behalf of FIU shall be on an encrypted domain in compliance with the minimum security standards pursuant to [FIU Policy 175.150 - Digital Communications Standards Policy](#);
- f. **Data Encryption:** to store any FIU backup data as part of its designated backup and recovery process in encrypted form, using no less than 256 bitkey;
- g. **Password Protection:** that any portable or laptop computer that resides at any FIU facility, has access to a FIU network, or stores any non-public FIU data is equipped with strong and secure password protection;
- h. **Data Re-Use:** that all data exchanged shall be used expressly and solely for the purpose enumerated in the Agreement. Data shall not be distributed, repurposed or shaped across other applications, environments, or business units of Vendor. Vendor further agrees that no FIU data of any kind shall be transmitted, exchanged or otherwise passed to other vendors or interested parties except on a case-by-case basis as specifically agreed to in writing by FIU;
- i. **Data Destruction:** that, upon termination of the Agreement, it shall erase, destroy, and render unreadable all FIU data from all computer systems and backups, and certify in writing that these actions have been completed within thirty (30) days of the termination of the Agreement or within seven (7) days of the request of an agent of FIU, whichever shall come first; and
- j. **Notification and Data Breaches:** to comply with all applicable laws that require the notification of individuals in the event of unauthorized release of personally identifiable information or other event requiring notification in accordance therewith. In the event of a data breach of any Vendor's security obligations or other event requiring notification under applicable law (a "Notification Event"), Vendor agrees to assume responsibility for informing all such individuals in accordance with applicable laws and to indemnify, hold harmless and defend FIU against any claims, damages, or other harm related to such Notification Event.
- 11. No counterparts; Signatures.** The Agreement may not be executed in counterparts. This Agreement may be signed electronically and such electronic signatures shall constitute an original for all purposes. The parties represent and warrant that any person signing the Agreement electronically has the authority to do so and that such electronic signature shall be sufficient to bind Vendor. This Agreement shall be considered signed if/when a party's signature is delivered by facsimile or e-mail transmission of a ".pdf" format date file, including via DocuSign. Such signature via DocuSign shall be treated in all respects as having the same force and effect as an original signature.

By signing below, Vendor's duly authorized representative agrees to incorporate this Addendum into the Agreement, and hereby executes this Addendum as of the date set forth below.

Education Management Solutions LLC

VENDOR: _____

By:  _____

Name: Mike Pote

Title: Chief Administrative Officer

Date: 8/9/2024



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: Educational Management Solutions LLC (EMS) Contract #PUR-09256 Renewal of TotalCAREiQ Platinum Agreement. This renewal is for the comprehensive maintenance and support of the EMS clinical simulation management platform software and hardware installed at the HWCOM Clinical Simulation Center.

Funding Source(s):

Fund Code	Fund Code Description
240	E&G Medical School
241	COM - Carry Forward

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.

DocuSigned by:



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Juan C. Cendan

Dean, Herbert Wertheim College of Medicine

3/18/2025

Date

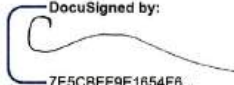


Aime Martinez, Chief Financial Officer and
Senior Vice President

3/24/25

Date

DocuSigned by:

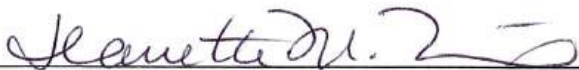


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Carlos B. Castillo, General Counsel

3/27/2025

Date



Jeanette M. Nuñez, Interim President

4/2/25

Date

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April 15, 2025

Subject: Approval of Contract greater than or equal to \$1,000,000 and less than \$3,000,000:

Contract #PUR-09682, Supplier: Hammes Company Healthcare, LLC Second Engagement Letter

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, as described below, FIU continuing to issue engagement letters pursuant to the piggyback agreement with Hammes Company Healthcare, LLC for project management services with a total cost in excess of \$1,000,000 over the term of the agreement; (ii) authorize the University President or her designee to execute, on behalf of FIU, all future engagement letter(s) thereunder for individual projects as FIU may elect with a total cost in excess of \$1,000,000 over the term of the agreement; and (iii) authorize the University President or her designee to execute all documents and take all actions necessary to effectuate the above.

Background Information:

Baptist Health, South Florida's largest not-for-profit healthcare system, and Florida International University, South Florida's public research university, entered into a collaboration that will expand physician training, research, and patient care for the benefit of the South Florida community. As part of the affiliation, a planned on-campus new medical center will reflect the promise and purpose of the transformative alliance. The new medical center will cater to those in nearby neighborhoods seeking primary and specialty clinical health services and provide opportunities for interdisciplinary health science education for the University's academic programs in not just medicine but nursing, social work, public health, and the allied health sciences. The collaboration has already begun reshaping health care in South Florida, the Sunshine State's most populous region.

FIU is currently managing an active capital construction program approaching \$1 billion. FIU has demonstrated a core competence in delivering major construction projects focused on academic, research, student housing, athletics, and related areas. The FIU-Baptist Health Academic Health Sciences Clinical Partnership Facility represents a new category of construction – clinical facilities -- for which FIU has limited experience. After assessing internal capacity and strengths in managing construction projects, the Facilities Management Department determined that it had reached its capacity limit in terms of assuming responsibility for a project of this nature. Recognizing this limitation, FIU initiated a search for third party project management firms with a demonstrated expertise in academic health center and clinical facilities to assist FIU in managing this specific project. The FIU Herbert Wertheim College of Medicine, FIU Facilities Management and Baptist Health collaborated in this process. After considering multiple project management firms, FIU determined that the most qualified firm for this project is Hammes Company Healthcare, LLC

(“Hammes”).

In 2024, the University of South Florida conducted a competitive solicitation for project management services and awarded contracts to several vendors including Hammes. Thereafter, Hammes and the University of South Florida Board of Trustees entered into a Master Services Agreement dated March 14, 2024.

To expedite the contracting process, FIU decided to engage Hammes to provide project management services to FIU through a piggyback agreement. FIU and Hammes entered into a piggyback agreement, dated March 18, 2025, which “piggybacks” the USF Master Services Agreement, all in compliance with Florida Board of Governors and FIU procurement regulations and policies. The piggyback agreement covers a wide array of project management services, which may include on-site project management, staff augmentation, cost estimating, large-scale project oversight, and professional support, as may be requested by FIU on a project-by-project basis. The USF piggyback agreement will expire on March 13, 2027, with two renewal options of one year each.

FIU issued the first engagement letter to Hammes on March 20, 2025 for Project Management Services – Assessment & Analysis for the Florida International University (FIU) Academic Health Sciences Clinical Partnership Facility (BT-942), with a total cost of \$120,000. Thereafter, FIU requested Hammes to provide a proposal for full project management services for the entire clinical partnership project through March 31, 2028. The cost of those services will be \$1,857,000 (plus an estimated cost of up to \$20,000 for actual expenditures that may be incurred by Hammes), which would push the total cost incurred under the piggyback agreement over \$1,000,000. It is important to note that a specific engagement such as the one proposed for approval may extend beyond the “piggyback” expiration date as long as the engagement is contracted when the original agreement is active and valid. This explains how FIU can issue an engagement letter to Hammes extending through March 31, 2028, and such engagement will remain in effect even without a renewal of the original USF Master Services Agreement.

Agreement Term for FIU-Hammes Engagements

- **First Engagement (Assessment & Analysis): April 1, 2025 – June 30, 2025 for \$120,000**
 - **Second Engagement (Full Project Management): July 1, 2025 – March 31, 2028 for \$1,857,000 which requires FIU Board of Trustees approval.**
 - **Cost: \$1,977,000** (Combined total cost for the engagement letters)
 - **Fund:** PECO Appropriations FY23-24 and FY24-25, Fund Code 720 Construction Trust Fund
-

Supporting Documentation:

Contract Summary Page

FIU Contract# PUR-09682 Piggyback Agreement (*Contract Exhibits Available upon Request*)

First Engagement Letter, March 20, 2025

Second Engagement Letter, March 26, 2025

Funding Certification Form

Facilitator/Presenter:

Aime Martinez

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Piggyback Contract PUR-09682 for Hammes Company Healthcare LLC for Facilities Management Department

Supplier: Hammes Company Healthcare LLC
1400 N Water Street Ste 500
Milwaukee, Wisconsin 53202-4129

Supplier Contact: Christopher Stanley
cstanley@hammes.com 904-608-3036

Contract Type: Piggyback through University of South Florida (USF)

Agreement Term for FIU-Hammes Engagements

- First Engagement (Assessment & Analysis): April 1, 2025 – June 30, 2025 for \$120,000
- Second Engagement (Full Project Management): July 1, 2025 – March 31, 2028 for \$1,857,000 which requires Board's approval.

General Scope of Work:

Project management services, which may include on-site project management, staff augmentation, cost estimating, large-scale project oversight, and professional support, as may be requested by FIU on a project-by-project basis. The engagements will be for the (FIU) Academic Health Sciences Clinical Partnership Facility.

Pricing:

The first engagement, for project management services – assessment and analysis – has a total cost of \$120,000 (plus reimbursable expenses). The second engagement, for project management through March 31, 2028, has a total cost of \$1,857,000 (plus reimbursable expenses capped at 1%).

Cost for initial term and future renewals = Combined total cost is \$1,977,000 (plus reimbursable expenses not to exceed 1%). Overall, FIU negotiated a 6.3% discount off the hourly rates prescribed in the USF Master Services Agreement and a 1% cap on reimbursable expenses (actual expenditures without any markup). Pricing represents a savings of \$132,082.17 off the USF negotiated hourly rates. Further, any increases in the hourly rates on an annualized basis or upon any renewal will not exceed 3%.

Insurance Requirement:

The contractor must maintain the following insurance coverage during the contract term, at its sole cost:

Commercial General Liability – Minimum coverage:
\$2,000,000 General Aggregate
\$1,000,000 Per Occurrence
\$1,000,000 Products/Completed Operations
\$1,000,000 Contractual Liability
Professional Liability/Errors & Omissions – Minimum \$1,000,000
Workers' Compensation – Statutory Limits
Employers' Liability – Minimum \$1,000,000 per claim

Termination: Per USF Master Service Agreement (MSA):

Termination by Owner for Cause (Section 9.3):

- The Owner may terminate the Agreement or any Purchase Orders with at least 14 days' written notice if the Vendor fails to perform in accordance with the contract and does not cure the issue within the notice period.
- Grounds for termination include non-performance, failure to meet standards, inability to pay subcontractors, and insolvency.

Termination for Cause - Vendor Payment (Section 9.5):

- If terminated for cause, the Vendor is entitled only to payment for work performed and allowable costs before the termination date, but only after deducting Owner's additional expenses, including legal fees and costs to hire a replacement vendor.

Termination by Owner for Convenience (Section 9.6):

- The Owner reserves the right to terminate the Agreement or any Purchase Orders/ Engagement without cause with 14 days' written notice.
- The Vendor is entitled only to payment for work performed up to the termination date, along with accrued reimbursable expenses and reasonable demobilization costs.
- The Vendor is not entitled to compensation for overhead, lost profit, or unperformed work due to a termination for convenience.

Project Wind-Up Requirements (Section 9.7):

- Upon termination, the Vendor must cease all work, notify subcontractors, and assist with an orderly transition.
- The Vendor must provide the Owner with contract documents, permits, and accounting records.

Department/Stakeholder:

John M. Cal – Associate Vice President - Facilities Management Department
(305) 348-4001 jcal@fiu.edu

Office of the Controller

Agatha Bober – Procurement Agent III – Procurement Services
(305) 348-2161 abober@fiu.edu

General Counsel:

Wendy Vargas – Senior University Counsel
(305) 348-0586 wvargasm@fiu.edu



PIGGYBACK AGREEMENT

THIS PIGGYBACK AGREEMENT (the “Agreement”) is made and entered on the last date signed below by and between **The Florida International University Board of Trustees** (“FIU”), a Florida public body corporate, and **HAMMES COMPANY HEALTHCARE, LLC** (“Consultant”), a Wisconsin corporation located at 1400 N Water St., Suite 500, Milwaukee, WI 53202, to provide the Services (as hereinafter defined) pursuant to the terms and conditions of this Agreement.

RECITALS

WHEREAS, the Florida Board of Governors’ Regulation 18.001(1)(c) and FIU Regulation 2201 allow FIU to utilize contracts that are entered into after a public and open competitive solicitation by any State of Florida agency or department, the Federal Government, other states, political subdivisions, cooperatives or consortia, or any independent college or university for the procurement of commodities and contractual services, when it is determined to be cost-effective and in the best interest of FIU, to make purchases under contracts let by such other entities;

WHEREAS, the University of South Florida Board of Trustees issued the Solicitation (defined below) pursuant to the aforementioned solicitation requirements, awarded the Solicitation to Consultant, and entered into that certain Master Services Agreement, dated March 14, 2024 (“Contract”) with Consultant; and

WHEREAS, FIU desires to obtain the Services contemplated in the Solicitation.


NOW THEREFORE, FIU and Consultant agree to utilize the Solicitation and Contract and enter into this Agreement for Consultant to provide the Services, as may be required by FIU, pursuant to the following details:

Services:	Project Management Services	
Solicitation:	2024-088-ITN-PRO – Project Management Services	(“ <u>Exhibit I</u> ”)
Response:	Attached	(“ <u>Exhibit II</u> ”)
Contract:	Attached	(“ <u>Exhibit III</u> ”)
Price Sheet:	Attached (also Exhibit B to the Contract; see Exhibit III)	(“ <u>Exhibit IV</u> ”)
Scope of Work:	Attached (also Exhibit A to the Contract; see Exhibit III)	(“ <u>Exhibit V</u> ”)
Other:	Form of Engagement Letter	(“ <u>Exhibit VI</u> ”)

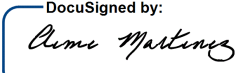
The aforementioned Exhibits are attached to this Agreement and are herein incorporated by this reference. In the event of any conflicts between the terms thereof, the documents (to the extent applicable) shall govern in the following order of precedence: (1) this Agreement; (2) the applicable Engagement Letter; (3) the Price Sheet (Exhibit IV); (4) the Scope of Work (Exhibit V); (5) the Contract (Exhibit III); (6) the Solicitation (Exhibit I); and (7) the Response (Exhibit II).

BY SIGNING BELOW, CONSULTANT REPRESENTS THAT CONSULTANT ACCEPTS ALL OF THE TERMS AND CONDITIONS CONTAINED HEREIN. THE DULY AUTHORIZED REPRESENTATIVES OF THE PARTIES HEREBY EXECUTE THIS AGREEMENT AS OF THE EFFECTIVE DATE.

Consultant:
HAMMES COMPANY HEALTHCARE, LLC

Signature: 
Name: Nancy Connolly
Title: President
Date: March 17, 2025

THE FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES

DocuSigned by:

Signature: Arlene Martinez
Name: Arlene Martinez
Title: CFO & SVP Finance and Admin
Date: March 18, 2025

DS
WM

TERMS AND CONDITIONS

1. **Effective Date; Defined Terms.** The “Effective Date” of this Agreement shall be the date upon which the last party to execute this Agreement has done so, as evidenced by the date noted below its signature. Any capitalized but undefined terms used in this Agreement shall have the meaning ascribed to them in the Contract, as applicable.
2. **Term.** This Agreement shall commence on the Effective Date and shall continue through March 13, 2027 (the “Initial Term”). The Agreement may be renewed two times for a period of one year each (each, a “Renewal Term”). The Initial Term and any Renewal Term(s) shall be known, collectively, as the “Term.”
3. **Payment.** FIU shall pay Consultant pursuant to the applicable Purchase Order.
4. **Payment Terms.** Consultant shall submit invoices for fees or other compensation for services or expenses in detail sufficient for a proper pre-audit and post-audit. FIU will make payment in accordance with FIU Regulation FIU-2202, which states Consultant’s rights as a vendor and FIU’s responsibilities concerning interest penalties and time limits for payment of invoices. If a payment is not issued within **forty (40) days of receipt** of a proper invoice and receipt and inspection and approval of the services, FIU will pay to Consultant, in addition to the amount of the invoice, an interest penalty at the rate established pursuant to Florida Statutes §55.03(1), provided the interest penalty is in excess of one dollar (\$1.00). These provisions apply only to undisputed amounts for which payment has been authorized. A Vendor Ombudsman has been established within the Office of Business and Finance. The duties of this individual include acting as an advocate for vendors who may be experiencing problems in obtaining timely payment from FIU. The Vendor Ombudsman may be contacted at (305) 348-2101. Consultant shall cooperate with FIU and provide specific records and/or access to all of Consultant’s records related to this Agreement for purposes of conducting an audit or investigation. FIU will provide Consultant with reasonable notice of the need for such records or access.
5. **Purchase Orders.** For purposes of this Agreement, the term “Purchase Order” as used in the Contract shall be referred to as “Engagement Letter.” In accordance with the Contract, FIU shall issue an Engagement Letter to Consultant for each engagement under this Agreement. The form of Engagement Letter to be used by the parties is attached hereto as Exhibit VI.
6. **Beneficiary.** The parties agree that all obligations of Consultant under the Contract, and all benefits provided therein by Consultant pursuant to the Solicitation and the contract resulting therefrom, shall inure to the benefit of FIU, and, as applicable, Florida International University, the FIU Board of Trustees, the Florida Board of Governors, the State of Florida and their respective trustees, officers, agents, employees, successors and assigns, pursuant to this Agreement.
7. **No Guarantees.** Consultant acknowledges that this Agreement is not a guarantee of any work.
8. **Insurance.** Consultant shall provide and keep in full force and effect during the Term, at Consultant’s sole cost and expense, the following insurance policies for the joint benefit of Consultant and FIU, with an insurer reasonably acceptable to FIU:

<u>Commercial General Liability</u>	\$2,000,000 General Aggregate	(minimum)
(a) Bodily Injury & Property Damage	\$1,000,000 Each Occurrence	(minimum)
(b) Damage to Rented Premises	Optional	
(c) Products/Completed Operations	\$1,000,000	
(d) Advertising & Personal Injury	Optional	
(e) Contractual Liability	\$1,000,000	
(f) Medical Payments	Optional	
<u>Professional Liability/Errors & Omissions</u>	\$1,000,000	(minimum)
<u>Workers’ Compensation</u>	Statutory Limits	
<u>Employers’ Liability</u>	\$1,000,000/\$1,000,000/\$1,000,000	(minimum)

The certificate of insurance shall indicate the General Liability policy carries an endorsement (no more restrictive than CG 20 10 on the GL policy) which names The Florida International University 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. Consultant's policies shall be primary and any insurance carried by FIU shall be noncontributing with respect thereto.

If the professional liability coverage is provided on a claims-made basis, then such insurance shall continue for three (3) years following the completion of the performance or the attempted performance of the provisions of the Agreement. The insurance shall have a retroactive date of placement prior to or coinciding with the Effective Date of this Agreement. If the coverage is canceled or non-renewed and not replaced with another claims-made policy form with a retroactive date prior to the effective date or coinciding with the effective date of this Agreement, Consultant must purchase Extended Reporting ("Tail") coverage for a minimum of three (3) years following the completion of the performance or the attempted performance of the provisions of this Agreement.

Unless previously authorized by FIU, the policies required above shall be issued on a "first dollar" basis with no deductible or self-insured retention. In the event any of the policies are subject to a deductible or self-insured retention, it is the sole responsibility of Consultant to pay such deductible or self-insured retention.

The 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. Consultant shall provide FIU with evidence of the renewal or replacement of the policies required above within ten days of expiration.

If Consultant fails to secure and maintain insurance policies complying with the provisions of this Agreement, FIU may terminate this Agreement. Consultant shall do nothing that will adversely affect FIU, in any way, including increasing risks, insurance premiums or liability.

In addition to the insurance required to be obtained and maintained by Consultant, if Consultant assigns any portion of the duties under this Agreement in accordance with the terms hereof, as applicable, each subconsultant or assignee is required to purchase and maintain insurance coverage that adequately covers each subconsultant's or assignee's exposure based on the type of services they are providing in connection with this Agreement.

Consultant's procuring of the required insurance shall not relieve Consultant of any obligation or liability assumed under this Agreement, including specifically the indemnity obligations. Consultant may carry, at its own expense, such additional insurance, as Consultant deems necessary. Consultant shall assist and cooperate in every manner possible in connection with the adjustment of all claims arising out of Consultant's operations within the scope provided for under this Agreement, and shall cooperate in all litigated claims and demands arising from said operations, which its insurance carrier or carriers are requested to respond.

The absence of a demand for any type of insurance certificates or policy or insurance condition, or for higher coverage limits shall not be construed as a waiver of Consultant's obligations to carry and maintain the appropriate types of insurances at limits that are appropriate to the liability exposure associated with this Agreement. FIU does not represent that coverage and the limits specified herein will necessarily be adequate to cover Consultant's liability.

FIU, upon request, reserves the right to obtain a copy of the policies requested above.

The terms of this Section shall prevail over the terms of Article 6 of the Contract.

9. Relationship of the Parties. Consultant is an independent contractor, and neither Consultant nor Consultant's employees, agents, or other representatives shall be considered FIU's employees or agents. Consultant represents that Consultant and Consultant's spouse or child are not employees of FIU, and Consultant does not have an employment or contractual relationship with an employee of FIU pursuant to [FIU Policy 140.105](#). Consultant shall not use FIU's name, trademarks, logos, or marks without FIU's prior written approval. Consultant represents and warrants that it is not on the Convicted Vendor List (see Fla. Stat. § 287.133(2)(a)). Each party hereby assumes any and all risk of personal injury and property damage attributable to the willful or negligent acts or omissions of that party and the officers, employees, and agents thereof. Consultant also assumes such risk with respect to the willful or negligent acts or omissions of Consultant's subconsultants or persons otherwise acting or engaged to act at the instance of Consultant in furtherance of Consultant fulfilling Consultant's obligations under this Agreement.

10. Notices. Any notices required under this Agreement shall be sent via U.S. Mail, return receipt requested, or via nationally recognized overnight courier, to the parties at the following addresses:

To Consultant:

Hammes Company Healthcare, LLC

1400 N Water St., Suite 500, Milwaukee, WI 53202

Attn: Nancy Connolly, President

To FIU:

Florida International University

Facilities Management Department

11200 S.W. 8th Street, CSC 221

Miami, Florida 33199

Attn: Associate Vice President Facilities Administration

With a copy to:

Florida International University

Office of the General Counsel

11200 S.W. 8th Street, PC 511

Miami, Florida 33199

11. Annual Appropriations. FIU's performance and obligation to pay under this Agreement is subject to and contingent upon the availability of funds appropriated by the Florida Legislature or otherwise lawfully expendable for the purposes of such contract for the current and future periods. FIU will give notice to Consultant of the non-availability of funds when FIU has knowledge thereof. Upon receipt of such notice by Consultant, Consultant is entitled to payment only for those services performed and accepted by FIU prior to the date such notice is received.

12. Taxes. FIU is a tax immune sovereign and exempt from the payment of sales, use or excise taxes. Consultant shall pay all personal property taxes on leased equipment and all taxes based upon net income.

13. Travel Expenses. Consultant shall not charge FIU for any travel expenses, meals, and lodging unless otherwise provided in this Agreement and FIU's prior written approval of the expenses has been obtained. Under such circumstances, Consultant is authorized to incur the agreed to travel expenses which will be payable by FIU, but only to the extent permitted in Florida Statutes § 112.061 and the FIU Policy 1110.060 Travel: University Travel Expense Policy, which is available at http://policies.fiu.edu/record_profile.php?id=548&s=travel. Consultant is responsible for any expenses in excess of these prescribed amounts.

14. Force Majeure. No default, delay or failure to perform on the part of either party shall be considered a default, delay or failure to perform otherwise chargeable, hereunder, if such default, delay or failure to perform is due to causes beyond either party's reasonable control including, but not limited to, strikes, lockouts or inactions of governmental authorities; epidemics; acts of terrorism; war; embargoes; fire; earthquakes; hurricanes; acts of God; or default of common carrier. In the event of such default, delay or failure to perform, any date or times by which either party is otherwise scheduled to perform shall be extended automatically for a period of time equal in duration to the time lost by reason of the excused default, delay or failure to perform (and the parties shall mutually agree on any adjustments with respect to costs that may have been incurred by Consultant during the pendency of any such force majeure event).

15. Sovereign Immunity. Except as otherwise expressly set forth in Section 16(b) of this Agreement, nothing in this Agreement shall be construed as an indemnification of Consultant by FIU or as a waiver of sovereign immunity beyond that provided in Florida Statutes §768.28.

16. Indemnification.

- a. Consultant is responsible for its performance under this Agreement. Consultant will indemnify and hold harmless, assume liability for and defend, the State of Florida, the Florida Board of Governors, FIU and their officers, employees, and agents, from and against any and all actions, claims, liabilities, assertions of liability, losses, costs and expenses, which may arise in any manner or are alleged to have arisen, from the acts, omissions or wrongful conduct of Consultant or Consultant's officers, employees, agents,

guests, patrons, licenses, invitees or subconsultants in connection with or related to their operations, activities, and/or occupancy or use of the FIU premises in performance of this Agreement. This provision shall survive termination or expiration of this Agreement. The rights in this Section shall be in addition to any other rights FIU may have at law and shall not be construed to negate or abridge or otherwise reduce any other right or obligation which would otherwise exist as to FIU. The terms of this Section shall prevail over the terms of Section 8.1 of the Contract.

- b. FIU shall indemnify and hold harmless Consultant and its officers and employees from any and all personal injury or property damage claims, liabilities, losses or causes of action which may arise as a result of the negligence of FIU's employees when acting within the course and scope of their employment; provided, however, this indemnification shall only be to the extent and within the limitations of Section 768.28 Florida Statutes, subject to the provisions of that statute whereby FIU shall not be held liable to pay a personal injury or property damage claim or judgment by any one person which exceeds the sum of \$200,000, or any claim or judgment or portions thereof, which, when totaled with all other claims or judgments paid by the FIU arising out of the same incident or occurrence, exceeds the sum of \$300,000 (and which sums shall not be modified, or deemed modified, in this Agreement even if said statute is amended after the Effective Date). Nothing herein shall be deemed to indemnify Consultant from any liability or claim arising out of the negligent performance or failure of performance of Consultant or as a result of the negligence or failure of performance of any third party. Further, nothing contained herein shall be construed or interpreted as denying FIU or other state or public entity any remedy or defense available under the laws of the State of Florida.

17. Trademark or Copyright Infringement. Consultant will, at its expense, defend any suit brought against FIU and will indemnify FIU against an award of damages and costs made against FIU by settlement or final judgment of a court that is based on a claim that the use of Consultant's product infringes a trademark or copyright of a third party; provided that FIU notifies Consultant in writing of the suit or any claim of infringement within thirty (30) days after receiving notice thereof, and further provided that Consultant is permitted to control the defense in any litigation or settlement of the suit. FIU will provide reasonable cooperation in the defense of the suit at Consultant's expense. Such defense and indemnity shall survive termination or expiration of this Agreement.

18. Compliance with Laws. In the performance of this Agreement, Consultant shall, at its own expense, at all times during the term of this Agreement: (A) comply with all applicable federal, state, and local laws, rules, regulations, and ordinances and all other governmental requirements as applicable and required within Consultant's industry standard, as well as all applicable FIU regulations; and (B) have all applicable governmental permits, licenses, consents, and approvals necessary to perform its obligations under this Agreement. This obligation shall specifically include, but is not limited to, Consultant's compliance with applicable export control laws, including the International Traffic in Arms Regulations (ITAR), the Export Administration Regulations (EAR), and the Office of Foreign Assets Control Regulations (OFAC).

19. 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 Consultant prior notice. If Consultant is a "contractor" as defined under Section 119.0701, Florida Statutes, Consultant shall comply with all applicable public records laws. Specifically, Consultant 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 Consultant 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 Consultant or keep and maintain public records required by FIU to perform the Service. If Consultant transfers all public records to FIU upon completion of the contract, Consultant shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If Consultant keeps and maintains public records upon completion of the contract, Consultant 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 Consultant of such request, and Consultant must provide them to FIU or allow the records to be inspected or copied within a reasonable time. If Consultant does not comply with the request for records, FIU shall enforce the terms of the

contract, and Consultant 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 this Agreement for Consultant's refusal to allow public access to all public records that were made or received in conjunction with this Agreement. This provision shall survive the expiration or earlier termination of this Agreement. **IF CONSULTANT HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO CONSULTANT'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT (305) 348-1377, BY E-MAIL AT recordsmanagement@fiu.edu, OR BY MAIL at 11200 SW 8 ST., GL 460, MIAMI, FLORIDA 33199.**

20. Third Party Beneficiaries. This Agreement does not and is not intended to confer any rights or remedies upon any person other than the parties to this Agreement.

21. Information. Consultant acknowledges and agrees that (a) all documents, studies, materials and information furnished to Consultant by FIU or FIU's affiliates in connection with this Agreement and (b) all reports, studies, plans, deliverables, strategies, materials and other documents and information developed or prepared for FIU in connection with this Agreement or which reflect any of the documents, studies, materials or information furnished to Consultant by FIU (the materials described in (a) and (b) are collectively referred to as the "Information") are and shall remain at all times proprietary and the sole property of FIU. Consultant agrees that it shall not use the Information and will not share the Information with its employees, except as necessary to Consultant's performance under this Agreement. Consultant shall not disclose Information to third parties unless it obtains FIU's written consent to such disclosure.

In the event Consultant is required by subpoena or other judicial or administrative process or by law to disclose any Information, Consultant shall (i) provide FIU with prompt notice thereof; (ii) consult with FIU on the advisability of taking steps to resist or narrow such disclosure; (iii) furnish only that portion of the information that is responsive to the request; (iv) comply with the requirements of all state and federal privacy laws applicable to the Information, which may include but is not be limited, to Florida Public Records laws, FERPA, the Gramm-Leach Bliley Act, the Federal Trade Commission's Red Flags Rule (which implements Section 114 of the Fair and Accurate Credit Transactions Act of 2003); and (v) reasonably cooperate with FIU in any attempt that FIU may make to obtain an order or other reliable assurance that confidential treatment will be accorded the Information. Upon termination of this Agreement or upon request by FIU, Consultant shall promptly return the Information to FIU. This provision shall survive the termination or expiration of this Agreement.

22. Lobbying. Consultant is prohibited from using funds provided under this Agreement for the purpose of lobbying the Legislature or any official, officer, commission, board, authority, council, committee, or department of the executive branch or the judicial branch of state government.

23. E-Verify: All terms defined in §448.095, Fla. Stat., are adopted and incorporated into this provision. Pursuant to §448.095, Fla. Stat., Consultant certifies that it is registered with and uses the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by the Consultant during the term of this Agreement. If Consultant enters into a contract with a subconsultant to perform work or provide services pursuant to this Agreement, Consultant shall likewise require the subconsultant to comply with the requirements of §448.095, Fla. Stat., and the subconsultant shall provide to Consultant an affidavit stating that the subconsultant does not employ, contract with or subcontract with an unauthorized alien. Consultant shall maintain a copy of such affidavit for the duration of the contract. FIU may terminate this Agreement immediately upon notice to Consultant for any violation of this provision.

24. Deletion. Any term and/or condition in the Exhibits on the following subject matters are hereby deleted in their entirety and declared null and void: (a) grants of exclusivity by FIU to Consultant; (b) intentionally deleted; (c) FIU's responsibility to pay intangible taxes, property taxes, or sales taxes; (d) FIU's tort liability; (e) automatic renewals of the term of the Contract (for clarification purposes, FIU will have the ability to renew this Agreement pursuant to any renewal rights in the Contract, but such renewals will not be automatic and shall be exercised by FIU in the ordinary course of business if so desired); (f) intentionally deleted; (g) limitation of Consultant's liability; (h) that FIU performs reporting functions and/or maintains certain types of operations (i) granting Consultant any right to audit FIU; (j) attorneys' or collection fees provisions; (k) arbitration and mediation clauses; and (l) indemnification of Consultant by FIU except as otherwise expressly set forth in this Agreement.

25. No counterparts; facsimile signatures allowed. This Agreement may not be executed in counterparts. The 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.

26. Assignment/Modification of Contract. This Agreement may not be assigned or modified by either party except as agreed to in writing and signed by both parties. This Agreement shall be binding upon the parties' successors and permitted assigns.

27. Governing Law; Venue. This Agreement is governed by the laws of the State of Florida and exclusive venue of any actions arising out of this Agreement shall be in the courts in Miami-Dade County, Florida.

28. Entire Agreement. This Agreement, along with the Exhibits and any other appendices, addenda, schedules, and amendments hereto, including all Engagement Letters, encompasses the entire agreement of the parties, and supersedes all previous understandings and agreements between the parties, whether oral or written. The parties hereby acknowledge and represent that said parties have not relied on any representation, assertion, guarantee, warranty, collateral contract or other assurance, except those set out in this Agreement, made by or on behalf of any other party or any other person or entity whatsoever, prior to the execution of this Agreement.

29. Other Contract Modifications.

a. For purposes of this Agreement, all references in the Contract (including all Exhibits thereto) to "USF" shall be replaced with "FIU."

b. FIU's Building Code Administration Program can be found at <https://facilities.fiu.edu/Planning/buildingdepartment.htm>. If required pursuant to the particular scope of work attached to an Engagement Letter, Consultant shall comply with these guidelines, and any other applicable design and construction guidelines adopted by FIU from time to time (it being understood that architects and construction managers must abide by all FIU design and construction guidelines at all times unless otherwise approved by FIU in writing).

c. Sections 5.1 through 5.8 of the Contract are hereby deleted in their entirety. Consultant shall make no changes to its Work, nor perform additional Work, except upon a written change order executed by FIU, and FIU shall not be held liable to Consultant for any extra labor, work, or otherwise, furnished in the absence thereof. In connection with any request for a change order to its Work (which request shall be in writing), Consultant shall indicate (a) the scope of the additional services, (b) the reason for the need for the additional services, (c) the estimated financial and schedule impacts of the additional services, and (d) a definitive statement of fees that Consultant is proposing for such additional services. All change orders shall be negotiated between the parties, and shall be subject to FIU's prior written approval in all respects.

d. In furtherance, and not in limitation, of the waiver set forth in Sections 8.5 and 8.6 of the Contract, FIU and Consultant hereby waive claims against each other for any indirect, incidental, consequential or special loss or damage, including, but not limited to, lost profits, business interruption losses, customer claims, or replacement losses, arising out of or relating to the Work, whether attributable to breach of contract, warranty, express or implied, or tort, including negligence, strict liability, or otherwise, provided, however, that this waiver shall not apply to damages arising from FIU or Consultant's gross negligence or willful misconduct, as applicable.

e. Section 10.1 of the Contract is hereby deleted in its entirety. FIU and Consultant shall endeavor to resolve claims, disputes, and other matters in question between them arising out of or relating to this Agreement (collectively, a "Dispute") through direct negotiation for a period of up to ninety (90) days. Any Dispute between the parties will be presented in writing to the other party, with the nature of the Dispute and alleged damages. Each party agrees to enter into negotiation to resolve the Dispute, while also making every endeavor to cure the Dispute. During the 90-day period, FIU and Consultant shall each continue to perform their respective obligations without interruption or delay, and payment of invoices submitted by Consultant shall continue to be processed by FIU in accordance with the terms of this Agreement. If the parties do not resolve a Dispute during the 90-day period and are unable to cure same, then all such Disputes and other matters between the parties shall be determined under the judiciary system of the State of Florida.

f. With respect to Exhibit B to the Contract:

- i. Any increase of Consultant's rates on an annualized basis or upon any renewal of the Term will not exceed three percent (3%), except as otherwise negotiated with FIU in FIU's sole discretion.
- ii. All reimbursable costs, as applicable, will be reimbursed at actual cost with no mark-up.
- iii. Pay requests shall be documented in accordance with FIU's requirements and procedures in effect from time to time.
- iv. All hourly labor rates are inclusive of transportation and travel time costs pursuant to Sections 4(d) and (e) of said Exhibit B, so there shall be no separate or additional reimbursement for transportation or travel time costs.

g. Consultant shall perform its services consistent with the skill and care ordinarily provided by project managers practicing in the same or similar locality under the same or similar circumstances. Consultant shall provide its services as expeditiously as is consistent with such skill and care and the orderly progress of the Project.

h. For all Engagement Letters, Consultant shall confirm in writing to FIU the names and qualifications of its proposed key staff members for the Project. Within fourteen (14) days of receipt of the names and qualifications of such proposed key staff members, FIU may reply in writing stating (1) whether FIU has reasonable objection to a proposed key staff member or (2) that FIU requires additional time to review. Failure of FIU to reply within the 14-day period shall constitute notice of no reasonable objection. Consultant shall not staff any employees on the Project to whom FIU has made reasonable and timely objection. Consultant shall not change its key staff members without FIU's consent, which shall not be unreasonably withheld or delayed. If a key staff member leaves its position with Consultant during a Project, Consultant shall immediately notify FIU, and FIU shall have the right to approve the replacement key staff member. In the event of any conflict between FIU and any key staff member, or dissatisfaction by FIU with any such key staff member's performance, FIU shall notify Consultant thereof in writing. Consultant shall have a sixty (60) day cure period to attempt to remedy the issue to FIU's reasonable satisfaction. If the issues are not resolved to FIU's satisfaction within such cure period, then Consultant shall replace said key staff member, as applicable.

i. If requested by FIU, Consultant shall provide FIU with access to Consultant's management software.

j. Consultant shall have authority to act on behalf of FIU only to the extent provided in this Agreement (inclusive of all Engagement Letters issued by FIU).

k. Consultant will prepare and maintain the documents, materials and reports required hereunder in a form and format, including electronic formats, acceptable to FIU.

l. Consultant, during the course of its performance of any Work pursuant to this Agreement, must make commercially reasonable efforts to ensure that its personnel act in a manner that assists FIU in providing a safe environment for its students, faculty, staff, and visitors and protects the reputation of FIU. Consultant must ensure that its personnel performing services under this Agreement are aware of their obligations and are appropriately and regularly trained to ensure compliance with these requirements and, when required by FIU, have completed an appropriate background check in accordance with Chapter 435, Florida Statutes.

m. FIU agrees not to solicit or hire Consultant's employees who are involved with a Project prior, during, and up to one year after completion of such Project. If FIU hires a Consultant employee(s) involved with a Project prior to one year after completion of such Project, FIU agrees to pay Consultant an amount equal to one year's base compensation for the individual.

n. Consultant agrees not to solicit or hire FIU's employees who are involved with a Project prior, during, and up to one year after completion of such Project. If Consultant hires an FIU employee(s) involved with a Project prior to one year after completion of such Project, Consultant agrees to pay FIU an amount equal to one year's base compensation for the individual.

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March 20, 2025

Hammes Company Healthcare, LLC
1400 N Water St., Suite 500
Milwaukee, WI 53202
Attn: Christoher Stanley, Vice President

Re: Project Management Services

Mr. Stanley:

Reference is made to that certain Piggyback Agreement PUR#09682, dated March 18, 2025, including all schedules and exhibits thereto (the “Agreement”), by and between The Florida International University Board of Trustees (“FIU”) and Hammes Company Healthcare, LLC (“Consultant”). This engagement letter will confirm that FIU has engaged Consultant with respect to the following transaction:

Project Overview Summary:	<u>Project Management Services for the Assessment and Analysis Phase of the FIU Academic Health Sciences Clinical Partnership Facility (BT-942)</u>
Scope of Work Summary:	<u>Preliminary Project Assessment, Evaluation and Recommendations from April 1, 2025 through June 30, 2025</u>
Pricing:	<u>\$120,000 lump sum</u>
Other Terms:	<u>1% Cap on reimbursable expenses</u>

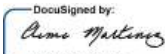
Consultant’s proposal for the project shall be attached to this engagement letter.

The terms and conditions of this engagement shall be subject to and in accordance with the Agreement.


Please acknowledge your agreement to and acceptance of the foregoing by signing in the space provided below and returning a copy of this executed letter by e-mail to the undersigned at the following e-mail address: amartin@fiu.edu

Very truly yours,

The Florida International University Board of Trustees

By: 
Name: Aime Martinez
Title: CFO & Senior Vice President
Date: 3/21/2025

**ACCEPTED AND AGREED:
Hammes Company Healthcare, LLC**

By: 
Name: Nancy Connolly
Title: President
Date: 3/21/2025



March 18, 2025

John M. Cal
AVP Facilities Management
Florida International University
11555 SW 17th Street, CSC 220
Miami, FL 33199

VIA EMAIL: jcal@fiu.edu

RE: Project Management Services for the Assessment and Analysis Phase of the Florida International University (FIU) Academic Health Sciences Clinical Partnership Facility (BT-942)

Dear John,

On behalf of Hammes Company Healthcare, LLC (Hammes), we are pleased to provide the revised project management services proposal for the Florida International University (FIU) Academic Health Sciences Clinical Partnership Facility (BT-942) as requested. This proposal provides rates consistent with the existing master services agreement (MSA) with USF including a lump sum discount applied to the project schedule identified below.

- Schedule: April 1, 2025 - June 30, 2025
- Hourly Fee Schedule - \$135,302.40
- Proposed Lump Sum Fee - \$120,000.00 (11.3%)

Hammes proposes to successfully execute this project by following the mutually agreed upon FIU Scope of Services Agreement for Project Management (PM) Services.

Please do not hesitate to contact us with any questions concerning our revised pricing proposal. Hammes appreciates this opportunity and is ready to start immediately.

Sincerely,

Wade Milligan
Regional Vice President
Hammes Healthcare

Chris Stanley
Vice President
Hammes Healthcare

A. Project Scope / Roles & Responsibilities

Academic Health Sciences Clinical Partnership Facility (BT-942)

Scope of Work for FIU

Overview Summary: Preliminary Project Assessment, Evaluation & Recommendations

Schedule: April 1, 2025 - June 30, 2025

Scope:

Successful execution of the mutually agreed upon Project Roles and Responsibilities (Exhibit A) for Project Management Services including, as outlined by FIU Facilities Management leadership:

- Initiate a team engagement/work session to understand and develop a master schedule with the following information:
 - Key milestone dates for FIU and Baptist Health
 - Enabling projects; risks, schedule, “Owner”
 - FIU key milestone schedule, including board meetings, reports, etc.
 - Baptist key milestone schedule
 - Key stakeholders managing project-related decisions
 - Current contract status with development partners
 - Legal and procurement process
- Schedule and attend all regular (weekly, bi-weekly, etc.) project meetings including design meetings at the executive, management, and execution levels.
- Oversee the design process to confirm that all program requirements, building, and site investigation results are appropriately incorporated into the design process and meetings with stakeholders are scheduled for review and signature approval.
- Assess the overall project viability and status based on planning, programming, and design completed to date. The assessment should also review the master plan for the site.
- Analyze the proposed budget for the three critical components. Focus on adequacy, viability, and trade-offs/alternatives. Recommend trade-offs and/or alternatives as appropriate.
 1. Baptist - FIU clinical space
 2. Herbert Wertheim College of Medicine (HWCOM) and health disciplines academic space
 3. Parking garage support space
- Ensure the design team meets all contractual requirements of the FIU-A/E contract.
- Integrate Construction Manager into pre-construction process.
- Identify critical “showstoppers,” or potential areas for attention or concern, and be prepared to articulate the risks and exposures to FIU leadership.

B. Fee Proposal

Fee Proposal

Our proposed fee for Project Management services as outlined in your project budget and overall project schedule are consistent with the rates provided in the existing master services agreement (MSA) with USF. Hammes is proposing a discounted lump sum fee of one hundred twenty thousand dollars (\$120,000).

This fee will be billed monthly in according to the following: Phase

Monthly Billing Schedule	
April 1, 2025 – April 30, 2025	\$40,000 / month
May 1, 2025 – May 31, 2025	\$40,000 / month
June 1, 2025 – June 30, 2025	\$40,000 / month
Assessment & Analysis Phase Total:	\$ 120,000

Reimbursable Expenses

Reimbursable expenses are in addition to compensation for services and include the actual expenditures made or incurred by Hammes (without markup) in the interest of the project. Hammes will honor a not to exceed one percent (1%) cap of fee on all project expenses.

Any reimbursable expenses of a unique nature incurred by Hammes on behalf of this project will require prior written approval before such expenses are incurred.

PROPOSED FORMAT - Fee Schedule

3/17/2025

April - June 2025

Team Member	Hours (1 mo.)	% Effort (1 mo.)	Monthly Hours	* Hourly Rate	Monthly Fee cost	Annual Fee cost
Wade Milligan	174	10%	17.40	\$262.00	\$ 4,558.80	\$ 13,676.40
Jason Mueller	174	100%	174.00	\$233.00	\$ 40,542.00	\$ 121,626.00
Pearl Suen	174	0%		\$170.63		
Michelle Sulieman	174	0%		\$118.21		
					\$ 45,100.80	\$ 135,302.40

Project Fee = \$ 135,302.40

* ESTIMATED HOURLY RATES BASED ON USF AGREEMENT

FIU Project Fee = \$ 120,000.00

C. Exhibits

Exhibit A. Project Roles and Responsibilities

DESCRIPTION	L = LEAD / S = SUPPORT			
	FIU (Owner)	Baptist Health South Florida	Hammes Healthcare (Proj Mgr)	Other Team Members (AEC)
Project Initiation & Planning Phase				
Understanding. Develop a comprehensive understanding of the project relative to the current program, assumptions, constraints, budget, etc. Understand ongoing operations considerations and requirements to be addressed by the project. Understand specific site constraints such as setbacks, utility relocations, and other limitations. Review and understand the budget and schedule assumptions and associated detail.	S	S	L	S
Goals and Objectives. In conjunction with Owner's leadership team, Project Manager will establish and document the overall project goals and objectives. These typically include schedule, guiding design principles, delivery team member selection parameters and process, reporting expectations, etc.	S	S	L	
Staffing. Provide project management personnel to meet the demands of the project. Serve as the Project Manager in coordinating all activities of the Project Team providing overall team leadership and guidance throughout the entire process.	S		L	
Organization & Implementation Plan. Provide an organizational plan and responsibility matrix for the management and control of this project, including the activities of the Owner, Project Team members and others pertinent to project development. This includes the assessment of project phasing, financing considerations, alternative delivery methods, bidding and contracting strategy, etc. to provide the most efficient project delivery approach.	S	S	L	
Planning & Programming. Coordinate the planning, programming and architectural activities to develop the optimum operational and planning model. Attend key planning and programming meetings.	S		S	L
Master Schedule. Develop and maintain the Master Project Schedule to include all organization, planning, design, preconstruction, procurement, construction, occupancy, and closeout activities. This comprehensive master schedule will be updated to include project tasks being performed by other team members to achieve a successful project.	S		L	S
Master Budget. Develop a preliminary Master Project Budget for the project. The Master Project Budget is intended to capture all costs of the project, serve as reporting tool and provide the structure for project cost control. The project budget and cost control process will be performed with a web enabled system and will permit client access to this system.	S		L	S
Cost Management. Develop, maintain and administer the cost control process to include review and approval of all project change orders / amendments, purchase orders and invoices related. Reconciliations will be accomplished with the Owner's accounting records to ensure project commitments and expenditures are accurate for monthly project reporting purposes.	S	S	L	S
Project Delivery Approach & Team Composition Requirement. Provide project delivery approach recommendations to best suit the Owner's project. Determine necessary design and construction team members, including but not limited to, the architect, engineering consultants, construction manager, traffic consultant, medical equipment, environmental and geotechnical engineer, furniture, and low voltage planners, etc.	S	S	L	

Selection Process. Lead team selection activities to include, but not limited to, development of RFQs, RFPs, contract agreements (includes identifying scope of service requirements and deliverables), analysis of proposals, managing the interview process and development of recommendations for selections in accordance with Owner's unique process and objectives.	I	S	S	
Agreements. Lead the final development and negotiation of architectural / engineering agreements. Lead the development of suitable agreements for preconstruction and construction services through a construction manager. Lead the development of additional agreements for all other required consultants. Coordinate with the Owner and its legal counsel.	L		S	
Risk Management Planning. Assist the Owner's leadership team in developing an assessment of general and specific project risks. Identify a plan to address the risks to include defining where assessments and further investigations are required.	S		L	
Coordination of Efforts. Create and implement an Action Item list to support a project culture of driving team member accountability. This tool shall apply to all project activities, events, and decisions needed to ensure a successful project.	S	S	L	S
Regulatory Issues. Assist the Owner in matters pertaining to regulatory acceptance, zoning issues, and occupancy, and coordinate with the Owner as requested by the Owner.	L	S	S	S
Decision Making. Meet with the Owner's leadership team and review the proposed decision-making process to solicit feedback, refinement and ultimate buy-in.	L	S	S	
Design / Preconstruction Phase				
Staffing. Provide project management personnel to meet the demands of the project. Serve as the Project Manager in coordinating Project Team activities by providing overall team leadership and guidance throughout this project phase.	S		L	S
Process Design. Facilitate design work session(s) to define the project success criteria, objectives, scope, schedule, budget, and known assumptions.	S	S	S	L
Design Leadership. Provide leadership and oversight including Owner interface coordination to ensure scope, budget, schedule, and quality are achieved.	S	S	S	L
Program and Validation. Advocate program decisions that will maintain the budget. Propose and implement activities designed to validate program assumptions and impacts.	S	S	S	L
Team Meeting Leadership. Lead regularly scheduled project meetings to ensure the project's progress and performance supports the baselines. Prepare and distribute minutes of all such meetings.	S		L	S
Action Log. Maintain the Project Team Action Log to drive and track activities, decisions, and issues to ensure timely completion.			L	
User Group Meeting Leadership. Attend significant design and preconstruction meetings including user group meetings with the Design Team as necessary. Ensure the design progress supports the approved project objectives, scope, schedule, and budget.	S	S	S	L
Decision Making Process. Coordinate interaction and decision-making between the Owner, architects, engineers, user groups, and others. Meet regularly with the Owner's leadership team to address key decisions required and other project issues.	L	S	S	S
Master Budget. Maintain the detailed Master Project Budget to address all anticipated projected costs. Project Manager will maintain data on approved budget changes, commitments, expenditures in a format consistent with Owner requirements.	S		L	S
Master Schedule. Maintain the Master Project Schedule and supporting near term schedules (as appropriate) to best drive project team performance and portray project status.	S	S	L	S

Measurable Added Value. Provide documentation of realized cost savings resulting from Project Team initiatives.	S		L	S
FFE & Low Voltage / IT Planning. Advise Project Team to identify all requirements (includes budget and schedule impacts), for medical equipment, furniture and low voltage systems. Coordinate planning team efforts to ensure all costs and systems are identified. Monitor the medical equipment, furnishings, and low voltage budgets as the project progresses and manage the process of maintaining the budgets.	S	S	L	S
Cost Management. Develop, maintain and administer the cost control process to include review and approval of all project change orders / amendments, purchase orders and invoices related. Reconciliations will be accomplished with the Owner's accounting records to ensure project commitments and expenditures are accurate for monthly project reporting purposes.	S		L	S
Status Summary Reporting. Prepare and submit a monthly project status summary providing an executive project overview, key accomplishments, near term activities, budget and schedule performance, and key issues requiring action and decisions.	S		L	S
Department Interface. Follow up with all Owner departments including engineering, telecommunications, IT, security, housekeeping, etc. to ensure open issues are addressed.	S	S	L	
Project Phasing. Ensure project phasing requirements are addressed within the design documents, master project schedule and preconstruction deliverables.	S	S	S	L
Brownfield Site Due Diligence Site Resolution Management. Monitor due diligence and design solution is addressed per regulatory (local, state and/or federal) requirements.	L		S	S
Design Management & Review. Monitor design documents relative to compliance with the approved functional program and Owner's project objectives. Review all design phase documents and comment on constructability, coordination and value engineering items. Facilitate value engineering (V/E) efforts on the Owner's behalf including participating in work sessions with the Project Team, evaluation of proposed V/E items, etc. Monitor completion of design documents to ensure all V/E items are incorporated.	S	S	S	L
Presentations. Participate in Owner leadership, community leadership, and other presentations as necessary to provide updates as needed to support the project schedule.	L		S	S
Applications for Payment. Review architect, consultant, contractor, and vendor invoices and provide payment disposition recommendations.	S		L	S
Conflicts and Disputes. Assist in the resolution of all project-related conflicts and disputes including coordination with Owner's legal counsel, as required. Serve as Owner's Representative in bringing conflicts or disputes to resolution.	S	S	L	S
Commissioning Management. Lead the selection of a commissioning agent and oversee the development of the overall commissioning plan, if appropriate.	S		L	S
OFCL/OI Coordination. Assist with coordinating procurement, delivery and installation of all owner-furnished equipment and systems in accordance with the required construction and occupancy schedule. Ensure that equipment selection discussions are made in a timely manner.	S	S	L	S
Preconstruction Management (if appropriate). Lead preconstruction agreement negotiation with the contractor. Manage the preconstruction services activities and deliverables including construction estimate and constructability reviews. Review all assumptions and clarifications and communicate baseline deviations. Should design phase estimates be over the approved budget, spearhead the value engineering process to get the project back in budget. Maintain a Budget Inclusion/Exclusion log to clearly define the total project budget basis.	S		L	S

Construction Procurement. Facilitate work package development and building equipment procurement to ensure the most expeditious project delivery approach. Address all potential schedule impacting issues immediately to optimize project schedule performance. Oversee the development of any early guaranteed maximum price proposals, lump sum bids and associated assumptions and qualifications.	S		S	L
Regulatory Issues. Coordinate all matters pertaining to regulatory acceptance, zoning issues, and occupancy facilitating resolution in a timely manner.	L	S	S	S
Pre-Qualification. Assist the contractor with the subcontractor prequalification, material suppliers, vendors, and the preparation of subcontract bid packages and scope descriptions in accordance with the Owner's guidelines.	S		S	L
Design Completion / Construction Commencement Phase				
Staffing. Provide project management personnel to meet the demands of the project. Serve as the Project Manager in coordinating Project Team activities by providing overall team leadership and guidance throughout this project phase.			L	
Document Coordination. Facilitate final document coordination meetings to ensure completion of design documents including confirmation of final architectural scope of service requirements, incorporation of all V/E items, FFE and IT design coordination, etc.	S	S	S	L
Project Phasing. Monitor the inclusion of project phasing requirements within the design documents, master project schedule and the preconstruction deliverables.	S	S	S	L
Decision-Making Process. Coordinate interaction and decision-making between the Owner, architects, engineers, user groups, and others. Meet regularly with the Owner's leadership team to address key decisions required and other project issues.	S	S	L	S
Guaranteed Maximum Price / Construction Budget. Monitor the development of a final construction budget including oversight of bidding and subcontractor qualification processes. This also includes the review of contractor's design document qualifications.	S		L	S
Master Budget. Maintain the detailed Master Project Budget to address all anticipated projected costs. Project Manager will maintain data on approved budget changes, commitments, expenditures in a format consistent with Owner requirements.	S		L	S
Master Schedule. Maintain the Master Project Schedule and supporting near term schedules (as appropriate) to best drive project team performance and portray project status.	S	S	L	S
Contractor Agreement. Lead final negotiation of the Owner-Contractor agreement and associated general conditions in cooperation with Owner's legal counsel.	L		S	S
Construction Schedule. Oversee development of an appropriate construction phase schedule incorporating all aspects of the project.	S		S	L
Materials Testing. Solicit proposals for materials testing services from qualified firms; develop a recommendation and an appropriate formal agreement with the selected firm. Oversee the materials testing process and ensure it is performed on the Owner's behalf and in accordance with contract documents	S		L	S
Pre-Construction Kick-off. Conduct a pre-construction kick-off meeting with the Owner, architect, contractor, and other key Project Team members to establish lines of communication and construction administration procedures such as the processing of submittals, shop drawings, requests for information (RFIs), change proposals, etc.	S	S	S	L
Construction Phase				
Staffing. Provide project management personnel to meet the demands of the project. Serve as the Project Manager in coordinating Project Team activities by providing overall team leadership and guidance throughout this project phase.	S		L	
Team Meeting Leadership. Lead regularly scheduled project meetings to ensure the project's progress and performance support the baselines. Prepare and distribute minutes of all such meetings.	S	S	L	S

Decision-Making Process. Coordinate interaction and decision-making between the Owner, architects, engineers, user groups, and others. Meet regularly with the Owner's leadership team to address key decisions required and other project issues.	L	S	S	S
Master Budget. Maintain the detailed Master Project Budget to address all anticipated projected costs. Project Manager will maintain data on approved budget changes, commitments, expenditures in a format consistent with Owner requirements.	S		L	S
Master Schedule. Maintain the Master Project Schedule and supporting near term schedules (as appropriate) to best drive project team performance and portray project status.	S	S	L	S
Cost Management. Develop, maintain and administer the cost control process to include review and approval of all project change orders / amendments, purchase orders and invoices related. Review subcontractor buy-out trade packages and bid tabulations to ensure contract compliance and recommend approval, as appropriate. Reconciliations will be accomplished with the Owner's accounting records to ensure project commitments and expenditures are accurate for monthly project reporting purposes.	S		L	S
Monitor, Analyze, Recommend. Monitor and analyze the ongoing construction effort, focusing on project budget and schedule baseline adherence. Additionally, assist the architect in monitoring work in place relative to compliance with contract documents and corrective action resulting from inspections. Ensure the architect and engineering teams are performing appropriate on-site inspections and review their reports relative to non-compliant work and required corrective actions. Ensure all non-compliant corrective actions have been completed prior to substantial completion.	S		L	S
Commissioning. Oversee and manage the activities of the Commissioning agent, if engaged, to verify all scope and deliverables are completed to Owner's satisfaction.	S		L	S
Manage Information Flow. Monitor Project Team timely responses to the contractor's request for information (RFI).	S	S	S	L
Monitor Implementation of Owner's Safety Plan. Monitor the establishment of site safety procedures, including infection control risk assessment and interim life safety measures, in accordance with the Owner's Safety Plan.	S		S	L
Applications for Payment. Review architect, consultant, contractor, and vendor invoices and provide payment disposition recommendations.	S		L	S
Inspections Assistance. Assist the architect in performing interim and final inspections and in monitoring corrective work completion. Assist the architect in developing a construction punch list and monitoring its resolution.	S		S	L
Status Summary Reporting. Prepare and submit a monthly project status summary providing an executive project overview, key accomplishments, near term activities, budget and schedule performance, and key issues requiring action/decisions.	S		L	S
Shut-down Coordination. Assist the contractor with the coordination of equipment, installation, utility shutdowns, and other issues with the Owner's Plant Operations staff.	S		S	L
Change Requests. In conjunction with the architect, review all change proposal requests submitted by the contractor and make recommendations for revision or approval.	S		L	S
Move-in and Occupancy. Assist the Owner's team with coordinating move and occupancy activities. This may include engagement of a move coordinator. Assist the Owner's team with providing on-site coordination during key move events to ensure successful completion. Assist the Owner with confirming facility readiness.	L	S	S	S
Inspections. Assist in coordinating the Owner's interaction with the appropriate governing authorities relative to construction issues, inspections, etc. Oversee the scheduling of inspections and approvals to support the project schedule.	S	S	S	L

Regulatory Issues. Assist the Owner in matters pertaining to regulatory acceptance, zoning issues, and occupancy, and coordinate with the Owner as requested by the Owner.	L	L	L	S
Start-up. Assist the contractor, architect and engineer in equipment and building startup activities.	S	S	S	L
Training. Assist the contractor and vendors to ensure building maintenance and clinical staff are properly trained.	S		S	L
Closeout. Monitor the completion of all project closeout activities including submittal of operation manuals, warranties, and as-built drawings. Conduct final project cost reconciliation with the Owner's Finance Department.	S		S	L

Hammes

For More Information, Please Contact Us

904.608.3036 | cstanley@hammes.com | hammes.com

PROPRIETARY MATERIAL. The information contained herein is provided on a strictly and permanently confidential basis. Recipient's acceptance of the document signifies agreement that neither it nor any of its advisors shall use the information for any purpose other than evaluating the specific matter described herein or divulge such information to any other party. Copyright 2025 by Hammes and its affiliates. All rights reserved. No part of this document may be reproduced, stored in a retrieval system, or transmitted in any form, by any means, including mechanical, electronic, photocopying, recordings, or otherwise, without prior written permission of Hammes.



March 26, 2025

Nancy Connolly, President
Hammes Company Healthcare, LLC
1400 N Water St., Suite 500
Milwaukee, WI 53202

Re: Project Management Services Engagement #2

Ms. Connolly:

Reference is made to that certain Piggyback Agreement PUR#09682, dated March 18, 2025, including all schedules and exhibits thereto (the “Agreement”), by and between The Florida International University Board of Trustees (“FIU”) and Hammes Company Healthcare, LLC (“Consultant”). This engagement letter will confirm that FIU has engaged Consultant with respect to the following transaction:

Project Overview Summary:	Project Management Services for the FIU Academic Health Sciences Clinical Partnership Facility (BT-942) from Design through Close-out.
Scope of Work Summary:	Full Project Management from July 1, 2025-March 31, 2028
Pricing:	\$1,857,000 paid in monthly lump sum installments consistent with schedule in accompanying proposal.
Other Terms:	1% Cap on reimbursable expenses Complete term of engagement depends on USF renewal of Master Service Agreement (MSA) in March 2027

Consultant’s proposal for the project shall be attached to this engagement letter.

The terms and conditions of this engagement shall be subject to and in accordance with the Agreement.

Please acknowledge your agreement to and acceptance of the foregoing by signing in the space provided below and returning a copy of this executed letter by e-mail to the undersigned at the following e-mail address: amartin@fiu.edu

Very truly yours,

**The Florida International University Board
of Trustees**

By: _____

Name: Jeanette M. Nuñez

Title: Interim President

Date: _____

**ACCEPTED AND AGREED:
Hammes Company Healthcare, LLC**

By: _____

Name: Nancy Connolly

Title: President

Date: _____



March 24, 2025

John M. Cal
AVP Facilities Management
Florida International University
11555 SW 17th Street, CSC 220
Miami, FL 33199

VIA EMAIL: jcal@fiu.edu

RE: Project Management Services for the Florida International University (FIU) Academic Health Sciences Clinical Partnership Facility (BT-942)

Dear John,

On behalf of Hammes Company Healthcare, LLC (Hammes), we are pleased to provide the revised project management services proposal for the Florida International University (FIU) Academic Health Sciences Clinical Partnership Facility (BT-942) as requested. This proposal provides rates consistent with the existing master services agreement (MSA) with USF including a lump sum discount applied to the project schedule identified below.

- Schedule: July 1, 2025 - March 31, 2028
- Hourly Fee Schedule - \$1,973,779.77
- Proposed Lump Sum Fee - \$1,857,000.00 (6%)

Hammes proposes to successfully execute this project by following the mutually agreed upon FIU Scope of Services Agreement for Project Management (PM) Services.

Please do not hesitate to contact us with any questions concerning our revised pricing proposal. Hammes appreciates this opportunity and is ready to start immediately.

Sincerely,

Wade Milligan
Regional Vice President

Chris Stanley
Vice President

A. Project Scope / Roles & Responsibilities

Academic Health Sciences Clinical Partnership Facility (BT-942)

Scope of Work for FIU

Overview Summary: Project Management

Schedule: July 1, 2025 - March 31, 2028

Scope:

Successful completion of the mutually agreed upon Project Roles and Responsibilities (Exhibit A) matrix for Project Management Services. This work will build on the work completed in the initial engagement, as outlined below:

- Initiate a team engagement/work session to understand and develop a master schedule with the following information:
 - Key milestone dates for FIU and Baptist Health
 - Enabling projects; risks, schedule, “Owner”
 - FIU key milestone schedule, including board meetings, reports, etc.
 - Baptist key milestone schedule
 - Key stakeholders managing project-related decisions
 - Current contract status with development partners
 - Legal and procurement process
- Schedule and attend all regular (weekly, bi-weekly, etc.) project meetings including design meetings at the executive, management, and execution levels.
- Oversee the design process to confirm that all program requirements, building, and site investigation results are appropriately incorporated into the design process and meetings with stakeholders are scheduled for review and signature approval.
- Assess the overall project viability and status based on planning, programming, and design completed to date. The assessment should also review the master plan for the site.
- Analyze the proposed budget for the three critical components. Focus on adequacy, viability, and tradeoffs/alternatives, if needed. Recommend trade-offs and/or alternatives as appropriate.
 1. Baptist - FIU clinical space
 2. Herbert Wertheim College of Medicine (HWCOM) and health disciplines academic space
 3. Parking garage support space
- Ensure the design team meets all contractual requirements of the FIU-A/E contract.
- Integrate Construction Manager into pre-construction process.
- Identify critical “showstoppers,” or potential areas for attention or concern, and be prepared to articulate the risks and exposures to FIU leadership.

B. Fee Proposal

Fee Proposal

Our proposed fee for Project Management services as outlined in your project budget and overall project schedule are consistent with the rates provided in the existing master services agreement (MSA) with USF. Hammes is proposing a discounted lump sum fee of one million eight hundred fifty-seven thousand dollars (\$1,857,000).

This fee will be billed monthly according to the following schedule:

Monthly Billing Schedule	
July 1, 2025 – December 31, 2025	\$50,000 / month
January 1, 2026 – December 31, 2026	\$60,000 / month
January 1, 2027 – December 31, 2027	\$61,000 / month
January 1, 2028 – March 31, 2028	\$35,000 / month
Project Management Phase Total:	\$ 1,857,000

Reimbursable Expenses

Reimbursable expenses are in addition to compensation for services and include the actual expenditures made or incurred by Hammes (without markup) in the interest of the project. Hammes will honor a not to exceed one percent (1%) cap of fee on all project expenses.

Any reimbursable expenses of a unique nature incurred by Hammes on behalf of this project will require prior written approval before such expenses are incurred.

July 2025 -December 2025						
Team Member	Hours (1 mo.)	% Effort (1 mo.)	Monthly Hours	*Hourly Rate	Monthly Fee cost	Annual Fee cost
Wade Milligan	174	10%	17.40	\$ 262.00	\$ 4,558.80	\$ 27,352.80
Jason Mueller	174	50%	87.00	\$ 233.00	\$ 20,271.00	\$ 121,626.00
Pearl Suen	174	100%	174.00	\$ 170.63	\$ 29,689.62	\$ 178,137.72
Michelle Sulieman	174	0%		\$ 118.21		
					\$ 54,519.42	\$ 327,116.52
January 1, 2026 - December 31, 2026 (with 3% annual increase)						
Wade Milligan	174	10%	17.40	\$ 269.86	\$ 4,695.56	\$ 56,346.77
Jason Mueller	174	50%	87.00	\$ 239.99	\$ 20,879.13	\$ 250,549.56
Pearl Suen	174	100%	174.00	\$ 175.75	\$ 30,580.31	\$ 366,963.70
Michelle Sulieman	174	30%	52.20	\$ 121.76	\$ 6,355.68	\$ 76,268.15
					\$ 62,510.68	\$ 750,128.18
January 1, 2027 - December 31, 2027 (with 3% annual increase)						
Wade Milligan	174	10%	17.40	\$ 277.96	\$ 4,836.43	\$ 58,037.17
Jason Mueller	174	50%	87.00	\$ 247.19	\$ 21,505.50	\$ 258,066.05
Pearl Suen	174	100%	174.00	\$ 181.02	\$ 31,497.72	\$ 377,972.61
Michelle Sulieman	174	30%	52.20	\$ 125.41	\$ 6,546.35	\$ 78,556.19
					\$ 64,386.00	\$ 772,632.02
January 1, 2028 - March 31, 2028 (with 3% annual increase)						
Wade Milligan	174	10%	17.40	\$ 286.29	\$ 4,981.52	\$ 14,944.57
Jason Mueller	174	20%	34.80	\$ 254.61	\$ 8,860.27	\$ 26,580.80
Pearl Suen	174	50%	87.00	\$ 186.45	\$ 16,221.32	\$ 48,663.97
Michelle Sulieman	174	50%	87.00	\$ 129.17	\$ 11,237.90	\$ 33,713.70
					\$ 41,301.02	\$ 123,903.05
Project Fee =					\$ 1,973,779.77	
*ESTIMATED HOURLY RATES BASED ON USF AGREEMENT						
Total FIU Project Fee =					\$ 1,857,000.00	

C. Exhibits

Exhibit A. Project Roles and Responsibilities

DESCRIPTION	L = LEAD / S = SUPPORT			
	FIU (Owner)	Baptist Health South Florida	Hammes Healthcare (Proj Mgr)	Other Team Members (AEC)
Project Initiation & Planning Phase				
Understanding. Develop a comprehensive understanding of the project relative to the current program, assumptions, constraints, budget, etc. Understand ongoing operations considerations and requirements to be addressed by the project. Understand specific site constraints such as setbacks, utility relocations, and other limitations. Review and understand the budget and schedule assumptions and associated detail.	S	S	L	S
Goals and Objectives. In conjunction with Owner's leadership team, Project Manager will establish and document the overall project goals and objectives. These typically include schedule, guiding design principles, delivery team member selection parameters and process, reporting expectations, etc.	S	S	L	
Staffing. Provide project management personnel to meet the demands of the project. Serve as the Project Manager in coordinating all activities of the Project Team providing overall team leadership and guidance throughout the entire process.	S		L	
Organization & Implementation Plan. Provide an organizational plan and responsibility matrix for the management and control of this project, including the activities of the Owner, Project Team members and others pertinent to project development. This includes the assessment of project phasing, financing considerations, alternative delivery methods, bidding and contracting strategy, etc. to provide the most efficient project delivery approach.	S	S	L	
Planning & Programming. Coordinate the planning, programming and architectural activities to develop the optimum operational and planning model. Attend key planning and programming meetings.	S		S	L
Master Schedule. Develop and maintain the Master Project Schedule to include all organization, planning, design, preconstruction, procurement, construction, occupancy, and closeout activities. This comprehensive master schedule will be updated to include project tasks being performed by other team members to achieve a successful project.	S		L	S
Master Budget. Develop a preliminary Master Project Budget for the project. The Master Project Budget is intended to capture all costs of the project, serve as reporting tool and provide the structure for project cost control. The project budget and cost control process will be performed with a web enabled system and will permit client access to this system.	S		L	S
Cost Management. Develop, maintain and administer the cost control process to include review and approval of all project change orders / amendments, purchase orders and invoices related. Reconciliations will be accomplished with the Owner's accounting records to ensure project commitments and expenditures are accurate for monthly project reporting purposes.	S	S	L	S
Project Delivery Approach & Team Composition Requirement. Provide project delivery approach recommendations to best suit the Owner's project. Determine necessary design and construction team members, including but not limited to, the architect, engineering consultants, construction manager, traffic consultant, medical equipment, environmental and geotechnical engineer, furniture, and low voltage planners, etc.	S	S	L	

Selection Process. Lead team selection activities to include, but not limited to, development of RFQs, RFPs, contract agreements (includes identifying scope of service requirements and deliverables), analysis of proposals, managing the interview process and development of recommendations for selections in accordance with Owner's unique process and objectives.	I	S	S	
Agreements. Lead the final development and negotiation of architectural / engineering agreements. Lead the development of suitable agreements for preconstruction and construction services through a construction manager. Lead the development of additional agreements for all other required consultants. Coordinate with the Owner and its legal counsel.	L		S	
Risk Management Planning. Assist the Owner's leadership team in developing an assessment of general and specific project risks. Identify a plan to address the risks to include defining where assessments and further investigations are required.	S		L	
Coordination of Efforts. Create and implement an Action Item list to support a project culture of driving team member accountability. This tool shall apply to all project activities, events, and decisions needed to ensure a successful project.	S	S	L	S
Regulatory Issues. Assist the Owner in matters pertaining to regulatory acceptance, zoning issues, and occupancy, and coordinate with the Owner as requested by the Owner.	L	S	S	S
Decision Making. Meet with the Owner's leadership team and review the proposed decision-making process to solicit feedback, refinement and ultimate buy-in.	L	S	S	
Design / Preconstruction Phase				
Staffing. Provide project management personnel to meet the demands of the project. Serve as the Project Manager in coordinating Project Team activities by providing overall team leadership and guidance throughout this project phase.	S		L	S
Process Design. Facilitate design work session(s) to define the project success criteria, objectives, scope, schedule, budget, and known assumptions.	S	S	S	L
Design Leadership. Provide leadership and oversight including Owner interface coordination to ensure scope, budget, schedule, and quality are achieved.	S	S	S	L
Program and Validation. Advocate program decisions that will maintain the budget. Propose and implement activities designed to validate program assumptions and impacts.	S	S	S	L
Team Meeting Leadership. Lead regularly scheduled project meetings to ensure the project's progress and performance supports the baselines. Prepare and distribute minutes of all such meetings.	S		L	S
Action Log. Maintain the Project Team Action Log to drive and track activities, decisions, and issues to ensure timely completion.			L	
User Group Meeting Leadership. Attend significant design and preconstruction meetings including user group meetings with the Design Team as necessary. Ensure the design progress supports the approved project objectives, scope, schedule, and budget.	S	S	S	L
Decision Making Process. Coordinate interaction and decision-making between the Owner, architects, engineers, user groups, and others. Meet regularly with the Owner's leadership team to address key decisions required and other project issues.	L	S	S	S
Master Budget. Maintain the detailed Master Project Budget to address all anticipated projected costs. Project Manager will maintain data on approved budget changes, commitments, expenditures in a format consistent with Owner requirements.	S		L	S
Master Schedule. Maintain the Master Project Schedule and supporting near term schedules (as appropriate) to best drive project team performance and portray project status.	S	S	L	S

Measurable Added Value. Provide documentation of realized cost savings resulting from Project Team initiatives.	S		L	S
FFE & Low Voltage / IT Planning. Advise Project Team to identify all requirements (includes budget and schedule impacts), for medical equipment, furniture and low voltage systems. Coordinate planning team efforts to ensure all costs and systems are identified. Monitor the medical equipment, furnishings, and low voltage budgets as the project progresses and manage the process of maintaining the budgets.	S	S	L	S
Cost Management. Develop, maintain and administer the cost control process to include review and approval of all project change orders / amendments, purchase orders and invoices related. Reconciliations will be accomplished with the Owner's accounting records to ensure project commitments and expenditures are accurate for monthly project reporting purposes.	S		L	S
Status Summary Reporting. Prepare and submit a monthly project status summary providing an executive project overview, key accomplishments, near term activities, budget and schedule performance, and key issues requiring action and decisions.	S		L	S
Department Interface. Follow up with all Owner departments including engineering, telecommunications, IT, security, housekeeping, etc. to ensure open issues are addressed.	S	S	L	
Project Phasing. Ensure project phasing requirements are addressed within the design documents, master project schedule and preconstruction deliverables.	S	S	S	L
Brownfield Site Due Diligence Site Resolution Management. Monitor due diligence and design solution is addressed per regulatory (local, state and/or federal) requirements.	L		S	S
Design Management & Review. Monitor design documents relative to compliance with the approved functional program and Owner's project objectives. Review all design phase documents and comment on constructability, coordination and value engineering items. Facilitate value engineering (V/E) efforts on the Owner's behalf including participating in work sessions with the Project Team, evaluation of proposed V/E items, etc. Monitor completion of design documents to ensure all V/E items are incorporated.	S	S	S	L
Presentations. Participate in Owner leadership, community leadership, and other presentations as necessary to provide updates as needed to support the project schedule.	L		S	S
Applications for Payment. Review architect, consultant, contractor, and vendor invoices and provide payment disposition recommendations.	S		L	S
Conflicts and Disputes. Assist in the resolution of all project-related conflicts and disputes including coordination with Owner's legal counsel, as required. Serve as Owner's Representative in bringing conflicts or disputes to resolution.	S	S	L	S
Commissioning Management. Lead the selection of a commissioning agent and oversee the development of the overall commissioning plan, if appropriate.	S		L	S
OFCI/OI Coordination. Assist with coordinating procurement, delivery and installation of all owner-furnished equipment and systems in accordance with the required construction and occupancy schedule. Ensure that equipment selection discussions are made in a timely manner.	S	S	L	S
Preconstruction Management (if appropriate). Lead preconstruction agreement negotiation with the contractor. Manage the preconstruction services activities and deliverables including construction estimate and constructability reviews. Review all assumptions and clarifications and communicate baseline deviations. Should design phase estimates be over the approved budget, spearhead the value engineering process to get the project back in budget. Maintain a Budget Inclusion/Exclusion log to clearly define the total project budget basis.	S		L	S

Construction Procurement. Facilitate work package development and building equipment procurement to ensure the most expeditious project delivery approach. Address all potential schedule impacting issues immediately to optimize project schedule performance. Oversee the development of any early guaranteed maximum price proposals, lump sum bids and associated assumptions and qualifications.	S		S	L
Regulatory Issues. Coordinate all matters pertaining to regulatory acceptance, zoning issues, and occupancy facilitating resolution in a timely manner.	L	S	S	S
Pre-Qualification. Assist the contractor with the subcontractor prequalification, material suppliers, vendors, and the preparation of subcontract bid packages and scope descriptions in accordance with the Owner's guidelines.	S		S	L
Design Completion / Construction Commencement Phase				
Staffing. Provide project management personnel to meet the demands of the project. Serve as the Project Manager in coordinating Project Team activities by providing overall team leadership and guidance throughout this project phase.			L	
Document Coordination. Facilitate final document coordination meetings to ensure completion of design documents including confirmation of final architectural scope of service requirements, incorporation of all V/E items, FFE and IT design coordination, etc.	S	S	S	L
Project Phasing. Monitor the inclusion of project phasing requirements within the design documents, master project schedule and the preconstruction deliverables.	S	S	S	L
Decision-Making Process. Coordinate interaction and decision-making between the Owner, architects, engineers, user groups, and others. Meet regularly with the Owner's leadership team to address key decisions required and other project issues.	S	S	L	S
Guaranteed Maximum Price / Construction Budget. Monitor the development of a final construction budget including oversight of bidding and subcontractor qualification processes. This also includes the review of contractor's design document qualifications.	S		L	S
Master Budget. Maintain the detailed Master Project Budget to address all anticipated projected costs. Project Manager will maintain data on approved budget changes, commitments, expenditures in a format consistent with Owner requirements.	S		L	S
Master Schedule. Maintain the Master Project Schedule and supporting near term schedules (as appropriate) to best drive project team performance and portray project status.	S	S	L	S
Contractor Agreement. Lead final negotiation of the Owner-Contractor agreement and associated general conditions in cooperation with Owner's legal counsel.	L		S	S
Construction Schedule. Oversee development of an appropriate construction phase schedule incorporating all aspects of the project.	S		S	L
Materials Testing. Solicit proposals for materials testing services from qualified firms; develop a recommendation and an appropriate formal agreement with the selected firm. Oversee the materials testing process and ensure it is performed on the Owner's behalf and in accordance with contract documents	S		L	S
Pre-Construction Kick-off. Conduct a pre-construction kick-off meeting with the Owner, architect, contractor, and other key Project Team members to establish lines of communication and construction administration procedures such as the processing of submittals, shop drawings, requests for information (RFIs), change proposals, etc.	S	S	S	L
Construction Phase				
Staffing. Provide project management personnel to meet the demands of the project. Serve as the Project Manager in coordinating Project Team activities by providing overall team leadership and guidance throughout this project phase.	S		L	
Team Meeting Leadership. Lead regularly scheduled project meetings to ensure the project's progress and performance support the baselines. Prepare and distribute minutes of all such meetings.	S	S	L	S

Decision-Making Process. Coordinate interaction and decision-making between the Owner, architects, engineers, user groups, and others. Meet regularly with the Owner's leadership team to address key decisions required and other project issues.	L	S	S	S
Master Budget. Maintain the detailed Master Project Budget to address all anticipated projected costs. Project Manager will maintain data on approved budget changes, commitments, expenditures in a format consistent with Owner requirements.	S		L	S
Master Schedule. Maintain the Master Project Schedule and supporting near term schedules (as appropriate) to best drive project team performance and portray project status.	S	S	L	S
Cost Management. Develop, maintain and administer the cost control process to include review and approval of all project change orders / amendments, purchase orders and invoices related. Review subcontractor buy-out trade packages and bid tabulations to ensure contract compliance and recommend approval, as appropriate. Reconciliations will be accomplished with the Owner's accounting records to ensure project commitments and expenditures are accurate for monthly project reporting purposes.	S		L	S
Monitor, Analyze, Recommend. Monitor and analyze the ongoing construction effort, focusing on project budget and schedule baseline adherence. Additionally, assist the architect in monitoring work in place relative to compliance with contract documents and corrective action resulting from inspections. Ensure the architect and engineering teams are performing appropriate on-site inspections and review their reports relative to non-compliant work and required corrective actions. Ensure all non-compliant corrective actions have been completed prior to substantial completion.	S		L	S
Commissioning. Oversee and manage the activities of the Commissioning agent, if engaged, to verify all scope and deliverables are completed to Owner's satisfaction.	S		L	S
Manage Information Flow. Monitor Project Team timely responses to the contractor's request for information (RFI).	S	S	S	L
Monitor Implementation of Owner's Safety Plan. Monitor the establishment of site safety procedures, including infection control risk assessment and interim life safety measures, in accordance with the Owner's Safety Plan.	S		S	L
Applications for Payment. Review architect, consultant, contractor, and vendor invoices and provide payment disposition recommendations.	S		L	S
Inspections Assistance. Assist the architect in performing interim and final inspections and in monitoring corrective work completion. Assist the architect in developing a construction punch list and monitoring its resolution.	S		S	L
Status Summary Reporting. Prepare and submit a monthly project status summary providing an executive project overview, key accomplishments, near term activities, budget and schedule performance, and key issues requiring action/decisions.	S		L	S
Shut-down Coordination. Assist the contractor with the coordination of equipment, installation, utility shutdowns, and other issues with the Owner's Plant Operations staff.	S		S	L
Change Requests. In conjunction with the architect, review all change proposal requests submitted by the contractor and make recommendations for revision or approval.	S		L	S
Move-in and Occupancy. Assist the Owner's team with coordinating move and occupancy activities. This may include engagement of a move coordinator. Assist the Owner's team with providing on-site coordination during key move events to ensure successful completion. Assist the Owner with confirming facility readiness.	L	S	S	S
Inspections. Assist in coordinating the Owner's interaction with the appropriate governing authorities relative to construction issues, inspections, etc. Oversee the scheduling of inspections and approvals to support the project schedule.	S	S	S	L

Regulatory Issues. Assist the Owner in matters pertaining to regulatory acceptance, zoning issues, and occupancy, and coordinate with the Owner as requested by the Owner.	L	L	L	S
Start-up. Assist the contractor, architect and engineer in equipment and building startup activities.	S	S	S	L
Training. Assist the contractor and vendors to ensure building maintenance and clinical staff are properly trained.	S		S	L
Closeout. Monitor the completion of all project closeout activities including submittal of operation manuals, warranties, and as-built drawings. Conduct final project cost reconciliation with the Owner's Finance Department.	S		S	L

Hammes

For More Information, Please Contact Us

904.608.3036 | cstanley@hammes.com | hammes.com

PROPRIETARY MATERIAL. The information contained herein is provided on a strictly and permanently confidential basis. Recipient's acceptance of the document signifies agreement that neither it nor any of its advisors shall use the information for any purpose other than evaluating the specific matter described herein or divulge such information to any other party. Copyright 2025 by Hammes and its affiliates. All rights reserved. No part of this document may be reproduced, stored in a retrieval system, or transmitted in any form, by any means, including mechanical, electronic, photocopying, recordings, or otherwise, without prior written permission of Hammes.

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:

PUR-09682 Hammes Company Healthcare LLC. - services may include on-site project management, staff augmentation, cost estimating, large-scale project oversight, and professional support, as may be requested by FIU on a project-by-project basis for HWCOC Academic Health Sciences Clinical Partnership.

This certification is limited to the engagement with Hammes Healthcare for project management services of the Academic Health Sciences Clinical Partnership. Any other engagement with Hammes that exceeds \$1 million will be presented at that future time for additional approval as needed.

Funding Source(s):

Fund Code	Fund Code Description
720	Construction Trust Fund - Public Education Capital Outlay (PECO)

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.

DocuSigned by:

John M. Cal

FCBA1485AE004AA

John M. Cal, Associate Vice President - Facilities
Management

3/24/2025


Date

Aime Martinez

Aime Martinez, Chief Financial Officer and
Senior Vice President

03/27/25

Date

DocuSigned by:

7E5CBEF9E1654F6...

Carlos B. Castillo, General Counsel

3/27/2025

Date


Jeanette M. Nuñez, Interim President

4/2/25
Date



April 15, 2025

Subject: Proposed Amendment to Regulation FIU-1111 Employee Debt Collection

Proposed Action:

Florida International University Board of Trustees approval of the proposed amendments to Regulation FIU-1111 Employee Debt Collection and delegation of authority to the University President to approve any subsequent non-material amendments based on comments to the Regulation received from the Florida Board of Governors (BOG) or as a result of the regulation-making process.

Background Information:

This regulation is being updated to 1) clarify that notice will be provided by email prior to a set-off of debt (Section 4), and 2) add a section setting forth recoupment process to be used when there is an accidental overpayment of wages (Section 5).

Florida Board of Governors, regulation 1.001 (3)(j) University Board of Trustees Powers and Duties states that each board of trustees is authorized to promulgate university regulations in accordance with the Regulation Development Procedure adopted by the Board of Governors.

Pursuant to Florida Statutes Section 1010.03, Delinquent accounts, the University is directed to exert every effort to collect delinquent accounts.

Supporting Documentation: Regulation FIU-1111 Employee Debt Collection

Facilitators/Presenters: Aime Martinez

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

NOTICE OF PROPOSED AMENDMENT TO REGULATION

REGULATION NO.: FIU-1111

REGULATION TITLE: Employee Debt Collection

SUMMARY: Regulation FIU-1111 Employee Debt Collection is being amended to 1) clarify that notice will be provided by email prior to a set-off of debt (Section 4), and 2) add a section setting forth recoupment process to be used when there is an accidental overpayment of wages (Section 5).

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

AUTHORITY: Florida Statutes Section 1010.03 and BOG Regulation 1.001.

NAME OF PERSON INITIATING PROPOSED REGULATION: Aime Martinez, Chief Financial Officer and Senior Vice President.

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

CONTACT PERSON REGARDING THE PROPOSED REGULATION: Eli Deville, Departmental Administrator, Office of the General Counsel, Florida International University, 11200 SW 8th Street, PC 511, Miami, FL 33199. Email: devillee@fiu.edu
Fax: 305.348.3272 | Phone: 305.348.2103.

DATE OF PUBLICATION: March 6, 2025

THE FULL TEXT OF THE PROPOSED REGULATION IS PROVIDED BELOW:

FIU-1111 Employee Debt Collection.

1. Purpose. The University is required by Florida Law to exert every effort to collect all delinquent accounts owed to it. The purpose of this regulation is to provide procedures for collection of delinquent accounts and overpayments owed to the University by its current or former employees.
2. For purposes of this regulation, employee debts are all amounts owed to the University by an employee which were not paid when due, including, but not limited to, the following:
 - a. tuition and fees, student loans, and other accounts accrued as a student of the University;
 - b. returned checks, parking fines, library fines, keys, uniforms, and any other equipment provided to assist an employee in fulfilling his/her job duties, educational resources fines/sales, health services, rental fees, housing charges, and physical education equipment charges;
 - c. overpayments by the University of wages, workers' compensation benefits, scholarships, fellowships, and other types of payments;
 - d. all or a portion of a travel advance paid by the University and for which no reimbursement travel voucher complying with the University's Travel Expense Policy is received within the time prescribed by the University's Travel Expense Policy; and,
 - e. repayment of advanced leave, if any, pursuant to applicable University policies and procedures.

For purposes of this regulation, employee debts do not include educational loans collectible pursuant to Section 112.175, Fla. Stat.

An overpayment by the University becomes an employee debt payable immediately upon the occurrence of the overpayment. A travel advance for which no reimbursement travel voucher is received by the University becomes an employee debt at the time prescribed by the University's Travel Expense Policy. All other employee debts become delinquent accounts when they remain unpaid after the date due.

3. Means of Collection. The University may employ any legal means for collecting employee debts owed to the University, including, but not limited to, any one or more of the following actions: issue collection letters, send notices via electronic mail, attempt to contact the employee by telephone, engage a collection agency, settle the amount due, negotiate a payment plan, and if a current employee, set-off the employee debt as provided herein.
4. University Right of Set-Off /Employee Right to Receive Notice Prior to Set-Off.
 - a. The University may set-off an employee debt against future wages and/or any wages due at separation of employment.
 - b. Unless expressly authorized by a Travel Advance form or other agreement with the University, an employee with employee debt will receive notice of the

University's set-off rights against the employee's future wages and/or wages due at separation of employment. Prior to exercising the right to set-off, the University will notify the employee of its intent to do so by email. ~~in writing by certified mail sent to the employee's last known mailing address on file with the University's Human Resources Department.~~ The notice will advise the employee that the University intends to set-off the specific employee debt, and that, within twenty (20) days of the date of the notice, the employee may dispute the existence of the employee debt with the University department to which the employee debt accrued, pay the employee debt, or work out a mutually agreeable payment plan. -

5. Set-off Limitations. If, after the twenty (20) day period described above has expired, the employee has not responded to the notice, the overdue employee debt remains unpaid, a mutually agreeable payment plan has not been reached, or the explanation as to why no delinquent account or overpayment exists has not been accepted by the University, the University may set-off the employee debt against payments by the University of future wages and/or wages due at separation, as permitted by law:
 - a. If Debt is related to overpaid wages:
 - i. the accidental overpayment is treated as an advance of wages and the money will be deducted from the employee's future paycheck, even if doing so cuts into the employees' minimum wage or overtime payment.
 - b. All other debt:
 - i. If the amount of the employee debt is ten percent (10%) or less of the employee's biweekly gross salary, a lump sum deduction of the amount owed shall be made from the employee's future paycheck.
 - ii. If the amount of the employee debt is greater than ten percent (10%) of the employee's biweekly gross salary, the amount deducted from each of the employee's future paychecks shall not exceed ten percent (10%) of the employee's gross salary in each pay period. Deductions will commence following the expiration of the twenty (20) day notice period, unless the employee waives this requirement in writing.
 - iii. If an employee with an employee debt ceases to be employed by the University for any reason, including but not limited to, termination, resignation, or job abandonment, the entire amount of the employee debt shall be deducted from the employee's final paycheck up to the amount permitted by applicable law. If the final paycheck is not sufficient to cover the outstanding employee debt, the remainder of the employee's debt will be deducted from the employee's leave, wages due at separation of employment, and/or from any other sums that may be due and owing from the University to the employee in accordance with applicable law. In the event that there are still outstanding sums due and owing by an employee after the University has exhausted all of these resources, the University may pursue any legal means for the collection of the employee's outstanding debt, including those outlined in this Regulation.

Authority: Florida Statutes Section 1010.03 and BOG Regulation 1.001. History--New 12-2-11, Amended _____.

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April 15, 2025

Subject: University Depositories, Amendment to Signature Authority, and Authorization to Transfer Funds

Proposed Action:

Florida International University Board of Trustees (BOT) adoption of resolution that pursuant to Section 1011.42, Florida Statutes:

1. continues to designate the financial institutions approved by the BOT on December 5, 2019 as University depositories; and
2. amends the signature authority approved by the BOT on March 3, 2022 to designate the following officers and employees of the University as authorized to sign checks to pay legal obligations of the University from any and all designated University depositories:

Adding:

Jeanette M. Nuñez, Interim President

Retaining and updating titles:

Aime Martinez, Senior Vice President for Finance and Administration and Chief Financial Officer
Alexandra Mirabal, Controller and Associate Vice President

Removing:

Kenneth A. Jessell, Senior Vice President and Chief Administrative Officer

3. and authorizes the University president or her designee to transfer funds from one depository to another, within a depository, to another institution, or from another institution to a depository for investment purposes and may transfer funds to pay expenses, expenditures, or other disbursements, evidenced by an invoice or other appropriate documentation.
-

RESOLUTION

WHEREAS, the University has depositories at banking institutions at which University funds are deposited and the University pays its legal obligations from said depositories. Accordingly, the BOT must state with particularity the legal name and title of University employees who are authorized to sign checks to pay such legal obligations; and

WHEREAS, the BOT selected Mrs. Jeanette M. Nuñez as Interim President of Florida International University effective February 17, 2025 and on February 20, 2025, the Florida Board of Governors approved the BOT's appointment of Mrs. Nuñez as Interim President of Florida International University; and

WHEREAS, Dr. Kenneth A. Jessell concluded his service as President of Florida International University on February 16, 2025 and effective February 17, 2025 began serving as the University's Senior Vice President and Chief Administrative Officer.

NOW THEREFORE, BE IT RESOLVED, that pursuant to Section 1011.42, Florida Statutes, the BOT:

- (1) continues to designate the following banking institutions as University depositories:

Bank of America, N.A.
Charlotte, NC

U.S. Bank, N.A.
Cincinnati, OH

Regions Bank, N.A.
Birmingham, AL

JP Morgan Chase Bank, N.A.
Columbus, OH

- (2) updates its official records to designate the following officers and employees of the University as authorized to sign checks to pay legal obligations of the University from any and all designated University depositories:

Jeanette M. Nuñez, Interim President
Aime Martinez, Senior Vice President for Finance and Administration and Chief Financial Officer
Alexandra Mirabal, Controller and Associate Vice President

- (3) authorizes the University president or her designee to transfer funds from one depository to another, within a depository, to another institution, or from another institution to a depository for investment purposes and may transfer funds to pay expenses, expenditures, or other disbursements, evidenced by an invoice or other appropriate documentation.

Background Information:

A. Legal Authority

Section 1011.42(1)(6)(7), Florida Statutes (2024) University depositories; deposits into and withdrawals from depositories, states in relevant part:

- (1) The board of trustees of each university shall designate the depositories in which any university funds may be deposited. No bank shall be designated unless it is a qualified depository as provided by Florida Statutes.
- (6) The university president or his or her designee, after having been specifically authorized by the university board of trustees, may transfer funds from one depository to another, within a depository, to another institution, or from another institution to a

depository for investment purposes and may transfer funds to pay expenses, expenditures, or other disbursements, evidenced by an invoice or other appropriate documentation.

(7) The university board of trustees shall specifically designate and spread upon the minutes of the board the legal name and position title of any university employee authorized to sign checks to pay legal obligations of the university.

Supporting Documentation: N/A

Facilitator/Presenter: Aime Martinez

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April 15, 2025

Subject: Naming of the FIU Softball Stadium as “Baptist Health Softball Stadium”

Proposed Action:

Florida International University Board of Trustees approval of the naming of the FIU Softball Stadium as “Baptist Health Softball Stadium”.

Background Information:

The University, through its third-party multimedia license holder Van Wagner Sports and Entertainment LLC, and Baptist Health South Florida, Inc. (“Sponsor”) have agreed to enter into a Naming Rights and Sponsorship Agreement (the “Agreement”). The initial term of the Agreement is five (5) years (September 2024–August 2029) and requires from the Sponsor total cash payments of \$2,500,000, which are payable in bi-annual installments of \$250,000, together with \$80,000 in services per annum provided by the Sponsor. Thereafter, the Sponsor has the right of exclusive negotiation to renew or extend the Agreement within the first three (3) months (September 1, 2028 – November 30, 2028) of the final year of the term of the Agreement.

Pursuant to the Agreement, the Sponsor will acquire the exclusive rights to serve as the hospital, healthcare system, medical team, sports medicine provider, telehealth provider, and virtual care app of FIU Athletics.

Sponsorship benefits include:

- Signage at FIU Athletics venues
- Game day sponsorships
- Weightroom naming rights at Landon Football Fieldhouse
- Presenting Sponsor at FIU First Night, Football Spring Showcase and Panther talk

Sponsor is providing the following services to FIU at its sole expense: a designated physician to act as FIU’s team physician for agreed upon FIU athletics programs; in person game day coverage for all Football games, all home Men’s and Women’s Basketball games, and all home Men’s and Women’s Soccer games; and in person training room visits.

Additionally, pursuant to the Agreement, the FIU Softball Stadium, pending FIU Board of Trustees approval, will be named “Baptist Health Softball Stadium”.

Florida Board of Governors Regulation 9.005(a), Naming of Buildings and Facilities, provides, in relevant part, that “[t]he naming of any University Facility must be approved by the board of trustees as a noticed, non-consent agenda item.”

Supporting Documentation: N/A

Facilitator/Presenter: Scott Carr



FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES

Executive Summary

April 15, 2025

AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2024

- The 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, 2024 on February 27, 2025.
- **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, 2024, 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 Health Care Network, 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 \$2.0 billion, an increase of \$95.2 M or 4.9 percent over fiscal year 2022-23.**

Primarily Due to changes in:

Increase in Capital Assets, Net	\$52.7 M
Increase in Cash and Investments	\$36.4 M
Increase in Due from State – Construction	\$ 5.0 M
Increase in Due from Other Funds	\$ 6.7 M
Decrease in Accounts Receivable	(\$2.9) M
Decrease in Other Current Assets	(\$2.7) M
Total	\$95.2 M

- **Total Liabilities of just over \$1.0 billion, an increase of \$31.9 M or 3.2 percent over 2022-23.**

Primarily Due to changes in:

Increase in Net Pension Liability	\$32.3 M
Net Increase in Post Employment Retirement Benefits (OPEB)	\$18.2 M
Decrease in Accounts Payable and Accrued Liabilities	(\$ 5.1) M
Increase in Deposits Payable	\$ 3.2 M
Decrease in Unearned Revenue	(\$ 9.6) M
Decrease in Capital Improvement Debt Payable	(\$ 8.3) M
Decrease in Leases Payable (GASB 87)	(\$ 3.0) M
Increase in Subscript. Based IT Liab.(GASB 96)	\$ 1.2 M
Increase in Compensated Absences	\$ 2.9 M
Other Liabilities	\$ 0.1 M
Total	\$31.9 M

- **Total Net Position of \$1 billion, an increase of \$76.5 M or 8.2 percent.**

The change in net position reflects the change in total assets, \$95.2 M, less the change in deferred outflows of resources related to pensions and OPEB, (\$24.7) M, less the change in total liabilities, (\$31.9) M, plus the change in deferred inflows of resources related to pensions, OPEB and leases, \$37.9 M.

Highlights of Revenues and Expenses

- **Operating Revenues totaled \$646.3 million, an increase of \$8.9 M or 1.4 percent over fiscal year 2022-23.**

Primarily Due to changes in:

Increase in Net Tuition and Fees	\$ 7.4 M
Decrease in Auxiliary & Educational Departmental Sales	(\$ 3.1) M
Increase in Grants and Contracts	\$ 3.4 M
Increase in Other Operating Revenues	\$ 1.2 M
Total	\$ 8.9 M

- **Operating Expenses totaled \$1.3 billion, an increase of \$119.9 M or 10.0 percent over fiscal year 2022-23.**

Primarily Due to changes in:

Increase in Compensation and Employee Benefits	\$ 85.0 M
Increase in Scholarships, Fellowships, Waivers	\$ 23.8 M
Increase in Depreciation Expense	\$ 5.1 M
Increase in Services and Supplies	\$ 4.6 M
Increase in Utilities and Communications	\$ 1.4 M
Total	\$119.9 M

- **Net Nonoperating Revenues totaled \$682.6 million, an increase of \$94.7 M or 16.1 percent over 2022-23.**

Primarily Due to changes in:

Increase in State Non-Capital Appropriations	\$62.5 M
Increase in Investment Income, Net	\$14.9 M
Increase in Federal & State Student Fin. Aid	\$12.7 M
Increase in Net Other Nonoperating Revenues & Expenses	\$ 2.2 M
Increase in Noncapital Grants, Contracts & Gifts	\$ 1.4 M
Increase in Interest on Capital Asset Related Debt and Loss on Disposal of Assets	\$ 1.0 M
Total	\$ 94.7 M

- Changes in Other Revenues of \$36.4 million, or 36.6 percent, over fiscal year 2022-2023 resulted primarily from a decrease in Capital Appropriations revenue of \$29.8 million and Capital Grants, Contracts and Donations revenue of \$6.6 million.

FLORIDA INTERNATIONAL UNIVERSITY

ANNUAL REPORT 2023-2024

FIU

PREEMINENT TOP-50 RESEARCH UNIVERSITY



BOARD OF TRUSTEES AND PRESIDENT

During the 2023-24 fiscal year, Dr. Kenneth A. Jessell served as President of Florida International University and the following individuals served as Members of the Board of Trustees:

Rogelio Tovar, Chair

Carlos A. Duarte, Vice Chair

Cesar L. Alvarez, JD, to June 27, 2024

Dr. Jose J. Armas, MD, to September 11, 2023

Noël C. Barengo, MD, from August 1, 2023 (1)

Dr. Deanne Butchey, to July 31, 2023 (1)

Francesca Casanova, from May 6, 2024 (2)

Dean C. Colson, JD

Alan Gonzalez

Francis A. Hondal

Natasha Lowell

Yaffa Popack, from September 12, 2023

T. Gene Prescott

Chanel T. Rowe, JD

Marc D. Sarnoff, JD

Alexander P. Sutton, to May 6, 2024 (2)

Alberto R. Taño, MD, from June 28, 2024

Notes: (1) Faculty Senate Chair.

(2) Student Body President.



FLORIDA INTERNATIONAL UNIVERSITY

ANNUAL REPORT 2023-24

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Message from the President



Florida International University (FIU) has experienced an exceptional year, with numerous accolades and achievements that position FIU as a leading American university.

With a focus on student success, research excellence and community impact, FIU continues to rise. As we near the end of 2024, here are some highlights that fill us with Panther Pride.

FIU was named a Top 50 public university - and a Top 100 university nationwide - by U.S News and World Report Best Colleges 2025. Ranked No. 46 among public universities and No. 98 overall, climbing 18 and 26 spots respectively, FIU has risen faster than any other university, public or private, in the past decade.

This summer, FIU was designated a preeminent research university, earning us a place among Florida's elite institutions. Additionally, FIU once again ranked first among Florida public universities in performance metrics. The Wall Street Journal also ranked us the top university in Florida, as well as No.1 for social mobility and No. 3 in student experience; Washington Monthly ranked us No.1 in Florida and Top 20 nationwide. Our university was also recognized as a Best College to Work For!

This year, FIU received its largest state capital funding allocation - \$100 million – for the creation of a health sciences clinical research facility, which will serve as a cornerstone of our partnership with Baptist Health. Together, we will elevate patient care, address the nationwide physician shortage, and accelerate medical research in our region.

At FIU, very high research (R1) activity and high social mobility come together to uplift and accelerate student success in a global city, with a focus on the environment, health and innovation. With a student body of more than 56,000, as well as 320,000 alumni, FIU is a major force in the State of Florida and a leader in research at the national level.

None of this would be achievable without the dedication and hard work of our students, faculty, staff, alumni, and community supporters. Together, we represent what it truly means to be a thriving and successful university.

We are FIU: Forward-thinking, Innovative, Unstoppable.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. A. Jessell'.

Kenneth A. Jessell
President



Introduction from the Senior Vice President and Chief Financial Officer



I am pleased to present FIU's 2023-24 Annual Financial Report, which provides detailed information about the financial activities, results of operations, and financial position for FIU, its direct support organizations, and the university health services support organization. FIU's financial operations and investments are a vital component in helping the university achieve its mission and goals related to student success, research excellence, and impact in our community and the State of Florida. As stewards of the university's financial resources, the Division of Finance and Administration supports FIU leadership in the strategic allocation of financial resources and the timely reporting of financial information for decision-making, as well as assists in identifying new revenue opportunities and partnerships to support our educational mission and strategic goals.

This past fiscal year, FIU had memorable achievements. FIU solidified its reputation as a global leader and continued to excel in student success and research excellence. I am proud to share the following noteworthy achievements over the past fiscal year:

- FIU welcomed its largest class of freshmen attending college for the first time in university history, with more than 5,000 incoming students. This is a significant achievement in the face of declining enrollment nationwide and a testament to FIU's reputation and the hard work of our faculty and staff.
- Cancer researcher Diana Azzam, an assistant professor of environmental health sciences, and the Azzam Lab successfully conducted a first-of-its-kind clinical trial which used a unique functional precision medicine approach to help fight hard-to-treat pediatric cancers. Truly inspiring!
- FIU and the FIU Health Care Network successfully executed an affiliation agreement with Baptist Health, the largest not-for-profit healthcare system in South Florida, to establish a transformational partnership. The new relationship sets Baptist Hospital on track to become a statutory teaching hospital with expanded medical education programs, clinical research, and patient care. This will also include a future medical facility at FIU's Modesto A. Maidique campus.
- FIU's top-ranked Chaplin School of Hospitality and Tourism Management continues to innovate. The School offers The David Grutman Experience, which is the most popular course offered at FIU. Students receive real-world advice and inspiration from a steady stream of savvy, accomplished celebrities-turned-businesspeople, from actor Jason Momoa to musicians Drake and Bad Bunny to soccer star David Beckham, to name a few. This year, the Vidal-Duart Wine Studies Program was created thanks to the support of two outstanding alumni that will help expand the faculty and curriculum and provide additional experiential learning opportunities for students. The school also continues co-hosting the renowned South Beach Wine and Food Festival (SOBEWFF®), a national, star-studded, four-day destination event displaying the talents of the world's most renowned wine and spirits producers, chefs, and culinary personalities.

FIU has ambitious goals and continues to grow and maintain its capital infrastructure as well. The FIU deferred building maintenance program received a much-appreciated boost with \$30.8 million in funding

from the federal State Fiscal Recovery Fund (SFRF) to help keep our buildings safe and functional for the use of our students, faculty, staff, and community. The completion of the Biscayne Bay Campus STAR simulation center and state-of-the-art anatomy labs provide our healthcare students with the best-in-class facilities in support of their learning experiences. Furthermore, the Steven J. Green School of International & Public Affairs phase II building opened in the fall. This will provide over 85,000 square feet for students and faculty to connect and collaborate. Other major projects that are in planning or construction phases include: a student residential building and dining hall, Engineering and Innovation Complex Phase I and II, the Trish and Dan Bell Chapel, the Herbert Wertheim College of Medicine Academic Health Sciences/Clinical Partnership building, the Wolfsonian Museum expansion and the FIU CasaCuba at the Benjamín León Jr. Building, which will be a multidimensional Cuban cultural and academic center that facilitates the discussion and study of Cuban affairs.

In conclusion, the financial results for this period reflect solid performance, with notable growth in our revenue streams and a strong balance sheet that positions us well for future opportunities. We remain committed to our strategic goals and to delivering value to our students and community. I would like to express my sincere gratitude to our dedicated faculty, staff, governing bodies and partners for their hard work and commitment to our university. I am confident that, together, we can achieve remarkable accomplishments.

Sincerely,

A handwritten signature in blue ink that reads "Aime Martinez". The signature is fluid and cursive, with a stylized "A" and "M".

Aime Martinez, CPA

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 Audit of the Financial Statements

Opinions

We have audited 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, 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying 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, 2024, 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.

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 as of June 30, 2024. 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the ***Auditor's Responsibilities for the Audit of the Financial Statements*** section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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**, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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

Management is responsible for the other information included in this report. The other information comprises the Message from the President, and the Introduction from the Senior Vice President and Chief Financial Officer but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2025, on our consideration of the Florida International University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and

compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Florida International University's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is fluid and cursive, with the first name "Sherrill" and last name "Norman" clearly legible, and a middle initial "F." in between.

Sherrill F. Norman, CPA
Tallahassee, Florida
February 27, 2025
Audit Report No. 2025-133

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, 2024, 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, 2024, and June 30, 2023.

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, 2024, and June 30, 2023, 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>2024</u>	<u>2023</u>
Assets		
Current Assets	\$ 754.4	\$ 706.9
Capital Assets, Net	1,269.3	1,216.6
Other Noncurrent Assets	<u>28.4</u>	<u>33.4</u>
Total Assets	<u>2,052.1</u>	<u>1,956.9</u>
Deferred Outflows of Resources	<u>170.4</u>	<u>195.2</u>
Liabilities		
Current Liabilities	99.6	104.3
Noncurrent Liabilities	<u>929.6</u>	<u>893.1</u>
Total Liabilities	<u>1,029.2</u>	<u>997.4</u>
Deferred Inflows of Resources	<u>182.4</u>	<u>220.3</u>
Net Position		
Net Investment in Capital Assets	1,053.2	990.2
Restricted	118.9	93.3
Unrestricted	<u>(161.2)</u>	<u>(149.1)</u>
Total Net Position	<u>\$ 1,010.9</u>	<u>\$ 934.4</u>

Total assets as of June 30, 2024, increased by \$95.2 million, or 4.9 percent. This increase is mainly attributed to a net increase in capital assets of \$52.7 million resulting primarily from the capitalization of the SIPA II building, a surge in nondepreciable capital assets mostly from construction in progress including the new Engineering Building and capitalized donated land, and donated artwork to the Frost and Wolfsonian Museums. Additionally, there was a rise in current assets of \$47.5 million mostly from increases in investments and receivables largely related to capital appropriations due from the State and donations from component units.

Total liabilities as of June 30, 2024, increased by \$31.8 million, or 3.2 percent. The increase was primarily driven by a rise in the University's proportionate share of noncurrent pension liabilities of \$32.3 million and a \$17.5 million increase in the noncurrent portion of other postemployment benefits. These increases were partially offset by a decrease of \$9.6 million in combined current and noncurrent deferred revenue mainly from State capital appropriations for construction projects as well as a decline of \$8.3 million in capital improvement debt payable.

Deferred outflows of resources decreased by \$24.8 million from activity related to pensions and other postemployment benefits. Deferred inflows of resources decreased by \$37.9 million from activity related to pensions, other postemployment benefits and right-to-use leases.

As a result, the University's net position increased by \$76.5 million, or 8.2 percent, resulting in a fiscal year-end balance of \$1,010.9 million, which includes a deficit in unrestricted net position. This deficit is discussed further in the notes to the financial statements.

FLORIDA INTERNATIONAL UNIVERSITY

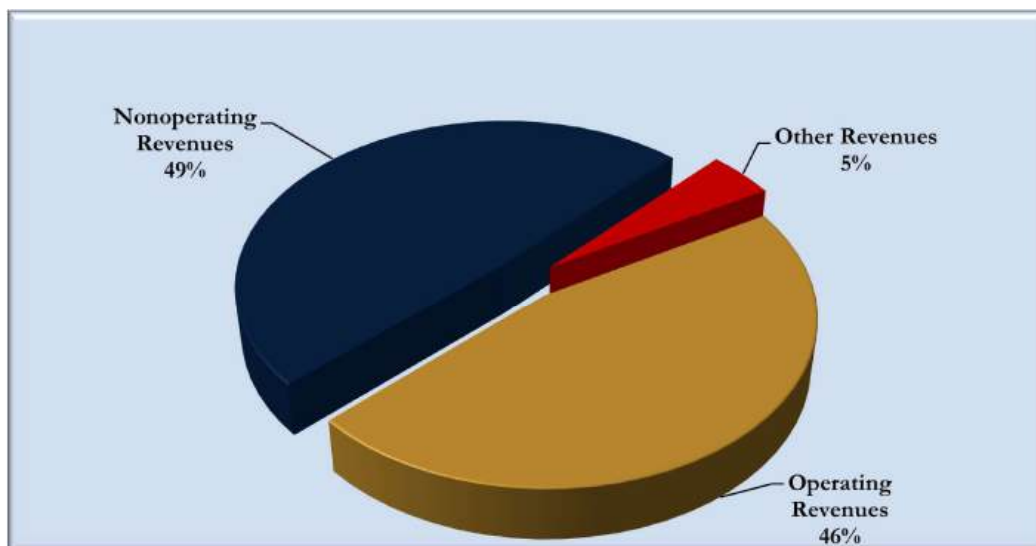
A COMPONENT UNIT OF THE STATE OF FLORIDA MANAGEMENT'S DISCUSSION AND ANALYSIS

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 the University revenues by category for the 2023-24 fiscal year:

Total Revenues



The following summarizes the University's activity for the 2023-24 and 2022-23 fiscal years:

Condensed Statement of Revenues, Expenses, and Changes in Net Position For the Fiscal Years (In Millions)

	<u>2023-24</u>	<u>2022-23</u>
Operating Revenues	\$ 646.3	\$ 637.4
Less, Operating Expenses	<u>1,315.3</u>	<u>1,195.4</u>
Operating Loss	(669.0)	(558.0)
Net Nonoperating Revenues	<u>682.6</u>	<u>587.9</u>
Income Before Other Revenues	13.6	29.9
Other Revenues	<u>62.9</u>	<u>99.3</u>
Net Increase in Net Position	76.5	129.2
Net Position, Beginning of Year	<u>934.4</u>	<u>805.2</u>
Net Position, End of Year	<u><u>\$ 1,010.9</u></u>	<u><u>\$ 934.4</u></u>

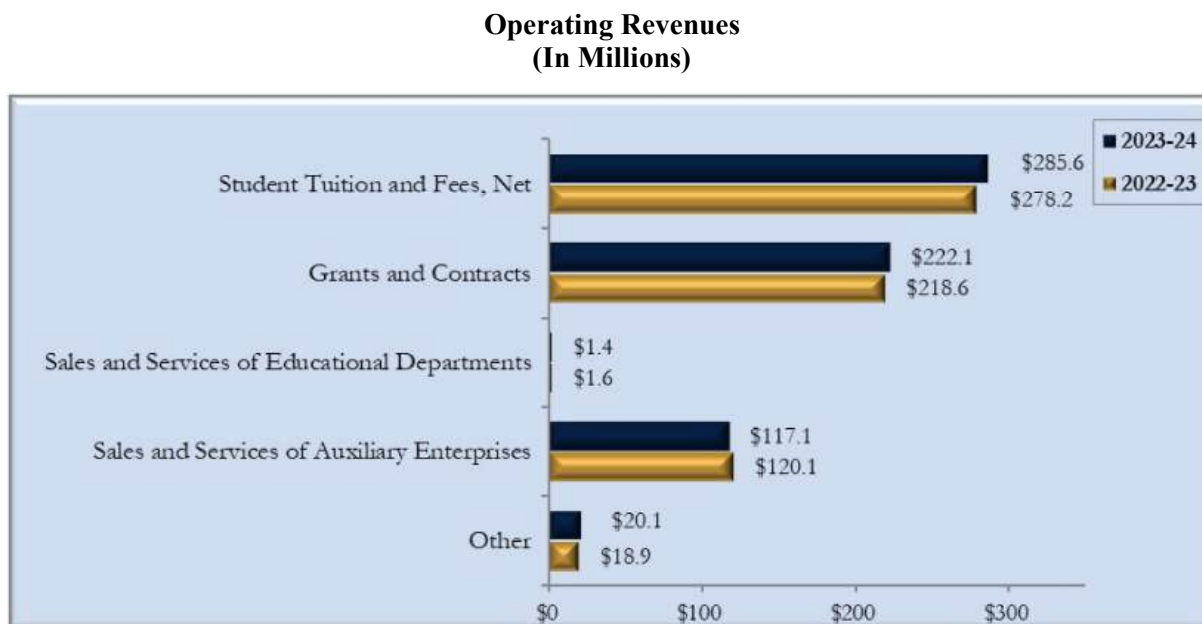
FLORIDA INTERNATIONAL UNIVERSITY

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 2023-24 and 2022-23 fiscal years:



The following summarizes the operating revenues by source that were used to fund operating activities for the 2023-24 and 2022-23 fiscal years:

Operating Revenues For the Fiscal Years (In Millions)

	<u>2023-24</u>	<u>2022-23</u>
Student Tuition and Fees, Net	\$ 285.6	\$ 278.2
Grants and Contracts	222.1	218.6
Sales and Services of Educational Departments	1.4	1.6
Sales and Services of Auxiliary Enterprises	117.1	120.1
Other	20.1	18.9
Total Operating Revenues	<u><u>\$ 646.3</u></u>	<u><u>\$ 637.4</u></u>

The University total operating revenues increased by \$8.9 million, or 1.4 percent, over the 2022-23 fiscal year. Operating revenue changes were the result of the following factors:

- Net student tuition and fees revenue increased \$7.4 million or 2.7 percent. This increase was due to various factors including higher undergraduate tuition and fees revenue from more out-of-State students who pay the out-of-State fee, an increase in the rate paid by fully online students, and tuition revenue for the China programs that, due to a regulatory change, shifted enrollment revenue reported to undergraduate tuition instead of market rate/self-supporting program revenue. These increases were partially offset mostly by a proportional increase in the scholarship allowance.
- Grants and contracts revenue increased \$3.5 million or 1.6 percent. The increase was primarily driven by revenue related to Alzheimer's research as part of the new partnership with Baptist Hospital system along with increases in revenue from several other private contracts and grants.

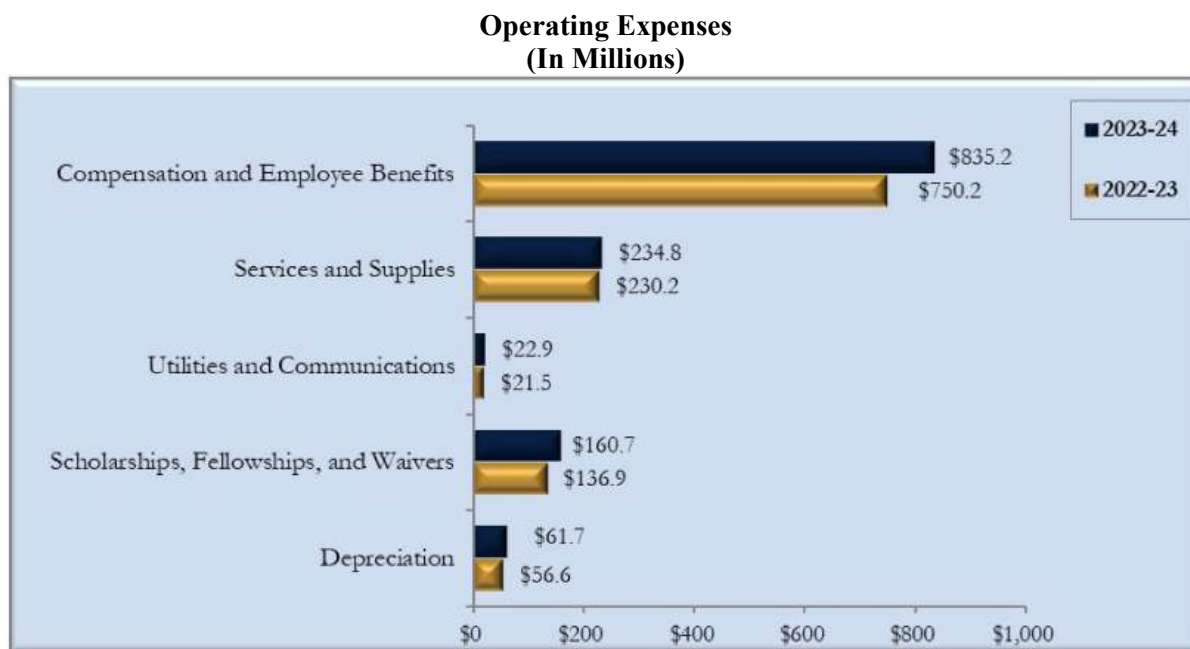
FLORIDA INTERNATIONAL UNIVERSITY

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 2023-24 and 2022-23 fiscal years:



The following summarizes the operating expenses by natural classification for the 2023-24 and 2022-23 fiscal years:

Operating Expenses For the Fiscal Years (In Millions)		
	2023-24	2022-23
Compensation and Employee Benefits	\$ 835.2	\$ 750.2
Services and Supplies	234.8	230.2
Utilities and Communications	22.9	21.5
Scholarships, Fellowships, and Waivers	160.7	136.9
Depreciation	61.7	56.6
Total Operating Expenses	\$ 1,315.3	\$ 1,195.4

Changes in operating expenses primarily resulted from the following factors:

- Compensation and employee benefits increased \$85 million, or 11.3 percent. The higher expenses were mainly attributed to a \$39.8 million increase in pension expense related to the University's proportionate share from the Florida Retirement System (FRS), along with higher compensation and salary expenses from a five percent across-the-board salary increase and one-time bonuses. Consequently, the salary increases combined with higher FRS employer contribution rates across most employee classes drove an \$8.4 million increase in State Retirement expense.

FLORIDA INTERNATIONAL UNIVERSITY

A COMPONENT UNIT OF THE STATE OF FLORIDA MANAGEMENT'S DISCUSSION AND ANALYSIS

- Scholarship, fellowship, and waiver expenses increased by \$23.8 million, or 17.4 percent, mostly from scholarships from Pell, Bright Futures, and tuition differential. Additionally, an increase in waivers from enrollment increase in the Shorelight program, the change for fully online students being charged full tuition with the differential in price expenses as waivers, and graduate students are now required to be charged full out-of-State tuition and waive the out-of-State fee.
- Depreciation and amortization expense increased by \$5.1 million, or 9 percent. The higher expenses resulted mainly from the capitalization of depreciable assets, the most prevalent being the Lakeview Housing interior refresh, SIPA II, and the Wellness Walk, along with additional amortization of assets capitalized for right-to-use assets and Subscription Based Information Technology Arrangement (SBITA) assets.

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, noncapital grants, contracts, and gifts, 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 2023-24 and 2022-23 fiscal years:

Nonoperating Revenues (Expenses) For the Fiscal Years (In Millions)		
	<u>2023-24</u>	<u>2022-23</u>
State Noncapital Appropriations	\$ 424.5	\$ 362.1
Federal and State Student Financial Aid	195.4	182.7
Noncapital Grants, Contracts, and Gifts	36.5	35.1
Investment Income	31.0	16.1
Other Nonoperating Revenues	3.6	4.5
Loss on Disposal of Capital Assets	(0.3)	(0.7)
Interest on Capital Asset-Related Debt	(6.8)	(7.4)
Other Nonoperating Expenses	<u>(1.3)</u>	<u>(4.5)</u>
Net Nonoperating Revenues	<u>\$ 682.6</u>	<u>\$ 587.9</u>

Net nonoperating revenues increased by \$94.7 million, or 16.1 percent, from the 2022-23 fiscal year. Net nonoperating revenues changes were due mainly to the following factors:

- State noncapital appropriations increased \$62.4 million, mostly due to the following: \$35 million for operational support, \$24.1 million of performance funding, and \$5 million for the Adam Smith Center for the Study of Economic Freedom. These increases were partially offset by slight decreases across the remaining programs.
- Federal and State student financial aid increased by \$12.7 million, primarily driven by revenues from Pell awards.
- Investment income increased by \$14.9 million in large part due to unrealized gains resulting from improved investment performance in commodities, fixed income, and hedge fund asset allocations, an increase in interest and dividends due to higher yields in the working capital pool, as well as a favorable year-over-year variance in gain on the sale of investments from large cap equities.

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, and donations.

The following summarizes the University's other revenues for the 2023-24 and 2022-23 fiscal years:

Other Revenues For the Fiscal Years (In Millions)		
	<u>2023-24</u>	<u>2022-23</u>
State Capital Appropriations	\$ 40.0	\$ 69.8
Capital Grants, Contracts, and Donations	<u>22.9</u>	<u>29.5</u>
Total	<u>\$ 62.9</u>	<u>\$ 99.3</u>

Total other revenues decreased by \$36.4 million, or 36.7 percent, due to a decrease of \$29.8 million in revenue earned from State capital appropriations for construction projects and a decrease of \$6.6 million in capital grants, contracts, and donations as compared to the 2022-23 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 2023-24 and 2022-23 fiscal years:

Condensed Statement of Cash Flows For the Fiscal Years (In Millions)		
	<u>2023-24</u>	<u>2022-23</u>
Cash Provided (Used) by:		
Operating Activities	\$ (563.7)	\$ (506.4)
Noncapital Financing Activities	655.6	580.1
Capital and Related Financing Activities	(86.4)	(79.9)
Investing Activities	<u>(10.7)</u>	<u>(21.5)</u>
Net Decrease in Cash and Cash Equivalents	(5.2)	(27.7)
Cash and Cash Equivalents, Beginning of Year	<u>56.9</u>	<u>84.6</u>
Cash and Cash Equivalents, End of Year	<u>\$ 51.7</u>	<u>\$ 56.9</u>

Major sources of funds came from proceeds from sales and maturities of investments \$1 billion, State noncapital appropriations \$424.5 million, net student tuition and fees \$284.5 million, grants and contracts \$220.7 million, Federal Direct Student Loan program receipts \$207.5 million, Federal and State student financial aid \$195.3 million, and sales and services of auxiliary enterprises \$118.3 million. Major uses of funds were for purchases of investments \$1 billion, payments made to and on behalf of employees \$794.1 million, payments to suppliers \$256 million, disbursements to students for Federal Direct Student Loan program \$207.9 million, payments to and on behalf of students for scholarships and fellowships \$160.7 million, and purchases of capital assets \$107 million.

FLORIDA INTERNATIONAL UNIVERSITY

A COMPONENT UNIT OF THE STATE OF FLORIDA MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS, CAPITAL EXPENSES AND COMMITMENTS, AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2024, the University had \$2.2 billion in capital assets, less accumulated depreciation/amortization of \$883.4 million, for net capital assets of \$1.3 billion. Depreciation for the current fiscal year totaled \$61.7 million.

The following summarizes the University's capital assets, net of accumulated depreciation, at June 30:

Capital Assets, Net at June 30 (In Millions)

	2024	2023
Land	\$ 38.0	\$ 32.8
Works of Art and Historical Treasures	13.8	11.4
Construction in Progress	227.5	199.3
Buildings	838.9	821.4
Infrastructure and Other Improvements	40.6	40.7
Furniture and Equipment	66.0	60.9
Library Resources	8.7	11.3
Leasehold Improvements	0.2	-
Computer Software	0.3	0.4
Right-to-Use Space Lease	26.3	32.5
Right-to-Use Equipment Lease	3.0	0.8
Subscription-Based Information Technology Arrangements	6.0	5.1
Capital Assets, Net	\$ 1,269.3	\$ 1,216.6

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, 2024, were incurred on the following projects: \$34.1 million for the Engineering Building Phases I and II, \$18.5 million for Auxiliary Construction Projects, \$6 million for the Nondenominational Chapel, \$4.6 million for the Midscale RI-1 NICHE Research Wind Tunnel, \$4.2 million for Deferred Building Maintenance, and \$4 million for the Engineering Building.

The University's construction commitments at June 30, 2024, are as follows:

	Amount (In Millions)
Total Committed	\$ 419.6
Completed to Date	(227.5)
Balance Committed	\$ 192.1

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, 2024, the University had \$219 million in outstanding capital improvement debt payable, leases payable, and SBITA liability, representing a decrease of \$9.9 million, or 4.3 percent, from the prior fiscal year.

The following summarizes the outstanding long-term debt at June 30:

	Long-Term Debt, at June 30	
	(In Millions)	
	<u>2024</u>	<u>2023</u>
Capital Improvement Debt	\$ 181.5	\$ 189.7
Leases Payable	31.1	34.0
SBITA Liability	<u>6.4</u>	<u>5.2</u>
Total	<u>\$ 219.0</u>	<u>\$ 228.9</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 is demonstrating resilience and potential for future growth, highlighted by a positive Gross Domestic Product (GDP) increase in the latest fiscal year. Florida's GDP saw a positive increase of 0.1 percent in the fiscal year 2023-24, reaching an impressive 4.5 percent. Looking ahead, while State economists project a moderation in growth to 2.1 percent for the fiscal year 2024-25 and 1.9 percent for the following fiscal year, the overall economic landscape remains robust. Additionally, when considering State reserves, general revenue, and expenditure forecasts, State economists have an optimistic outlook with an estimated surplus of \$2.1 billion in the fiscal year 2025-26. Although a deficit of \$6.9 billion is anticipated in the fiscal year 2027-28, the proactive timing of fiscal strategies will play a crucial role in maximizing funding for the State University System and supporting continued growth and innovation.

The 2024 Florida Legislative session ended on March 8, 2024, and the Governor approved the fiscal year 2024-25, General Appropriations Act (House Bill 5001) on June 12, 2024. FIU received \$449.8 million in operating state appropriations in the fiscal year 2024-25, which is an additional \$29.9 million or 7.1 percent over the prior year. Of the additional appropriations, \$25 million is from FIU's recent achievement of receiving the designation of Preeminent Research State University by the Florida State University System Board of Governors. Additional operating State appropriations include \$0.7 million of incremental Performance Based Incentives from FIU's proportional share of the State investment of \$350 million. FIU ranked number one in performance funding. FIU also received \$16 million for the Adam Smith Center for the Study of Economic Freedom of which \$1 million is non-recurring; a \$10.2 million non-recurring appropriation for Performance Based Recruitment and Retention Incentives; \$6 million for the Florida Public Hurricane Loss Model of which \$5 million is non-recurring; \$0.2 million for the FIU Cuban-American Studies Research Institute and Miami-Dade Public Schools collaboration for teacher professional development. These increases were reduced by reductions of \$0.1 million in pass-through funds for risk management insurance premium; \$0.5 million reduction for the Nursing Education (PIPELINE) program; and non-recurring prior year appropriation reductions totaling \$27.5 million of which \$17.5 million is from Performance Based Recruitment and Retention Incentives and \$10 million of operational support. Consistent with prior years, tuition and fees remain unchanged at all levels. FIU also received capital appropriations of \$106.3 million of which \$100 million is for the Herbert Wertheim College of Medicine Academic Health Sciences/Clinical Facility and \$6.3 million for various other projects such as the expansion and renovation of the Graham Student Center, and a future Aquatic Center, both on the Modesto A. Maidique Campus.

FIU continues to be recognized nationally as a leading American research institution. The U.S. News and World Reports Best Colleges 2025 ranks FIU No. 46 among public universities and No. 98 overall. The University achieved a long-time goal of being a top 50 ranked institution. FIU is the fastest rising university in the past 10 years. In the Wall Street Journal's America's Best Colleges 2025 rankings, FIU stands out across public and private institutions as the top university in Florida, sixth in the nation for social mobility, and third in the nation for student experience. In addition to being named a Preeminent Research State University, FIU secured the highest score in the Florida Board of Governors performance metrics for the third time in four years. These results reflect FIU's unwavering commitment to innovation and progress and a spirit that is forward-thinking, innovative, and unstoppable.

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, Aime Martinez, 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, 2024**

	University	Component Units
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 50,259,280	\$ 21,704,125
Investments	497,921,546	15,321,619
Accounts Receivable, Net	49,512,329	15,939,444
Loans and Notes Receivable, Net	120,353	-
Leases Receivable	555,664	563,917
Due from State	134,414,550	-
Due from Component Units/University	16,261,467	4,351,792
Inventories	469,640	-
Other Current Assets	4,906,742	2,083,830
Total Current Assets	754,421,571	59,964,727
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	1,470,128	-
Restricted Investments	24,216,856	425,890,315
Loans and Notes Receivable, Net	400,541	18,625,653
Leases Receivable	1,453,057	4,212,717
Depreciable/Amortizable Capital Assets, Net	989,939,144	4,064,153
Nondepreciable Capital Assets	279,318,619	4,950,572
Due from Component Units	852,242	-
Other Noncurrent Assets	-	10,323,992
Total Noncurrent Assets	1,297,650,587	468,067,402
Total Assets	2,052,072,158	528,032,129
DEFERRED OUTFLOWS OF RESOURCES		
Other Postemployment Benefits	70,621,258	-
Pensions	99,817,698	-
Deferred Amount on Bond Debt Refundings	-	131,400
Total Deferred Outflows of Resources	170,438,956	131,400
LIABILITIES		
Current Liabilities:		
Accounts Payable	22,840,041	787,184
Construction Contracts Payable	11,406,810	-
Salaries and Wages Payable	8,249,997	-
Deposits Payable	4,759,485	-
Due to State	289,247	-
Due to Component Units/University	4,351,792	16,261,467
Unearned Revenue	17,007,163	296,595
Other Current Liabilities	1,607,680	156,241
Long-Term Liabilities - Current Portion		
Bonds Payable	-	1,825,000
Capital Improvement Debt Payable	8,701,528	-
Leases Payable	5,886,280	-
Subscription Arrangements Liability	1,542,209	-
Compensated Absences Payable	5,477,557	-
Liability for Self-Insured Claims	1,954	-
Other Postemployment Benefits Payable	7,480,294	-
Total Current Liabilities	99,602,037	19,326,487

FLORIDA INTERNATIONAL UNIVERSITY

A COMPONENT UNIT OF THE STATE OF FLORIDA

STATEMENT OF NET POSITION (CONTINUED)

AS OF JUNE 30, 2024

	University	Component Units
LIABILITIES (Continued)		
Noncurrent Liabilities:		
Bonds Payable	-	17,535,000
Capital Improvement Debt Payable	172,765,135	-
Leases Payable	25,166,313	-
Subscription Arrangements Liability	4,818,304	-
Compensated Absences Payable	53,262,986	-
Due to University	-	852,242
Other Postemployment Benefits Payable	273,147,563	-
Unearned Revenue	67,289,850	-
Liability for Self-Insured Claims	224,761	-
Other Long-Term Liabilities	549,361	945,561
Net Pension Liability	332,414,875	-
Total Noncurrent Liabilities	929,639,148	19,332,803
Total Liabilities	1,029,241,185	38,659,290
DEFERRED INFLOWS OF RESOURCES		
Other Postemployment Benefits	163,114,988	-
Pensions	17,384,519	-
Leases	1,924,978	4,572,221
Accumulated Increases in Fair Value of Hedging Derivatives	-	293,319
Total Deferred Inflows of Resources	182,424,485	4,865,540
NET POSITION		
Net Investment in Capital Assets	1,053,182,127	8,588,367
Restricted for Nonexpendable:		
Endowment	-	213,440,170
Restricted for Expendable:		
Debt Service	78,027	-
Loans	2,027,372	-
Capital Projects	82,761,167	-
Other	33,983,707	184,568,720
Unrestricted	(161,186,956)	78,041,442
TOTAL NET POSITION	\$ 1,010,845,444	\$ 484,638,699

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

FLORIDA INTERNATIONAL UNIVERSITY

A COMPONENT UNIT OF THE STATE OF FLORIDA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>University</u>	<u>Component Units</u>
REVENUES		
Operating Revenues:		
Student Tuition and Fees, Net of Scholarship Allowances of \$195,913,569	\$ 285,634,541	\$ -
Federal Grants and Contracts	170,600,065	-
State and Local Grants and Contracts	16,507,843	-
Nongovernmental Grants and Contracts	34,862,941	-
Sales and Services of Educational Departments	1,430,446	-
Sales and Services of Auxiliary Enterprises	117,131,305	-
Sales and Services of Component Units	-	13,167,225
Gifts and Donations	-	35,466,729
Interest on Loans and Notes Receivable	1,124	-
Other Operating Revenues	20,108,410	9,157,847
Total Operating Revenues	<u>646,276,675</u>	<u>57,791,801</u>
EXPENSES		
Operating Expenses:		
Compensation and Employee Benefits	835,204,107	-
Services and Supplies	234,786,268	70,707,723
Utilities and Communications	22,852,600	391,769
Scholarships, Fellowships, and Waivers	160,684,074	-
Depreciation/Amortization	61,733,281	221,882
Self-Insurance Claims	43,826	-
Total Operating Expenses	<u>1,315,304,156</u>	<u>71,321,374</u>
Operating Loss	<u>(669,027,481)</u>	<u>(13,529,573)</u>
NONOPERATING REVENUES (EXPENSES)		
State Noncapital Appropriations	424,483,021	-
Federal and State Student Financial Aid	195,341,493	-
Noncapital Grants, Contracts, and Gifts	36,475,755	-
Investment Income	31,040,416	46,817,653
Other Nonoperating Revenues	3,586,647	15,846,299
Loss on Disposal of Capital Assets	(320,829)	-
Interest on Capital Asset-Related Debt	(6,756,749)	(870,485)
Other Nonoperating Expenses	(1,268,741)	(2,211,524)
Net Nonoperating Revenues	<u>682,581,013</u>	<u>59,581,943</u>
Income Before Other Revenues	13,553,532	46,052,370
State Capital Appropriations	39,994,404	-
Capital Grants, Contracts, and Donations	22,911,641	-
Increase in Net Position	76,459,577	46,052,370
Net Position, Beginning of Year	934,385,867	438,586,329
Net Position, End of Year	<u>\$ 1,010,845,444</u>	<u>\$ 484,638,699</u>

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

FLORIDA INTERNATIONAL UNIVERSITY**A COMPONENT UNIT OF THE STATE OF FLORIDA****STATEMENT OF CASH FLOWS****FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	University
CASH FLOWS FROM OPERATING ACTIVITIES	
Student Tuition and Fees, Net	\$ 284,515,941
Grants and Contracts	220,675,595
Sales and Services of Educational Departments	1,430,447
Sales and Services of Auxiliary Enterprises	118,297,111
Interest on Loans and Notes Receivable	(106)
Payments to Employees	(794,078,781)
Payments to Suppliers for Goods and Services	(256,018,096)
Payments to Students for Scholarships and Fellowships	(160,684,072)
Payments on Self-Insured Claims	(39,298)
Loans Issued to Students	(1,235,990)
Collection on Loans to Students	1,417,218
Other Operating Receipts	22,068,415
Net Cash Used by Operating Activities	(563,651,616)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Noncapital Appropriations	424,483,021
Federal and State Student Financial Aid	195,341,493
Noncapital Grants, Contracts, and Gifts	35,747,446
Federal Direct Loan Program Receipts	207,495,620
Federal Direct Loan Program Disbursements	(207,873,872)
Net Change in Funds Held for Others	254,328
Other Nonoperating Receipts	998,249
Other Nonoperating Disbursements	(885,525)
Net Cash Provided by Noncapital Financing Activities	655,560,760
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
State Capital Appropriations	30,747,558
Capital Grants, Contracts, and Donations	15,241,786
Other Receipts for Capital Projects	1,863,263
Capital Subsidies and Transfers	(5,978,233)
Purchase or Construction of Capital Assets	(106,951,538)
Principal Paid on Capital Debt and Leases	(14,367,520)
Interest Paid on Capital Debt and Leases	(7,658,277)
Principal Received on Capital Debt and Leases	637,796
Interest Received on Capital Debt and Leases	60,392
Net Cash Used by Capital and Related Financing Activities	(86,404,773)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	1,007,458,404
Purchase of Investments	(1,034,807,406)
Investment Income	16,641,021
Net Cash Used by Investing Activities	(10,707,981)
Net Decrease in Cash and Cash Equivalents	(5,203,610)
Cash and Cash Equivalents, Beginning of Year	56,933,018
Cash and Cash Equivalents, End of Year	\$ 51,729,408

FLORIDA INTERNATIONAL UNIVERSITY

A COMPONENT UNIT OF THE STATE OF FLORIDA

STATEMENT OF CASH FLOWS**FOR THE FISCAL YEAR ENDED JUNE 30, 2024****University****RECONCILIATION OF OPERATING LOSS
TO NET CASH USED BY OPERATING ACTIVITIES**

Operating Loss	\$ (669,027,481)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation Expense	61,733,281
Changes in Assets, Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources:	
Receivables, Net	3,181,054
Inventories	111,392
Other Assets	2,798,905
Accounts Payable	(1,298,132)
Salaries and Wages Payable	570,897
Deposits Payable	3,175,805
Compensated Absences Payable	2,955,476
Other Postemployment Benefits Payable	18,201,025
Unearned Revenue	(5,456,293)
Liability for Self-Insured Claims	4,528
Pension Liability	32,270,290
Deferred Outflows of Resources Related to Other Postemployment Benefits	16,418,326
Deferred Outflows of Resources Related to Pensions	8,322,876
Deferred Inflows of Resources Related to Other Postemployment Benefits	(44,384,948)
Deferred Inflows of Resources Related to Pensions	<u>6,771,383</u>
NET CASH USED BY OPERATING ACTIVITIES	<u><u>\$ (563,651,616)</u></u>

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

Unrealized gains on investments were recognized as a 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.	<u>\$ 14,231,077</u>
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.	<u>\$ (320,829)</u>
Donations of capital assets were recognized on the statement of revenues, expenses, and changes in net position, but are not cash transactions for the statement of cash flows.	<u>\$ 14,108,351</u>

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

FLORIDA INTERNATIONAL UNIVERSITY

A COMPONENT UNIT OF THE STATE OF FLORIDA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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 Annual Comprehensive 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 \$734,385 and \$0, 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, 2024

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 from revenues and expenses for reporting purposes.

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

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 "Direct Method" as prescribed in NACUBO Advisory Report 2000-05 to determine the reported net tuition scholarship allowances.

FLORIDA INTERNATIONAL UNIVERSITY

A COMPONENT UNIT OF THE STATE OF FLORIDA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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 Corporation (FDIC), 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 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, computer software, right-to-use lease assets, and subscription-based information technology arrangements (SBITAs). 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 \$100,000 for new buildings, leasehold improvements, and other improvements. Depreciation and amortization are 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
- Right-to-Use Lease Assets – Various based on lease terms
- Subscription-Based Information Technology Arrangements Assets – 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 \$2,444,274. 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 \$109,500. Depreciation is provided using the straight-line method over the estimated useful lives of five years for the assets.

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Depreciable assets of the Health Care Network are stated at cost and are net of accumulated depreciation of \$540,193. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, ranging from five to 15 years.

Leases

The University determines if an arrangement is a lease at inception.

Lessor arrangements are included in lease receivables and deferred inflows of resources in the statement of net position. Lease receivables represent the University's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at the commencement date of the lease based on the present value of expected lease payments over the lease term. Interest revenue is recognized ratably over the contract term. Deferred inflows of resources related to leases are recognized at the commencement of the lease based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease that relate to future periods, less any lease incentives paid to, or on behalf of the lessee at or before the commencement of the lease. Deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the term of the lease. Short-term leases, defined as leases with a lease term of 12 months or less are recorded as revenue when the payments are received and are not included as lease receivable or deferred inflows on the statement of net position.

Lease assets represent the University's control of right-to-use an asset for the lease term, as specified in the lease contract, which is an exchange or exchange-like transaction. Lessee arrangements are included in the statement of net position as lease assets and lease liabilities. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before commencement of the lease and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the asset.

Lease liabilities represent the University's obligation to make lease payments arising from the lease agreement. Lease liabilities are recognized at the commencement date of the lease based on the present value of the expected lease payments, less any lease incentives. Interest expense is recognized ratably over the lease term. The lease term may include options to extend or terminate when it is reasonably certain that the University will exercise the option. Short-term leases, defined as leases with a term of 12 months or less are recognized as expenses as incurred and are not included as lease liabilities or right-to-use assets in the statement of net position.

Noncurrent Liabilities

Noncurrent liabilities include capital improvement debt payable, leases payable, subscription arrangements liability, 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 positions of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from the FRS and the HIS fiduciary net positions have been determined on the same basis as they are reported by the FRS and the HIS plans. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

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2. REPORTING CHANGE

The University made a change in accounting estimate related to scholarship discounts and allowances. As prescribed in the NACUBO Advisory Report 2000-05, the University elected to use the "Direct Method" rather than the "Alternate Method" used in the prior fiscal years, for calculating the amount of financial aid reported as a reduction of revenue and the amount of financial aid reported as an expense. Because the University specifically attributes waivers to the net tuition calculation in its business process, the direct method provides a better valuation of scholarship allowance. There was no effect to beginning net position.

3. 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	\$ (504,296,067)
Auxiliary Funds	343,109,111
Total	<u><u>\$ (161,186,956)</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>
Total Unrestricted Net Position Before Recognition of Long-Term Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources	\$ 513,022,221
Amount Expected to be Financed in Future Years:	
Compensated Absences Payable	\$ 51,105,894
Other Postemployment Benefits Payable and Related Deferred Outflows of Resources and Deferred Inflows of Resources	373,121,587
Net Pension Liability and Related Deferred Outflows of Resources and Deferred Inflows of Resources	<u>249,981,696</u>
Total Amount Expected to be Financed in Future Years	<u>(674,209,177)</u>
Total Unrestricted Net Position	<u><u>\$ (161,186,956)</u></u>

4. 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.

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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 recurring fair value measurements as of June 30, 2024 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 \$143,109,571 according to GASB Statement No. 72.

The University's investments at June 30, 2024, 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	\$ 2,040,375	\$ -	\$ -	\$ 2,040,375
SBA Debt Service Accounts	76,471	76,471	-	-
Mutual Funds				
Equities	43,969,780	17,266,321	26,703,459	-
Fixed Income and Bond Mutual Funds	241,559,813	91,718,873	132,155,484	17,685,456
Commodities	17,084,108	-	17,084,108	-
Other Investments	15,230,417	-	-	15,230,417
Total Investments by Fair Value Level	319,960,964	\$ 109,061,665	\$ 175,943,051	\$ 34,956,248
Investments Measured at the Net Asset Value (NAV)				
Mutual Funds				
Limited Partnerships	52,096,056			
Equities	6,971,811			
Total Investments Measured at the NAV	59,067,867			
Total Investments Measured at Fair Value	\$ 379,028,831			

The valuation method for investments measured at the 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	\$ 52,096,056	\$ -	Quarterly/Annually	90 Days
Equities	6,971,811	2,836,642	Illiquid	N/A
Total Investments Measured at the NAV	\$ 59,067,867			

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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 a private equity fund. The 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 partnership. Distributions are received through the liquidation of underlying assets of the funds.

External Investment Pools

The University reported investments at fair value totaling \$2,040,375 at June 30, 2024, in the State Treasury Special Purpose Investment Account (SPIA) investment pool, representing ownership of a share of the pool, not the underlying securities (Level 3 inputs).

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 3.23 years and fair value factor of 0.9958 at June 30, 2024. 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 Annual Comprehensive Financial Report.

State Board of Administration Debt Service Accounts

The University reported investments totaling \$76,471 at June 30, 2024, 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 Annual Comprehensive 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.

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The future maturities of the securities held in the fixed income and bond mutual funds at June 30, 2024, 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	\$ 49,578,741	\$ 3,740,044	\$ 45,742,932	\$ 95,765	\$ -
Bond Index Fund	42,140,132	189,737	17,573,369	15,934,999	8,442,027
TIPS Index Fund	53,320,889	3,817,974	30,941,988	11,437,285	7,123,642
Core Fixed Income	41,348,573	2,147,909	12,506,643	19,068,923	7,625,098
Credit Fixed Income	37,144,435	4,377,398	10,008,416	10,935,318	11,823,303
Student Managed Investment Fund	341,587	23,540	184,009	124,127	9,911
Secured Bank Loans	17,685,456	504,035	11,056,947	6,124,474	-
Total	\$ 241,559,813	\$ 14,800,637	\$ 128,014,304	\$ 63,720,891	\$ 35,023,981

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2024, 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	\$ 49,578,741	\$ 22,744,207	\$ 5,047,560	\$ 7,613,324	\$ 14,173,650
Bond Index Fund	42,140,132	29,578,239	1,866,338	5,190,622	5,504,933
TIPS Index Fund	53,320,889	26,660	53,294,016	-	213
Core Fixed Income	41,348,573	2,072,082	24,144,083	4,267,748	10,864,660
Credit Fixed Income	37,144,435	2,787,781	3,732,371	11,444,759	19,179,524
Student Managed Investment Fund	341,587	137,319	19,420	79,505	105,343
Secured Bank Loans	17,685,456	-	-	-	17,685,456
Total	\$ 241,559,813	\$ 57,346,288	\$ 88,103,788	\$ 28,595,958	\$ 67,513,779

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.

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Discretely Presented Component Unit Investments

The Foundation's investments at June 30, 2024, 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>
Domestic Equities	\$ 170,726,819	\$ 170,726,819	\$ -	\$ -
Global Equities	96,673,634	96,673,634	-	-
Fixed Income	41,697,038	41,697,038	-	-
Land Held for Investments	15,600,000	-	-	15,600,000
Total Investments by Fair Value Level	\$ 324,697,491	\$ 309,097,491	\$ -	\$ 15,600,000
Investments Measured at the Net Asset Value (NAV)				
Fixed Income	1,200			
Hedge Funds	1,012,985			
Private Investments	112,395,080			
Total Investments Measured at the NAV	113,409,265			
Fiduciary Fund Equity Interest	(15,230,417)			
Total Investments Measured at Fair Value	\$ 422,876,339			

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>
Fixed Income:				
Global Bonds	\$ 1,200	-	Monthly	10 Days
Hedge Funds:				
Long/Short Equity	863,735	-	Annually - Every 3 Years	60 - 90 Days
Event Driven/Open Mandate	149,250	-	Quarterly	90 Days
Private Investments:				
Private Equity	93,491,918	57,596,838	Illiquid	N/A
Venture Capital	18,903,162	1,285,000	Illiquid	N/A
Total Investments Measured at the NAV	\$ 113,409,265	\$ 58,881,838		

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Net Asset Value

The investments held at net asset value reflect:

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

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.

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

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

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2024, the Foundation securities held in domestic fixed income were rated A+ by Standard and Poor's.

At June 30, 2024, the Finance Corporation money market mutual fund 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, 2024, approximately \$438,802,000 was held in these accounts. The Foundation believes that the number, diversity, and financial strength of the issuers mitigate the credit risks associated with all investments.

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 \$4,015,184 at June 30, 2024, 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, 2024, are held with Regions Morgan Keegan and are invested in money market funds. According to the bond indenture, the Finance Corporation can invest the bond proceeds in these investment vehicles; there are 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, 2024, is 30 days while the WAL is 79 days.

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The Health Care Network reported investments at fair value totaling \$1,068,945 at June 30, 2024, in the State Treasury Special Purpose Investment Account (SPIA) investment pool, representing ownership of a share of the pool, not the underlying securities (Level 3 inputs).

5. 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, 2024, the University reported the following amounts as accounts receivable:

<u>Description</u>	<u>Amount</u>
Student Tuition and Fees	\$ 23,350,608
Contracts and Grants	25,236,789
Other	924,932
Total Accounts Receivable, Net	\$ 49,512,329

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 \$9,668,024 and \$239,243, respectively, at June 30, 2024.

Leases Receivable

The University leases space in various buildings to external parties. The University records lease receivables and deferred inflows of resources based on the present value of expected receipts over the term of the respective leases. The expected receipts are discounted using the interest rate charged on the lease or using the University's incremental borrowing rate. Variable payments such as common area maintenance are excluded unless they are fixed in substance. During the fiscal year ended June 30, 2024 the University recognized lease revenue of \$664,743 and interest of \$60,392.

Total future minimum rentals to be received under lessor agreements are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 555,664	\$ 57,764	\$ 613,428
2026	501,834	40,433	542,267
2027	239,720	28,622	268,342
2028	170,942	21,736	192,678
2029	135,714	16,556	152,270
2030 - 2034	404,847	21,929	426,776
Total	\$ 2,008,721	\$ 187,040	\$ 2,195,761

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Discretely Presented Component Unit Lease Receivables

The University and Health Care Network are parties to a space leasing agreement for the Ambulatory Care Center with a term of 40 years, expiring in October 2035. For the years ended June 30, 2024, rent expense under this agreement amounted to \$1 per year.

Furthermore, certain space within this facility was subleased. The Health Care Network recognized lease revenue of \$509,770, interest revenue of \$165,764, and common area maintenance income of \$208,472, for a total \$884,006 of lease-related revenue for the year ended June 30, 2024. This sublease runs through 2035, and has an option to renew for an additional 10-year period. Future minimum rentals will be increased by the Bureau Labor Statistics Consumer Price Index ("CPI") on an annual basis.

Future minimum rentals to be received on the sublease are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Common Area Maintenance</u>	<u>Total</u>
2025	\$ 337,261	\$ 153,480	\$ 208,472	\$ 699,213
2026	361,819	140,786	208,472	711,077
2027	374,934	127,631	208,472	711,037
2028	388,525	114,000	208,472	710,997
2029	402,608	99,875	208,472	710,955
2030 - 2034	2,242,824	268,908	1,042,360	3,554,092
2035	384,108	4,446	156,354	544,908
Total	<u>\$ 4,492,079</u>	<u>\$ 909,126</u>	<u>\$ 2,241,074</u>	<u>\$ 7,642,279</u>

6. DUE FROM STATE

The amount due from State consists of \$32,670,277 of Public Education Capital Outlay, \$36,165,002 of Capital Improvement Fee Trust Fund, and \$65,579,271 General Revenues allocation for construction of University facilities.

7. DUE FROM AND TO COMPONENT UNITS/UNIVERSITY

The University's financial statements are reported for the fiscal year ended June 30, 2024. 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 may not agree with amounts reported by the component units as due from and to the University.

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8. CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2024, is shown in the following table:

Description	Beginning Balance	Additions	Reductions	Ending Balance
Nondepreciable Capital Assets:				
Land	\$ 32,818,854	\$ 5,223,275	\$ -	\$ 38,042,129
Works of Art and Historical Treasures	11,353,486	2,438,880	16,400	13,775,966
Construction in Progress	199,303,689	86,700,179	58,503,344	227,500,524
Total Nondepreciable Capital Assets	\$ 243,476,029	\$ 94,362,334	\$ 58,519,744	\$ 279,318,619
Depreciable Capital Assets:				
Buildings	\$ 1,350,407,548	\$ 50,150,412	\$ -	\$ 1,400,557,960
Infrastructure and Other Improvements	72,157,008	4,135,902	-	76,292,910
Furniture and Equipment	193,034,110	18,832,688	5,784,101	206,082,697
Library Resources	132,950,336	237,836	166,732	133,021,440
Leasehold Improvements	752,567	248,748	59,590	941,725
Computer Software	2,751,965	77,723	442,162	2,387,526
Amortizable Capital Assets:				
Right-to-Use Space Lease	42,628,849	-	-	42,628,849
Right-to-Use Equipment Lease	1,828,768	3,016,554	1,828,768	3,016,554
SBITA Assets	5,942,512	2,423,673	-	8,366,185
Total Depreciable/Amortizable Capital Assets	1,802,453,663	79,123,536	8,281,353	1,873,295,846
Less, Accumulated Depreciation:				
Buildings	528,990,531	32,685,363	-	561,675,894
Infrastructure and Other Improvements	31,430,491	4,240,417	-	35,670,908
Furniture and Equipment	132,160,665	13,456,166	5,473,231	140,143,600
Library Resources	121,534,040	2,999,761	166,732	124,367,069
Leasehold Improvements	752,567	58,218	59,590	751,195
Computer Software	2,380,676	148,320	437,316	2,091,680
Less, Accumulated Amortization:				
Right-to-Use Space Lease	10,169,348	6,168,391	-	16,337,739
Right-to-Use Equipment Lease	1,045,011	522,504	1,567,515	-
SBITA Assets	864,476	1,454,141	-	2,318,617
Total Accumulated Depreciation/Amortization	829,327,805	61,733,281	7,704,384	883,356,702
Total Depreciable/Amortizable Capital Assets, Net	\$ 973,125,858	\$ 17,390,255	\$ 576,969	\$ 989,939,144

FLORIDA INTERNATIONAL UNIVERSITY**A COMPONENT UNIT OF THE STATE OF FLORIDA****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2024****9. 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, 2024, to spend the funds.

Unearned revenue at June 30, 2024 includes contracts and grant payments received in advance, nonrefundable admission fees, prepaid stadium rental income received from the Finance Corporation, reservation system fees received prior to fiscal year-end related to subsequent accounting periods, land use fees, and athletic revenues.

As of June 30, 2024, the University reported the following amounts as current unearned revenue:

Description	Amount
Contracts and Grants	\$ 8,872,269
State Capital Appropriations	4,603,322
Admission Fees	2,008,327
Stadium Rental Income	1,304,083
Reservation System Fees	163,334
Land Use Fees	52,381
Athletic Revenues	3,447
Total Current Unearned Revenue	\$ 17,007,163

10. LONG-TERM LIABILITIES

Long-term liabilities of the University at June 30, 2024, include capital improvement debt payable, leases payable, subscription arrangements liability, 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, 2024, is shown below:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Capital Improvement Debt Payable	\$ 189,743,190	\$ -	\$ 8,276,527	\$ 181,466,663	\$ 8,701,528
Leases Payable	34,037,691	3,016,554	6,001,652	31,052,593	5,886,280
Subscription Arrangements Liability	5,200,247	2,423,673	1,263,407	6,360,513	1,542,209
Compensated Absences Payable	55,785,070	7,809,645	4,854,172	58,740,543	5,477,557
Other Postemployment Benefits Payable	262,426,832	282,732,193	264,531,168	280,627,857	7,480,294
Unearned Revenue	71,599,636	30,000,000	34,309,786	67,289,850	-
Liability for Self-Insured Claims	222,187	42,204	37,676	226,715	1,954
Net Pension Liability	300,144,585	157,795,381	125,525,091	332,414,875	-
Other Long-Term Liabilities	637,375	-	88,014	549,361	-
Total Long-Term Liabilities	\$ 919,796,813	\$ 483,819,650	\$ 444,887,493	\$ 958,728,970	\$ 29,089,822

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NOTES TO FINANCIAL STATEMENTS**JUNE 30, 2024****Capital Improvement Debt Payable**

The University had the following capital improvement debt payable outstanding at June 30, 2024:

Capital Improvement Debt Type and Series	Amount of Original Debt	Amount Outstanding (1)	Interest Rates (Percent)	Maturity Date To
Student Housing Debt:				
2015A Student Apartments Refunding	\$ 29,105,000	\$ 17,252,801	3.00 - 5.00	2034
2020A Student Apartments	71,800,000	76,296,480	3.00 - 5.00	2050
2021A Student Apartments Refunding	<u>46,365,000</u>	<u>43,015,995</u>	2.00 - 5.00	2041
Total Student Housing Debt	<u>147,270,000</u>	<u>136,565,276</u>		
Parking Garage Debt:				
2019A Parking Garage Refunding	19,805,000	18,598,702	4.00 - 5.00	2039
2023A Parking Garage Refunding	<u>24,835,000</u>	<u>26,302,685</u>	4.00 - 5.00	2043
Total Parking Garage Debt	<u>44,640,000</u>	<u>44,901,387</u>		
Total Capital Improvement Debt	<u>\$ 191,910,000</u>	<u>\$ 181,466,663</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 \$191,910,000 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 2050. 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 \$227,893,981, and principal and interest paid for the current year totaled \$13,858,575. During the 2023-24 fiscal year, housing rental income totaled \$33,897,782, and parking fees totaled \$14,651,298, comprised of traffic and parking fees totaling \$4,656,636, and assessed transportation fees totaling \$9,994,662.

FLORIDA INTERNATIONAL UNIVERSITY**A COMPONENT UNIT OF THE STATE OF FLORIDA****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2024**

Annual requirements to amortize all capital improvement debt outstanding as of June 30, 2024, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2025	\$ 7,800,000	\$ 6,114,825	\$ 13,914,825
2026	7,380,000	5,724,825	13,104,825
2027	7,715,000	5,385,925	13,100,925
2028	8,065,000	5,031,175	13,096,175
2029	7,080,000	4,657,831	11,737,831
2030-2034	40,385,000	18,315,050	58,700,050
2035-2039	37,580,000	11,018,150	48,598,150
2040-2044	26,650,000	5,421,900	32,071,900
2045-2049	17,465,000	2,174,850	19,639,850
2050	3,815,000	114,450	3,929,450
Subtotal	163,935,000	63,958,981	227,893,981
Net Premiums and Losses on Bond Refundings	17,531,663	-	17,531,663
Total	\$ 181,466,663	\$ 63,958,981	\$ 245,425,644

Leases Payable

The University leases office equipment and space from external parties for various terms under long-term non-cancelable lease agreements. The leases expire at various dates through 2040 and provide for renewal options ranging from two years through five years. In accordance with GASB Statement No. 87, the University records right-to-use assets and lease liabilities based on the present value of expected payments over the lease term of the respective leases. The expected payments are discounted using the interest rate charged on the lease, if available, or are otherwise discounted using the University's incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. The University does not have any leases featuring payments tied to an index or market rate. The University does not have any leases subject to a residual value guarantee. Refer to the capital asset footnote for information relating to right-to-use assets and associated amortization.

Future minimum lease payments are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2025	\$ 5,886,280	\$ 968,908	\$ 6,855,188
2026	5,735,171	786,497	6,521,668
2027	2,819,003	646,558	3,465,561
2028	1,493,235	583,667	2,076,902
2029	1,476,780	532,432	2,009,212
2030 - 2034	6,379,074	1,945,199	8,324,273
2035 - 2039	7,160,058	698,517	7,858,575
2040	102,992	321	103,313
Total	\$ 31,052,593	\$ 6,162,099	\$ 37,214,692

Subscription Arrangements Liability

The University has three SBITAs for the right to use teaching, purchasing, and call center/management assets from IT vendors for various terms under long-term non-cancelable agreements. The SBITAs expire at various dates through 2031 and provide for renewal options of three years. In accordance with GASB Statement No. 96, the University records SBITA assets and liabilities based on the present value of expected payments over the term of the respective SBITA. The expected payments are discounted using the interest rate charged on the SBITA, if available, or are otherwise discounted using the University's incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. Refer to the capital asset footnote for information relating to SBITA assets and associated amortization.

Future minimum payments under SBITA and present value of the minimum payments are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2025	\$ 1,542,209	\$ 156,179	\$ 1,698,388
2026	1,613,924	126,928	1,740,852
2027	1,115,428	73,279	1,188,707
2028	1,137,330	41,536	1,178,866
2029	340,675	20,454	361,129
2030 - 2031	610,947	13,899	624,846
Total	\$ 6,360,513	\$ 432,275	\$ 6,792,788

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, 2024, the estimated liability for compensated absences, which includes the University's share of the Florida Retirement System and FICA contributions, totaled \$58,740,543. The current portion of the compensated absences liability, \$5,477,557, 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 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 four 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 \$280,627,857 was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022. At June 30, 2023, the University's proportionate share, determined by its proportion of total benefit payments made, was 3.35 percent, which was unchanged from its proportionate share measured as of June 30, 2022.

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	2.40 percent
Salary Increases	Varies by FRS class
Discount Rate	4.13 percent
Healthcare Cost Trend Rates	8.1 percent for 2024, decreasing to an ultimate rate of 4.04 percent for 2075 and years later for all employees in the Preferred Provider Option (PPO) Plan.
PPO Plan	
HMO Plan	6.44 percent for 2024, decreasing to an ultimate rate of 4.04 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 S&P Municipal 20-year High Grade Rate Index.

Mortality rates were based on the Pub-2010 mortality tables with fully generational improvement using Scale MP-2018.

The demographic actuarial assumptions for retirement, withdrawal, disability incidence, and salary merit scales used in the July 1, 2022 valuation were updated based on those used in the actuarial valuation of the FRS Plan conducted by Milliman as of July 1, 2019 with adjustments for demographic differences.

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The following changes have been made since the prior valuation:

- The discount rate was updated to utilize the mandated discount rate based on a 20-year S&P Municipal Bond Rate Index as of the measurement date, as required under GASB 75. The discount rate increased from 4.09 percent to 4.13 percent.
- For those in the Special Risk Class, disability rates were updated to those used in the actuarial valuation of the Florida Retirement System conducted by Milliman as of July 1, 2022.
- For Law Enforcement Officers, the percentage of members assumed to elect to participate in the Deferred Retirement Option Program (DROP) was updated to align with rates used in the actuarial valuation of the FRS conducted by Milliman as of July 1, 2022. Further, Law Enforcement Officers' maximum DROP participation period was extended from 60 months (five years) to 96 months (eight years).
- Inflation was lowered to match the 2.4% used in the actuarial valuation of the FRS conducted by Milliman as of July 1, 2022.

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 (3.13 percent) or 1 percentage point higher (5.13 percent) than the current rate:

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
University's proportionate share of the total OPEB liability	\$ 346,512,795	\$ 280,627,857	\$ 234,563,475

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
University's proportionate share of the total OPEB liability	\$ 226,459,062	\$ 280,627,857	\$ 360,473,480

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

For the fiscal year ended June 30, 2024, the University recognized negative OPEB expense of \$2,285,303. At June 30, 2024, 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
Differences between expected and actual experience	\$ -	\$ 23,213,781
Changes of assumptions or other inputs	25,401,965	133,753,095
Changes in proportion and differences between University benefit payments and proportionate share of benefit payments	37,738,999	6,148,112
Transactions subsequent to the measurement date	7,480,294	-
Total	\$ 70,621,258	\$ 163,114,988

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Of the total amount reported as deferred outflows of resources related to OPEB, \$7,480,294 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, 2025. 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
2025	\$ (24,065,816)
2026	(17,178,641)
2027	(13,119,644)
2028	(16,008,001)
2029	(16,008,001)
Thereafter	(13,593,921)
Total	\$ (99,974,024)

Unearned Revenue

Long-term unearned revenue at June 30, 2024, 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, and land use fees received prior to the fiscal year-end related to subsequent accounting periods.

As of June 30, 2024, the University reported the following amounts as long-term unearned revenue:

Description	Amount
State Capital Appropriations	\$ 43,871,337
National Institute of Health Grant	11,500,000
Stadium Rental Income	10,323,992
Land Use Fees	1,594,521
Total Unearned Revenue	\$ 67,289,850

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, 2024, the University's proportionate share of the net pension liabilities totaled \$332,414,875.

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 collecting Federal Perkins Loans or have excess cash in the loan program.

11. DISCRETELY PRESENTED COMPONENT UNITS DEBT ISSUES

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 SOFR plus 1.52 percent (1.40 percent plus 0.12 percent SOFR adjustment). The term SOFR adjustment is based on the difference between the LIBOR rate and the SOFR rate at the time of conversion and is used to ensure that the variable component of the loan continues to be synthetically fixed at the agreed upon rate.

On June 1, 2023 the Miami-Dade County Industrial Development Authority, as the Conduit Issuer, amended the 2009A Trust Indenture to reflect the termination of the LIBOR and the adoption of the SOFR as the loan's reference rate. The SOFR rate index was adopted by the Alternative Reference Rates Committee (ARRC) as the replacement rate index to the LIBOR. The ARRC is under the oversight of the Federal Reserve Board. Regions Bank modified the swap agreement to reflect the change in the Trust Indenture. The variable component of the loan is synthetically fixed at 5 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, 2024, was \$19,360,000.

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 \$3,013,976 and is included in restricted investments.

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

The interest rate on these bonds is both fixed and variable and is subject to a swap agreement 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.

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The aggregate maturities of these bonds as of June 30, 2024, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2025	\$ 1,825,000	\$ 849,284	\$ 2,674,284
2026	1,900,000	769,704	2,669,704
2027	1,985,000	686,768	2,671,768
2028	2,080,000	601,836	2,681,836
2029	2,160,000	509,581	2,669,581
2030-2032	9,410,000	945,112	10,355,112
Total	\$ 19,360,000	\$ 4,362,285	\$ 23,722,285

12. 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 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 3.48 percent and receive a variable rate equal to 63.7 percent of the three-month SOFR. The interest rate swap agreement has a maturity date of March 1, 2033.

Fair Value. As of June 30, 2024, the Finance Corporation interest rate swap agreement has a derivative liability of \$554,074 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, 2024.

As of June 30, 2024, the fair value of the Series 2007A ineffective interest rate swap agreement was \$847,394, 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 \$847,394 of the ineffective Series 2007A interest rate swap agreement is being amortized over the remaining life of the refunded Series 2009A bonds.

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 inflow of resources in the amount of \$293,319.

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Credit Risk. As of June 30, 2024, 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.

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 SOFR 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) "Baa1" as determined by Moody's; or b) "BBB" as determined by Standard and Poor's; or c) "BBB+" as determined by Fitch Ratings. As of June 30, 2024, the swap counterparty was rated in excess of the aforementioned requirements.

Swap Payments and Associated Debt. Using rates as of June 30, 2024, 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		
2025	\$ 1,245,000	\$ 657,409	\$ 11,392	\$ 1,913,801
2026	1,300,000	599,164	10,336	1,909,500
2027	1,355,000	535,266	9,234	1,899,500
2028	1,415,000	468,665	8,085	1,891,750
2029	1,485,000	399,115	6,885	1,891,000
2030-2032	6,635,000	833,620	14,380	7,483,000
Total	\$ 13,435,000	\$ 3,493,239	\$ 60,312	\$ 16,988,551

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

13. 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.

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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 \$85,007,409 for the fiscal year ended June 30, 2024.

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 four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost of living adjustments to eligible participants.

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

Benefits Provided. Benefits under the Plan are computed on the basis of age, and/or years of service, average final compensation, and credit service. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 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.

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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.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees.

Contribution rates during the 2023-24 fiscal year were:

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (1)</u>
Florida Retirement System, Regular	3.00	13.57
Florida Retirement System, Senior Management Service	3.00	34.52
Florida Retirement System, Special Risk	3.00	32.67
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	21.13
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.

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The University's contributions to the Plan totaled \$32,977,607 for the fiscal year ended June 30, 2024.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2024, the University reported a liability of \$245,881,092 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The University's proportionate share of the net pension liability was based on the University's 2022-23 fiscal year contributions relative to the total 2022-23 fiscal year contributions of all participating members. At June 30, 2023, the University's proportionate share was 0.617065551 percent, which was a decrease of 0.037454046 from its proportionate share measured as of June 30, 2022.

For the year ended June 30, 2024, the University recognized pension expense of \$51,534,384. 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	\$ 23,086,113	\$ -
Change of Assumptions	16,028,569	-
Net Difference Between Projected and Actual Earnings on FRS Plan Investments	10,268,660	-
Changes in Proportion and Differences Between University FRS Contributions and Proportionate Share of FRS Contributions	6,516,795	9,682,968
University FRS Contributions Subsequent to the Measurement Date	32,977,607	-
Total	\$ 88,877,744	\$ 9,682,968

The deferred outflows of resources related to pensions totaling \$32,977,607, 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, 2025.

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
2025	\$ 6,653,836
2026	(3,405,347)
2027	39,915,388
2028	2,557,108
2029	496,184
Total	\$ 46,217,169

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Actuarial Assumptions. The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.25 percent, average, including inflation
Investment rate of return	6.70 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

The actuarial assumptions used in the July 1, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

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

The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1 %	2.9 %	2.9 %	1.1 %
Fixed Income	19.8 %	4.5 %	4.4 %	3.4 %
Global Equity	54 %	8.7 %	7.1 %	18.1 %
Real Estate (Property)	10.3 %	7.6 %	6.6 %	14.8 %
Private Equity	11.1 %	11.9 %	8.8 %	26.3 %
Strategic Investments	3.8 %	6.3 %	6.1 %	7.7 %
Total	100 %			
Assumed Inflation - Mean			2.4 %	1.4 %

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

Discount Rate. The discount rate used to measure the total pension liability was 6.70 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 2023 valuation remained the same at 6.70 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 6.70 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 (5.70 percent) or 1 percentage point higher (7.70 percent) than the current rate:

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
University's Proportionate Share of the Net Pension Liability	\$ 420,014,973	\$ 245,881,092	\$ 100,197,266

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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 Annual Comprehensive Financial Report.

HIS Pension Plan

Plan Description. The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under section 112.363, Florida Statutes and may be amended by the Florida Legislature at any time. 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, 2024, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 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, 2024, the contribution rate was 2 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 \$4,665,254 for the fiscal year ended June 30, 2024.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2024, the University reported a liability of \$86,533,783 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. For the fiscal year 2022-23, there is no current portion. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, and update procedures were used to determine the net pension liability as of July 1, 2023. The University's proportionate share of the net pension liability was based on the University's 2022-23 fiscal year contributions relative to the total 2022-23 fiscal year contributions of all participating members. At June 30, 2023, the University's proportionate share was 0.5448773 percent, which was an increase of 0.010390431 from its proportionate share measured as of June 30, 2022.

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For the fiscal year ended June 30, 2024, the University recognized pension expense of \$33,473,025. 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	\$ 1,266,796	\$ 203,107
Change of Assumptions	2,274,947	7,498,444
Net Difference Between Projected and Actual Earnings on HIS Plan Investments	44,687	-
Changes in Proportion and Differences Between University HIS Contributions and Proportionate Share of HIS Contributions	2,688,270	-
University HIS Contributions Subsequent to the Measurement Date	4,665,254	-
Total	\$ 10,939,954	\$ 7,701,551

The deferred outflows of resources totaling \$4,665,254 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, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2025	\$ 174,819
2026	296,881
2027	(239,951)
2028	(1,112,082)
2029	(544,019)
Thereafter	(2,499)
Total	\$ (1,426,851)

Actuarial Assumptions. The total pension liability at July 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	3.65 percent

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

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 3.65 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 2023 valuation was updated from 3.54 percent to 3.65 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 3.65 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 (2.65 percent) or 1 percentage point higher (4.65 percent) than the current rate:

	<u>1% Decrease</u> <u>(2.65%)</u>	<u>Current Discount</u> <u>Rate (3.65%)</u>	<u>1% Increase</u> <u>(4.65%)</u>
University's Proportionate Share of the Net Pension Liability	\$ 98,721,541	\$ 86,533,783	\$ 76,430,950

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 Annual Comprehensive Financial Report.

14. 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 Annual Comprehensive 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 2023-24 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross</u> <u>Compensation</u>
Florida Retirement System, Regular	11.30
Florida Retirement System, Senior Management Service	12.67
Florida Retirement System, Special Risk Regular	19.00

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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, 2024, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the University.

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

The University's Investment Plan pension expense totaled \$12,322,105 for the fiscal year ended June 30, 2024.

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, 4.78 percent to cover the unfunded actuarial liability of the FRS pension plan, and 0.01 percent to cover administrative costs for a total of 9.93 percent, and employees contribute three 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 \$26,708,420 and employee contributions totaled \$14,262,214 for the 2023-24 fiscal year.

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15. CONSTRUCTION COMMITMENTS

The University's major construction commitments at June 30, 2024, were as follows:

Project Description	Total Commitment	Completed to Date	Balance Committed
Engineering Building II	\$ 33,500,000	\$ 282,668	\$ 33,217,332
Auxiliary Construction Projects	102,184,597	69,058,164	33,126,433
Graham Center Expansion	23,900,295	-	23,900,295
Deferred Building Maintenance	30,780,046	7,274,632	23,505,414
Nondenominational Chapel	25,899,558	6,809,209	19,090,349
Engineering Building I	71,244,655	57,158,281	14,086,374
Case Building Remodel/Renovation	7,150,000	1,050,283	6,099,717
MMC Aquatic Center	5,000,000	-	5,000,000
Herbert Wertheim College of Medicine Academic Health Sciences/Clinical Facility	5,000,000	119,480	4,880,520
EC MSRI CAT6 Project	3,661,115	261,095	3,400,020
Subtotal	308,320,266	142,013,812	166,306,454
Projects with Balance Committed Under \$3 Million	111,237,390	85,486,712	25,750,678
Total	<u>\$ 419,557,656</u>	<u>\$ 227,500,524</u>	<u>\$ 192,057,132</u>

16. RELATED PARTY TRANSACTIONS**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
2025	\$ 1,304,083
2026	1,304,083
2027	1,304,083
2028	1,304,083
2029	1,304,083
2030-2033	5,107,660
Total Minimum Payments Required	<u>\$ 11,628,075</u>

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Health Care Network

Effective November 28, 2023, an agreement was executed by the FIU Board of Trustees, Herbert Wertheim College of Medicine, and FIU Health with Baptist Health South Florida, Inc. ("Baptist") to develop an academic medical center enterprise that will drive clinical, research and education growth for the benefit of residents of South Florida. The agreement is effective through November 2033 with two automatic extensions of five years each.

For the year ended June 30, 2024, total revenues earned under the terms of the agreement were \$12,157,381, composed of \$5,000,000 in academic mission support, \$5,000,000 in research support, and \$2,157,381 in reimbursements for net operating losses related to the Ambulatory Care Center.

17. 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 2031, 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 \$3.7 million during the 2023-24 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 2023-24 fiscal year for utilities, repairs, and maintenance expenses for buildings used by the Wolfsonian.

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18. 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 2023-24 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 \$40.2 million for flood and \$38.6 for named windstorm through February 14, 2024, and increased to \$62.5 million starting February 15, 2024. For perils other than named windstorm and flood, losses in excess of \$2 million per occurrence were commercially insured up to \$184.8 million through February 14, 2024 and increased to \$237.5 million starting February 15, 2024; 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 2022-23 and 2023-24 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, 2023	\$ 227,055	\$ 45,889	\$ (50,757)	\$ 222,187
June 30, 2024	222,187	42,391	(37,863)	226,715

FLORIDA INTERNATIONAL UNIVERSITY

A COMPONENT UNIT OF THE STATE OF FLORIDA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

19. 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	\$ 404,546,023
Research	203,629,108
Public Services	16,853,803
Academic Support	130,713,277
Student Services	80,476,551
Institutional Support	113,861,637
Operation and Maintenance of Plant	69,532,075
Scholarships, Fellowships, and Waivers	160,684,074
Depreciation	61,733,281
Auxiliary Enterprises	73,274,327
Total Operating Expenses	\$ 1,315,304,156

FLORIDA INTERNATIONAL UNIVERSITY**A COMPONENT UNIT OF THE STATE OF FLORIDA****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2024****20. SEGMENT INFORMATION**

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

The following financial information for the University's Housing and Parking facilities represents identifiable activities for which one or more bonds are outstanding:

Condensed Statement of Net Position

	<u>Housing Facilities</u>	<u>Parking Facilities</u>
Assets		
Current Assets	\$ 31,310,464	\$ 12,750,898
Capital Assets, Net	202,536,820	87,236,124
Other Noncurrent Assets	<u>365,990</u>	<u>1,046,236</u>
Total Assets	<u>234,213,274</u>	<u>101,033,258</u>
Liabilities		
Current Liabilities	7,385,547	2,293,186
Noncurrent Liabilities	<u>130,023,369</u>	<u>43,213,547</u>
Total Liabilities	<u>137,408,916</u>	<u>45,506,733</u>
Net Position		
Net Investment in Capital Assets	65,971,545	42,373,533
Restricted - Expendable	467,133	1,028,754
Unrestricted	<u>30,365,680</u>	<u>12,124,238</u>
Total Net Position	<u>\$ 96,804,358</u>	<u>\$ 55,526,525</u>

FLORIDA INTERNATIONAL UNIVERSITY

A COMPONENT UNIT OF THE STATE OF FLORIDA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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

	<u>Housing Facilities</u>	<u>Parking Facilities</u>
Operating Revenues	\$ 33,897,782	\$ 14,651,298
Depreciation Expense	(6,524,236)	(3,496,563)
Other Operating Expenses	<u>(18,949,526)</u>	<u>(10,457,288)</u>
Operating Income	<u>8,424,020</u>	<u>697,447</u>
Nonoperating Revenues (Expenses):		
Nonoperating Revenue	914,546	357,491
Interest Expense	<u>(3,952,274)</u>	<u>(1,629,773)</u>
Net Nonoperating Expenses	<u>(3,037,728)</u>	<u>(1,272,282)</u>
Income (Loss) Before Transfers	5,386,292	(574,835)
Net Transfers	<u>(3,039)</u>	<u>99,120</u>
Increase (Decrease) in Net Position	5,383,253	(475,715)
Net Position, Beginning of Year	<u>91,421,105</u>	<u>56,002,240</u>
Net Position, End of Year	<u><u>\$ 96,804,358</u></u>	<u><u>\$ 55,526,525</u></u>

Condensed Statement of Cash Flows

	<u>Housing Facilities</u>	<u>Parking Facilities</u>
Net Cash Provided (Used) by:		
Operating Activities	\$ 14,618,398	\$ 4,432,443
Noncapital Financing Activities	30,666	-
Capital and Related Financing Activities	(15,459,797)	(4,035,914)
Investing Activities	<u>179,467</u>	<u>(292,148)</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(631,266)	104,381
Cash and Cash Equivalents, Beginning of Year	<u>6,070,601</u>	<u>3,564,112</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 5,439,335</u></u>	<u><u>\$ 3,668,493</u></u>

FLORIDA INTERNATIONAL UNIVERSITY

A COMPONENT UNIT OF THE STATE OF FLORIDA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

21. 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	\$ 34,694,656	\$ 4,643,470	\$ 20,626,601	\$ 59,964,727
Capital Assets, Net	7,553,621	-	1,461,104	9,014,725
Other Noncurrent Assets	441,559,891	13,337,968	4,154,818	459,052,677
Total Assets	483,808,168	17,981,438	26,242,523	528,032,129
Deferred Outflows of Resources	-	131,400	-	131,400
Liabilities				
Current Liabilities	12,443,710	3,099,406	3,783,371	19,326,487
Noncurrent Liabilities	391,487	18,941,316	-	19,332,803
Total Liabilities	12,835,197	22,040,722	3,783,371	38,659,290
Deferred Inflows of Resources	284,555	293,319	4,287,666	4,865,540
Net Position				
Net Investment in Capital Assets	7,127,263	-	1,461,104	8,588,367
Restricted Nonexpendable	213,440,170	-	-	213,440,170
Restricted Expendable	179,568,720	-	5,000,000	184,568,720
Unrestricted	70,552,263	(4,221,203)	11,710,382	78,041,442
Total Net Position	\$ 470,688,416	\$ (4,221,203)	\$ 18,171,486	\$ 484,638,699

FLORIDA INTERNATIONAL UNIVERSITY

A COMPONENT UNIT OF THE STATE OF FLORIDA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

**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	\$ 35,112,055	\$ 6,080,638	\$ 16,599,108	\$ 57,791,801
Depreciation Expense	(211,313)	-	(10,569)	(221,882)
Operating Expenses	<u>(63,696,301)</u>	<u>(3,049,207)</u>	<u>(4,353,984)</u>	<u>(71,099,492)</u>
Operating (Loss) Income	<u>(28,795,559)</u>	<u>3,031,431</u>	<u>12,234,555</u>	<u>(13,529,573)</u>
Net Nonoperating Revenues (Expenses)				
Investment Income	46,081,193	223,405	513,055	46,817,653
Interest Expense	-	(870,485)	-	(870,485)
Other Nonoperating Revenues (Expenses)	<u>15,846,299</u>	<u>(2,211,524)</u>	<u>-</u>	<u>13,634,775</u>
Net Nonoperating Revenues/(Expenses)	<u>61,927,492</u>	<u>(2,858,604)</u>	<u>513,055</u>	<u>59,581,943</u>
Increase in Net Position	33,131,933	172,827	12,747,610	46,052,370
Net Position, Beginning of Year	<u>437,556,483</u>	<u>(4,394,030)</u>	<u>5,423,876</u>	<u>438,586,329</u>
Net Position, End of Year	<u><u>\$ 470,688,416</u></u>	<u><u>\$ (4,221,203)</u></u>	<u><u>\$ 18,171,486</u></u>	<u><u>\$ 484,638,699</u></u>

22. SUBSEQUENT EVENTS RELATED PARTY

On August 21, 2024, the University entered into a ten year football stadium naming rights and sponsorship agreement. As a result, the Finance Corporation has been in negotiation with a bank to restructure the debt. As of June 30, 2024, the terms have not yet been finalized; therefore the impact is not readily determinable.

FLORIDA INTERNATIONAL UNIVERSITY
OTHER REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE UNIVERSITY'S PROPORTIONATE SHARE OF THE TOTAL OTHER
POSTEMPLOYMENT BENEFITS LIABILITY

	<u>2023 (1)</u>	<u>2022 (1)</u>	<u>2021 (1)</u>	<u>2020 (1)</u>	<u>2019 (1)</u>
University's Proportion of the Total Other Postemployment Benefits Liability	3.35 %	3.35 %	3.40 %	3.43 %	3.18 %
University's Proportionate Share of the Total Other Postemployment Benefits Liability	\$280,627,857	\$262,426,832	\$358,187,113	\$352,563,977	\$402,994,810
University's Covered Payroll	\$468,730,623	\$459,617,718	\$449,423,678	\$441,956,666	\$426,565,567
University's Proportionate Share of the Total Other Postemployment Benefits Liability as a Percentage of its Covered Payroll	59.87 %	57.10 %	79.70 %	79.77 %	94.47 %

(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, 2024, proportionate share of the total OPEB liability increased slightly from the prior fiscal year as a result of changes to assumptions as discussed below.

Changes in Assumptions. In 2024, amounts reported as changes of assumptions resulted from changes to the disability, inflation, and discount rates, and changes to the participation period for Law Enforcement Officers in the DROP program. Refer to Note 10 to the financial statements for further detail.

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 %

FLORIDA INTERNATIONAL UNIVERSITY
OTHER REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
FLORIDA RETIREMENT SYSTEM PENSION PLAN

	<u>2023 (1)</u>	<u>2022 (1)</u>	<u>2021 (1)</u>	<u>2020 (1)</u>	<u>2019 (1)</u>
University's Proportion of the FRS Net Pension Liability	0.62%	0.65%	0.63%	0.62%	0.64%
University's Proportionate Share of the FRS Net Pension Liability	\$245,881,092	\$243,533,889	\$ 47,237,454	\$270,111,316	\$219,045,078
University's Covered Payroll (2)	\$468,730,623	\$459,617,718	\$449,423,678	\$441,956,666	\$426,565,567
University's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	52.46 %	52.99 %	10.51 %	61.12 %	51.35 %
FRS Plan Fiduciary Net Pension as a Percentage of the FRS Total Pension Liability	82.38 %	82.89 %	96.40 %	78.85 %	82.61 %

(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. In 2023, there were no changes in assumptions.

FLORIDA INTERNATIONAL UNIVERSITY
OTHER REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
FLORIDA RETIREMENT SYSTEM PENSION PLAN

	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
University's Proportion of the FRS Net Pension Liability	0.62%	0.58%	0.58%	0.57%	0.53%
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
University's Covered Payroll (2)	\$ 402,854,082	\$ 388,298,438	\$ 370,763,486	\$ 355,458,891	\$ 332,597,433
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 %
FRS Plan Fiduciary Net Pension as a Percentage of the FRS Total Pension Liability	84.26 %	83.89 %	84.88 %	92.00 %	96.09 %

FLORIDA INTERNATIONAL UNIVERSITY
OTHER REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF UNIVERSITY CONTRIBUTIONS -
FLORIDA RETIREMENT SYSTEM PENSION PLAN

	<u>2024 (1)</u>	<u>2023 (1)</u>	<u>2022 (1)</u>	<u>2021 (1)</u>	<u>2020 (1)</u>
Contractually Required FRS Contribution	\$ 32,977,607	\$ 29,684,822	\$ 27,929,542	\$ 23,822,815	\$ 20,706,730
FRS Contributions in Relation to the Contractually Required Contribution	<u>(32,977,607)</u>	<u>(29,684,822)</u>	<u>(27,929,542)</u>	<u>(23,822,815)</u>	<u>(20,706,730)</u>
FRS Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's Covered Payroll (2)	\$492,188,455	\$468,730,623	\$459,617,718	\$449,423,678	\$441,956,666
FRS Contributions as a Percentage of Covered Payroll	6.70 %	6.33 %	6.08 %	5.30 %	4.69 %

(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. In 2023, there were no changes in assumptions.

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>
Contractually Required FRS Contribution	\$ 19,721,988	\$ 17,686,866	\$ 15,160,433	\$ 14,085,792	\$ 13,836,828
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>
FRS Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's Covered Payroll (2)	\$426,565,567	\$402,854,082	\$388,298,438	\$370,763,486	\$355,458,891
FRS Contributions as a Percentage of Covered Payroll	4.62 %	4.39 %	3.90 %	3.80 %	3.89 %

FLORIDA INTERNATIONAL UNIVERSITY
OTHER REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
HEALTH INSURANCE SUBSIDY PENSION PLAN

	<u>2023 (1)</u>	<u>2022 (1)</u>	<u>2021 (1)</u>	<u>2020 (1)</u>	<u>2019 (1)</u>
University's Proportion of the HIS Net Pension Liability	0.54%	0.53%	0.53%	0.52%	0.52%
University's Proportionate Share of the HIS Net Pension Liability	\$ 86,533,783	\$ 56,610,696	\$ 65,172,184	\$ 63,843,336	\$ 58,182,613
University's Covered Payroll (2)	\$ 188,602,098	\$ 188,456,096	\$ 182,271,803	\$ 178,126,318	\$ 168,199,711
University's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	45.88 %	30.04 %	35.76 %	35.84 %	34.59 %
HIS Plan Fiduciary Net Pension as a Percentage of the HIS Total Pension Liability	4.12 %	4.81 %	3.56 %	3.00 %	2.63 %

(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. In 2023, the municipal rate used to determine total pension liability increased from 3.54 percent to 3.65 percent. In addition, the level of monthly benefits increased from \$5 times years of service to \$7.50 times years of service, with an increased minimum of \$45 and a maximum of \$225.

FLORIDA INTERNATIONAL UNIVERSITY
OTHER REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
HEALTH INSURANCE SUBSIDY PENSION PLAN

	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
University's Proportion of the HIS Net Pension Liability	0.50%	0.49%	0.48%	0.47%	0.45%
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
University's Covered Payroll (2)	\$156,730,885	\$168,353,927	\$147,667,524	\$140,089,301	\$130,882,051
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 %
HIS Plan Fiduciary Net Pension as a Percentage of the HIS Total Pension Liability	2.15 %	1.64 %	0.97 %	0.50 %	0.99 %

FLORIDA INTERNATIONAL UNIVERSITY
OTHER REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF UNIVERSITY CONTRIBUTIONS -
HEALTH INSURANCE SUBSIDY PENSION PLAN

	<u>2024 (1)</u>	<u>2023 (1)</u>	<u>2022 (1)</u>	<u>2021 (1)</u>	<u>2020 (1)</u>
Contractually Required HIS Contribution	\$ 4,665,254	\$ 3,584,299	\$ 3,234,096	\$ 3,122,998	\$ 3,013,138
HIS Contributions in Relation to the Required HIS Contribution	<u>(4,665,254)</u>	<u>(3,584,299)</u>	<u>(3,234,096)</u>	<u>(3,122,998)</u>	<u>(3,013,138)</u>
HIS Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's Covered Payroll (2)	\$212,059,929	\$188,602,098	\$188,456,096	\$182,271,803	\$178,126,318
HIS Contributions as a Percentage of Covered Payroll	2.20 %	1.90 %	1.72 %	1.71 %	1.69 %

(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. In 2023, the municipal rate used to determine total pension liability increased from 3.54 percent to 3.65 percent. In addition, the level of monthly benefits increased from \$5 times years of service to \$7.50 times years of service, with an increased minimum of \$45 and a maximum of \$225.

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>
Contractually Required HIS Contribution	\$ 2,887,500	\$ 2,720,447	\$ 2,587,349	\$ 2,473,222	\$ 1,806,322
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>
HIS Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's Covered Payroll (2)	\$ 168,199,711	\$ 156,730,885	\$ 168,353,927	\$ 147,667,524	\$ 140,089,301
HIS Contributions as a Percentage of Covered Payroll	1.72 %	1.74 %	1.54 %	1.67 %	1.29 %



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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 (*Government Auditing Standards*), the financial statements of the 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, 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated February 27, 2025, 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.

Report on 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) as a basis for designing 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. 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
February 27, 2025
Audit Report No. 2025-133





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